

Washington State
Department of Licensing

2017-2019
Biennial
Budget
Submittal

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

September 16, 2016

David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

Dear Mr. Schumacher:

Enclosed is the Department of Licensing's (DOL) proposed 2017-19 biennial budget request for your review. Our proposed budget is based on Governor Inslee's goals for Healthy and Safe Communities, a Prosperous Economy, and Efficient, Effective, and Accountable Government.

The department is requesting funding to continue the agency's technology modernization project implementation, to advance the Target Zero Strategic Highway Safety Plan, address facility and equipment needs, and respond to increased demands for DOL services.

Business Technology and Modernization – Drivers Module and System Maintenance: DOL requests continued funding to improve business processes through the replacement of the state's antiquated driver licensing system. This is part of the ongoing Business and Technology Modernization (BTM) project. This budget request provides funding during 2017-19 biennium to complete the replacement of the driver licensing system by June 2018 – a full year ahead of the original investment plan timeline.

Currently, the overall modernization project is ahead of schedule and within budget. The vehicle licensing portion of the modernization project, which started in June 2015, is expected to be implemented in December 2016. Consistent with the investment plan, DOL also requests ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems to ensure DOL is running the latest version of the configured Commercial Off-The-Shelf solution to support the agency's vehicle and driver licensing functions. The project supports more efficient, accurate and reliable vehicle and driver licensing services and revenue collection.

Central Issuance System – Completion and Maintenance: DOL requests funding to complete the Central Issuance System (CIS) project and support ongoing system maintenance and operations. This is part of the on-going Business and Technology Modernization (BTM) project that replaces the department's antiquated centralized issuance system for driver licenses and identification cards. Once complete this new system will improve the current processes for issuing driver licenses and will make it easier for the department to adapt new licensing requirements. The CIS project is in the testing stage and is on track to begin deployment in licensing offices starting January 2017. CIS will be substantially complete and in production by the end of the 2015-17 biennium, DOL requests additional resources to complete stabilization, optimization, legacy CIS decommissioning, and data conversion. DOL is on track to complete implementation by December 2017.

New Drivers Requirements: DOL is the lead agency for the Target Zero Strategic Highway Safety Plan as it relates to young drivers age 16-25. Despite coordinated Target Zero efforts, young driver fatalities are increasing. Young driver involved fatalities in Washington went up 20 percent between 2014 and 2015. Serious injuries also went up by 10 percent during that same time period. DOL in partnership with the Washington State Patrol (WSP) and Washington Traffic Safety Commission (WTSC), is proposing a comprehensive Young Driver Target Zero agency request bill for the 2017 session. This policy legislation supports the state's goal to reach zero traffic deaths and serious injuries by 2030. DOL requests funding for two additional FTEs for the Driver Training School Program

(a curriculum specialist and an auditor) to improve traffic safety education throughout the state as part of the legislative package. Key policy changes include the following research based measures:

- Extending the Permit Requirement from 6 Months to 1 Year for Drivers Under 18
- Young Adult Permit Requirement
- Minimum 30 Day Permit Requirement
- Nighttime Driving Restriction Changes
- Expanding Passenger Restrictions
- Increasing Behind-the-Wheel Practice Time from 50 to 100 Hours
- Extending Driver Training to Young Adults 18-20
- Improving Instructor Effectiveness and Curriculum Quality

Facility 6 Year Plan – Maximizing Space at Licensing Service Offices: DOL requests funding to reconfigure 12 driver licensing offices and relocate six licensing offices to meet the operational and strategic facility needs identified in the 2017-2023 Six-Year Facilities Plan that is required by the Office of Financial Management. This request responds to population changes, workload volumes, inefficient facilities and demand for driver licensing services. Relocations will address current spaces that cannot accommodate the number of customer service counters needed for the available staff, overcrowded workstations and customer waiting areas. Reconfigurations will convert existing space within these offices from lower value to higher value uses. Based on available information, the most economical path is to complete reconfigurations of existing facilities when practical.

In addition, the department seeks funding and/or spending authority to cover the increased cost of doing business including credit card cost increases related to online transactions, licensing card production, and postage and printing. DOL is experiencing increased business costs as a result of population growth. DOL's Washington State Drivers Report noted that driver in-migration (population moving to Washington from other states) was up 10.2 percent over the previous year, while the 2016 report indicated continued in-migration of 10 percent over the 2015 report.

This budget proposal funds our ongoing commitment to work towards a better, safer future for the state of Washington as we continue to implement smarter business strategies, enhance public safety, focus technology and facility investments to meet customer expectations, and deliver the best value to the people of Washington State. If you or your staff have any questions please contact me at (360) 902-3603 or Diamatris Winston, our Chief Budget and Forecasting Officer at (360) 902-3644.

Sincerely,



Pat Kohler
Director

cc: Diamatris Winston, Department of Licensing

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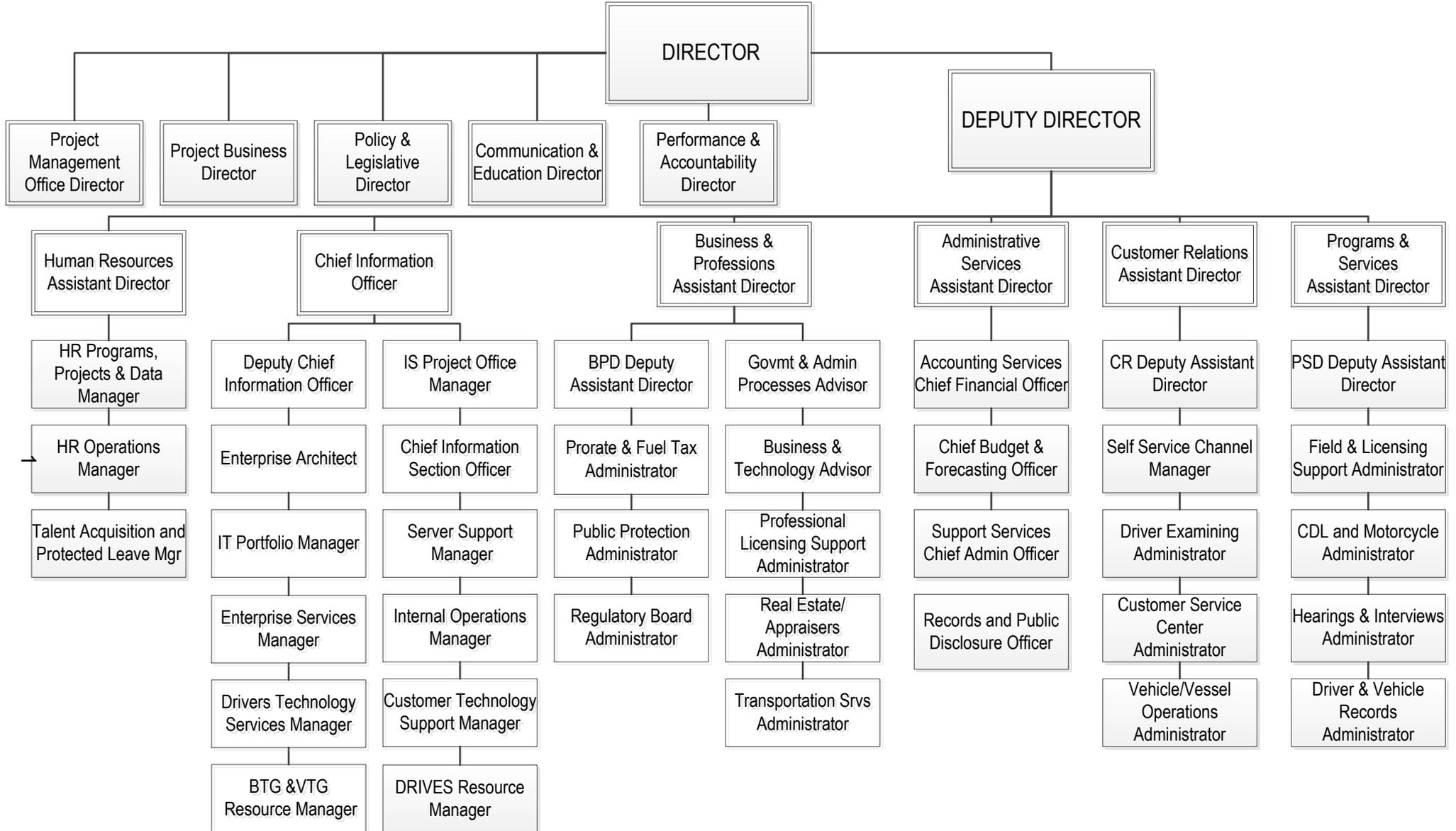
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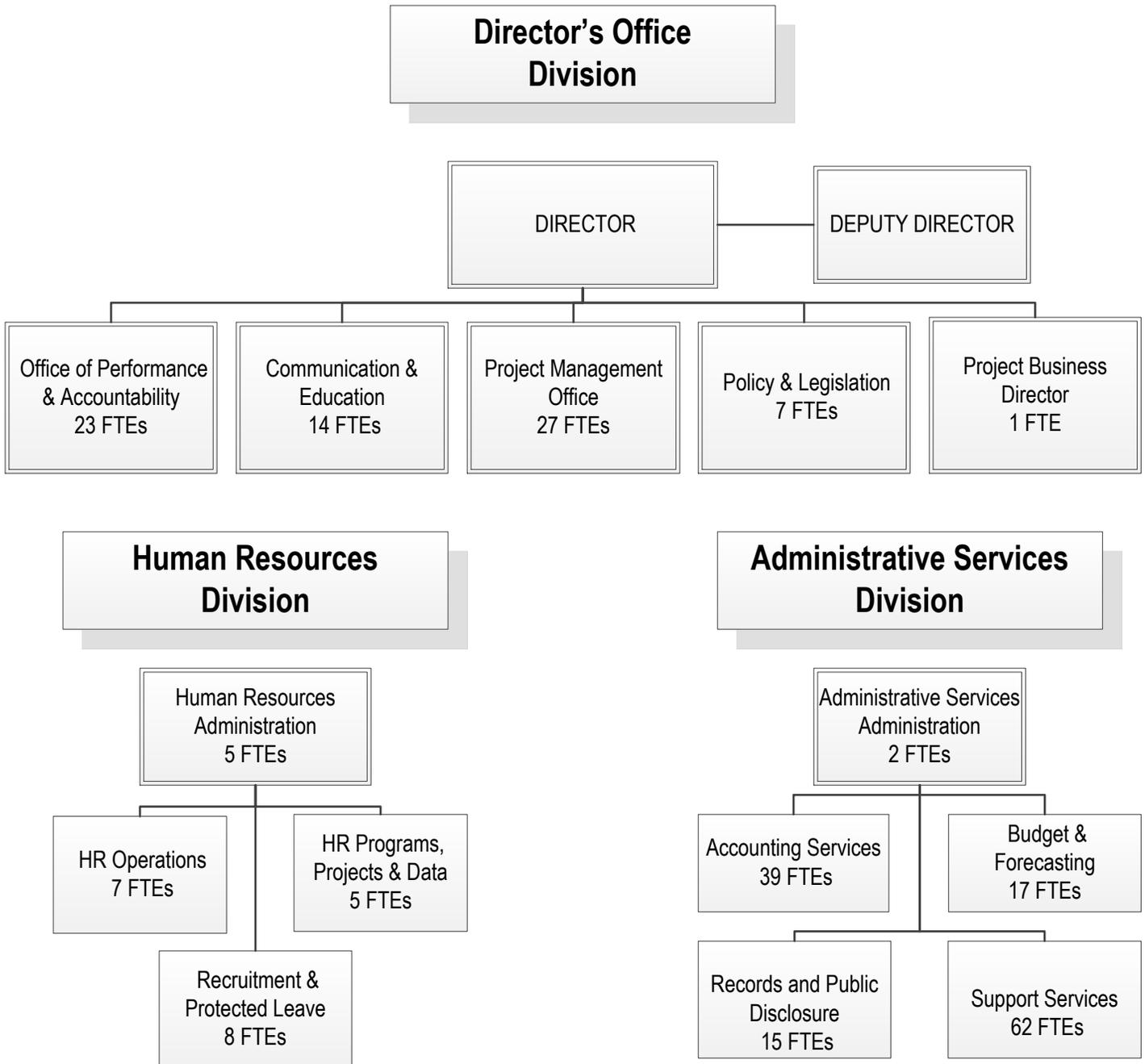
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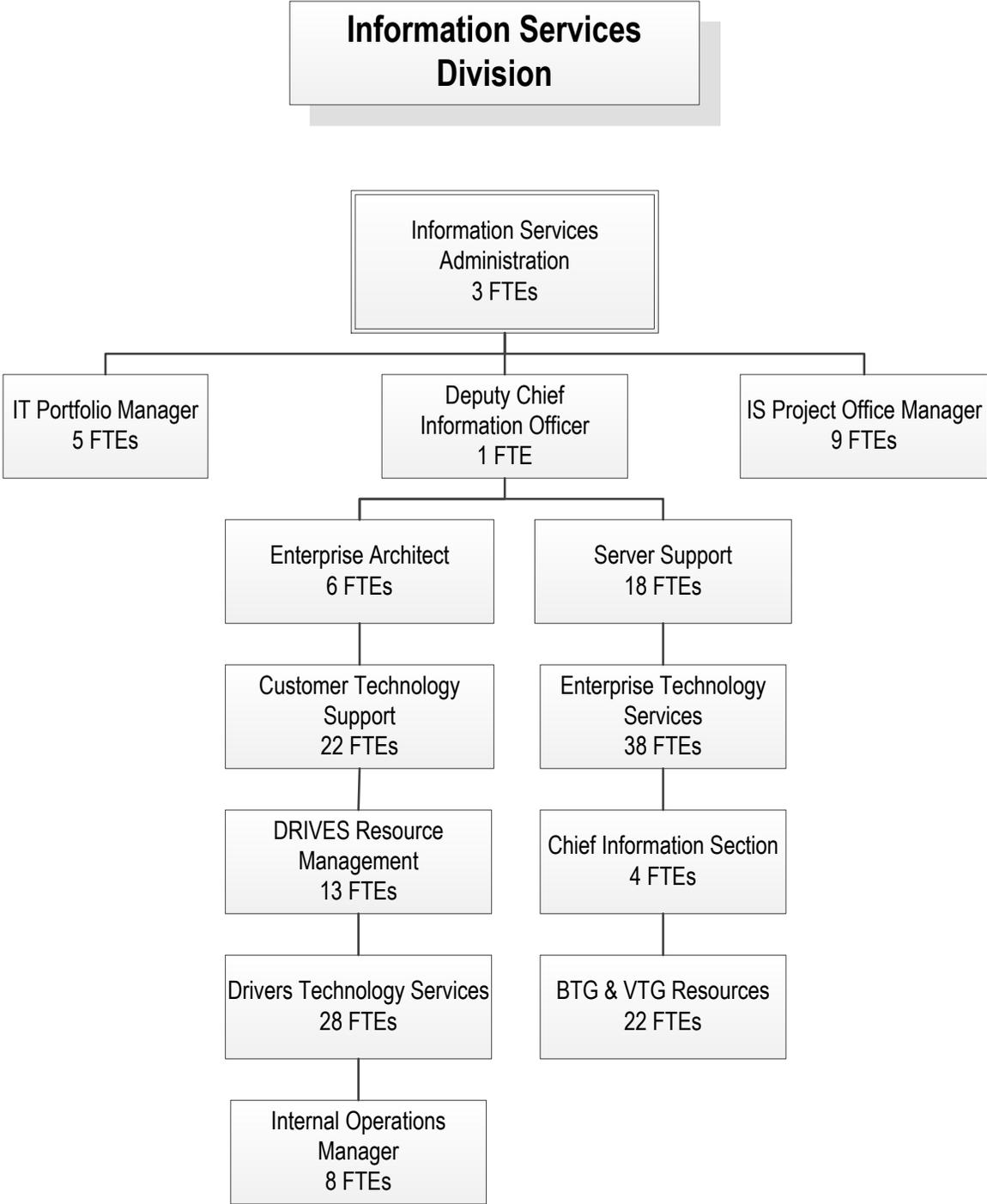


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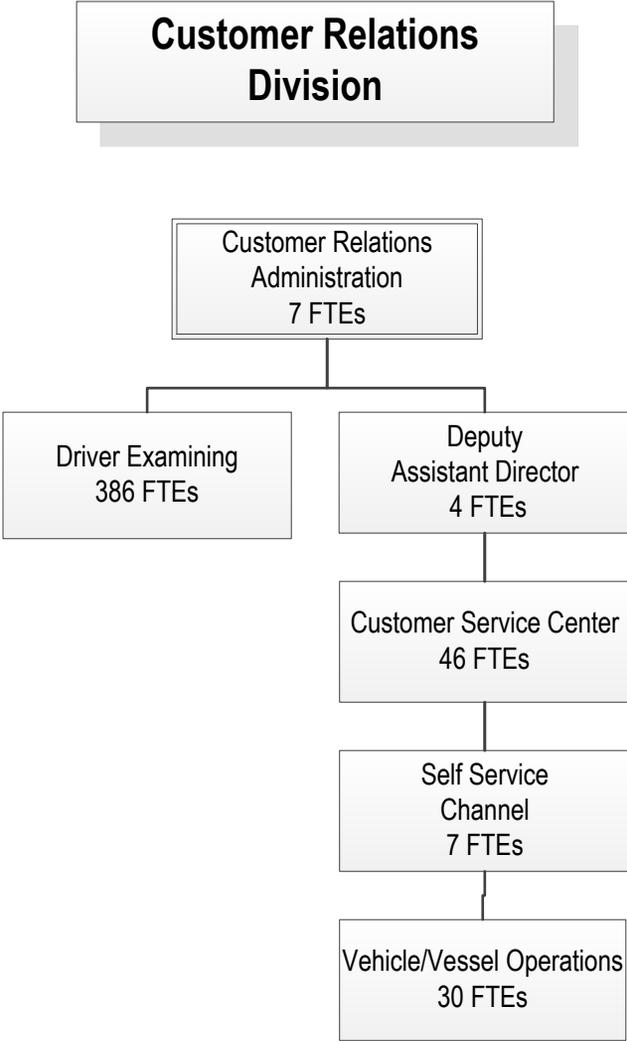
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Department of Licensing Program 200



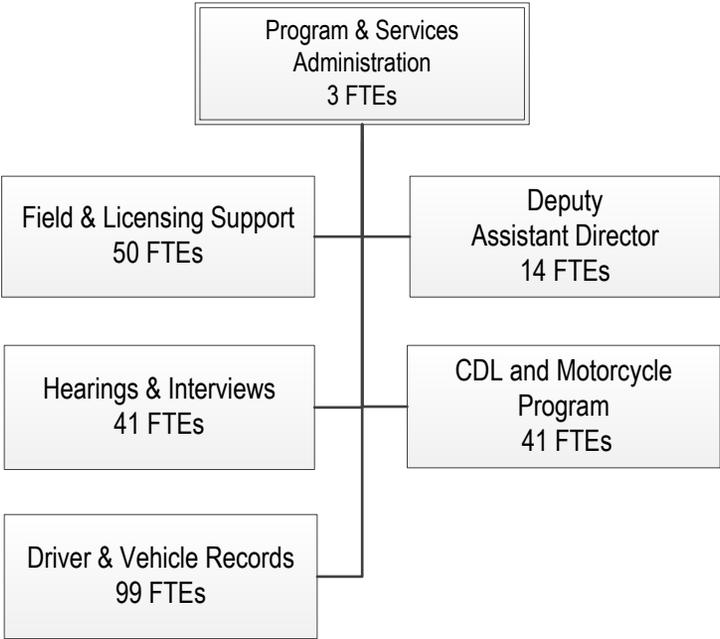
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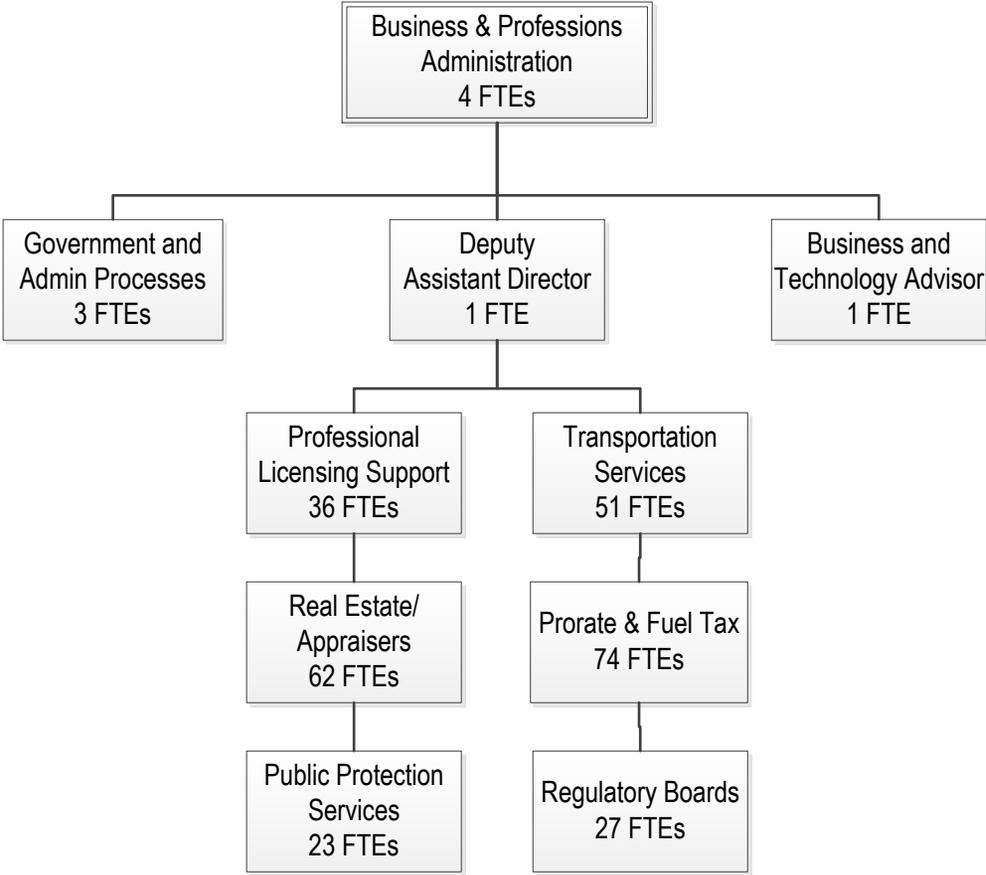
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Programs & Services Division



Department of Licensing Program 700

Business & Professions Division



DOL Executive Organization Chart Data

Management Group	Position Title	# of Staff Supervised
EMS	COMMUNICATIONS AND EDUCATION DIRECTOR	6
EMS	CHIEF INFORMATION OFFICER	5
EMS	SPECIAL ASSISTANT TO DEP DIR	3
EMS	DEPUTY ASSISTANT DIRECTOR	0
EMS	PROGRAM MANAGEMENT OFFICE DIRECTOR	5
EMS	DEPUTY DIRECTOR	7
EMS	ADMINISTRATIVE SERVICES ASST DIRECTOR	5
EMS	BUSINESS & PROFESSIONS ASST DIRECTOR	4
EMS	DEPUTY ASSISTANT DIRECTOR	7
EMS	PROJECT BUSINESS DIRECTOR	0
EMS	PROGRAMS & SERVICES ASST DIRECTOR	6
EMS	DIRECTOR	8
EMS	DEPUTY CHIEF INFO OFFICER	11
EMS	POLICY & LEGISLATIVE DIRECTOR	6
EMS	CUSTOMER RELATIONS ASST DIRECTOR	7
EMS	CONFIDENTIAL SECRETARY	6
EMS	PERFORMANCE & ACCOUNTABILITY DIRECTOR	6
EMS	BPD DEPUTY ASST DIRECTOR	7

# of Managers	Management Service Type	# of Staff Supervised
18	EMS	99
18	Total	99

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DOL Divisional Organization Chart Data

Management Group	Position Title	# of Staff Supervised
WMS	PRODUCT OWNER MANAGER PSD	5
WMS	CDL ASST ADMINISTRATOR	4
WMS	CUS TEC SUP MGR	3
WMS	COMMUNICATIONS MANAGER	3
WMS	DIVISION BGT MGR	0
WMS	RCDS & DIS OFFICER	3
WMS	ADT CMPL MGR	6
EMS	SPECIAL ASSISTANT TO ASST DIR COR	1
WMS	HR OPERATIONS MGR	4
WMS	TRAINING & CUSTOMER EXPERIENCE MGR	0
WMS	LEAN PROGRAM ADMINISTRATOR	4
WMS	INTERNAL AUDIT MANAGER	3
WMS	DIVISION BGT MGR	0
WMS	MAIL MANAGER	2
WMS	AUDIT MANAGER	1
WMS	DISTRICT MANAGER	9
WMS	BTM FUNCTIONAL BUSINESS CHAMPION	0
EMS	CHIEF FINANCIAL OFCR	8
WMS	DISTRICT MANAGER	21
EMS	PROF LIC ADMIN	4
EMS	SPECIAL ASSISTANT TO ASST DIR PSD	1
WMS	IS PROJECT OFFICE MANAGER	9
WMS	LEAN CAPACITY DEVELOPMENT MANAGER	0
EMS	SPECIAL ASSISTANT TO ASST DIR CR	1
WMS	DRIVES FUNCTIONAL BUSINESS CHAMPION	0
WMS	DIVISION BGT MGR	0
EMS	ADMINISTRATOR	6
EMS	FIELD & LICENSING SPT ADMINISTRATOR	5
WMS	ENTERPRISE ARCHITECT	2
EMS	EX DIR BOR PROF ENG & LS	5
WMS	CHIEF ECONOMIST	2
WMS	CONTRACTS & INITIATIVES SPECIALIST	4
WMS	INVESTIGATOR MGR	5
EMS	ENTERPRISE SVS MGR	3
WMS	FIELD ASST ADMIN	5
EMS	DR EXAM ADMIN	4
WMS	REVENUE OFFICER	8
WMS	ASST ADMINISTRATOR	10
WMS	DIVISION BGT MGR	0
WMS	CONTRACTS COMPLIANCE MANAGER	0
WMS	REGULATORY PROGRAM MANAGER	3
EMS	SPECIAL ASSISTANT TO ASST DIR IS	0
WMS	PROGRAM MANAGER	5
WMS	INTERNAL OPS MGR	5
WMS	CONTRACTS ADMINISTRATOR	0
WMS	PLAN & PERF MGR	0

DOL Divisional Organization Chart Data

Management Group	Position Title	# of Staff Supervised
WMS	IS PROJECT MANAGER	0
WMS	PROF LIC MGR	4
WMS	BTM PRODUCT OWNER MANAGER FOR CRD	4
WMS	ASSISTANT ADMIN - PUBLIC PROTECTION	1
WMS	LEGISLATIVE & POLICY ANALYST	0
EMS	IS RESOURCE MANAGER	0
WMS	ENTERPRISE RISK MANAGER	2
WMS	USER EXPERIENCE MANAGER	4
WMS	INVESTIGATIONS AND COMPLAINT INTAKE MGR	13
WMS	LEGISLATIVE & POLICY ANALYST	0
EMS	DRIVER & VEHICLE RECORDS ADMINISTRATOR	5
WMS	BPD POLICY ADVISOR	0
WMS	PROF LIC MGR	4
WMS	ITS OPS MANAGER	1
WMS	LIC SVS MGR	5
WMS	INTEGRATED AUDITOR	0
WMS	DRIVES FUNCTIONAL BUSINESS CHAMPION	0
EMS	DRIVERS TECH SVC MGR	9
WMS	FACILITIES ASST ADMINISTRATOR	11
WMS	TALENT ACQUISITION / PROTECTED LEAVE MGR	5
WMS	BTM CONTRACTS MANAGER	0
WMS	LEAN CAPACITY DEVELOPMENT MANAGER	0
WMS	PUBLIC DISCLOSURE MNGR	3
EMS	LICENSING ADMIN	5
WMS	DRIVES FUNCTIONAL BUSINESS CHAMPION	0
EMS	CHIEF ADMINISTRATIVE OFFICER	10
WMS	OUTREACH AND COMMUNICATIONS COORDINATOR	0
WMS	REGION AUDIT MGR	7
EMS	SPECIAL ASSISTANT TO ASST DIR BPD	2
WMS	PROGRAM MANAGER	4
WMS	PSD DRIVERS PRODUCT OWNER	0
WMS	PROF LIC ASST ADMINISTRATOR	7
EMS	ADMINISTRATOR REAL ESTATE/APPRAISERS	5
WMS	REGIONAL AUDIT MGR	8
WMS	SERVER SUPPORT MANAGER	2
WMS	INFO TECH AUDITOR	0
WMS	DISTRICT MANAGER	9
WMS	DRV TRG SCH PGM MGR	1
EMS	HR DIVISION ASST DIRECTOR	6
WMS	ORGANIZATION CHANGE MANAGER	13
EMS	SPECIAL ASSISTANT TO ASST DIR	0
WMS	TRAINING & TECHNICAL SVS PROGRAM MGR	8
WMS	BUSINESS & TECH MOD PROJECT MANAGER	0
WMS	CDL PROGRAM MNGR	7
WMS	MOTORCYCLE SAFETY PRG MNR	5

DOL Divisional Organization Chart Data

Management Group	Position Title	# of Staff Supervised
WMS	IS PROJECT MANAGER	0
WMS	HEARINGS EXAM MGR	11
EMS	ADMIN, PR&FT	5
WMS	PROGRAM MANAGER	3
WMS	SR BDGT ANALYST	0
WMS	ASST ADMINISTRATOR	3
WMS	HEARINGS EXAM MGR	9
WMS	BUSINESS AND SYSTEMS PERFORMANCE MANAGER	5
WMS	FIELD ASST ADMINISTRATOR	5
EMS	CUSTOMER SERVICE CENTER ADMINISTRATOR	5
WMS	ASST ADMIN	7
EMS	CONTRACTS & PROGRAMS ADMINISTRATOR	4
EMS	HEARINGS AND INTERVIEWS ADMINISTRATOR	6
WMS	LEGISLATIVE & POLICY ANALYST	0
WMS	BUS PARTNER RELATIONSHIP MGR	0
WMS	DISTRICT MANAGER	7
WMS	ASST ADMINISTRATOR	7
WMS	PROGRAM MANAGER	3
WMS	FINANCIAL RVW, COL & RPT MGR	11
WMS	PROGRAM MANAGER	7
WMS	ASST ADMIN DEALER & MANUFACTURER SVS	5
WMS	DISTRICT MANAGER	11
WMS	LIC MNGR	1
WMS	GOVT & ADMIN PROCESSES ADVISOR	2
WMS	TALENT ACQUISITION / PROTECTED LEAVE MGR	5
WMS	ASST ADMINISTRATOR	10
WMS	DISTRICT MANAGER	8
WMS	DFC ASST ADMINISTRATOR	1
WMS	ASST ADMINISTRATOR	4
WMS	IT PORTFOLIO MANAGER	4
WMS	FIREARMS PRG MGR	0
WMS	DRIVES FUNCTIONAL BUSINESS CHAMPION	0
WMS	DISBURSEMNT MNGR	2
WMS	LEAN CAPACITY DEVELOPMENT MANAGER	0
WMS	HR PROJECTS, PROGRAMS, & DATA MANAGER	3
EMS	VEHICLE/VESSEL OPERATIONS ADMINISTRATOR	5
EMS	PROF LIC ADMIN	0
EMS	DRIVES RESOURCE MGR	11
EMS	CHF INFO SEC OFFICER	3
EMS	BTG & VTG RESOURCE MGR	13
EMS	ADMINISTRATOR	0
WMS	DISTRICT MANAGER	1
WMS	INTEGRATED AUDITOR	0
WMS	HEARINGS EXAM MGR	6
WMS	ASSISTANT ADMINISTRATOR	0

DOL Divisional Organization Chart Data

Management Group	Position Title	# of Staff Supervised
WMS	CUSTOMER RELATIONS PROGRAM MNGR	0
WMS	SENIOR POLICY ADVISOR	0
WMS	LEGISLATIVE & POLICY ANALYST	0
WMS	ADJUDICATIVE PROCESS PROG MNGR	0
WMS	BUSINESS PARTNERSHIP DEVELOPMENT MANAGER	0
WMS	HUMAN RESOURCES PROJECT AND PROGRAM MGR	0
WMS	BTM PRODUCT OWNER FOR PSD	0
WMS	BTM FUNCTIONAL BUSINESS CHAMPION	0
WMS	DIVISION BGT MGR	0
WMS	EMERGENCY MANAGEMENT & SECURITY MANAGER	0
WMS	DRIVES FUNCTIONAL BUSINESS CHAMPION	0
EMS	PROJECT BUSINESS DIRECTOR	0
EMS	ADMINISTRATOR	1
WMS	DRIVER CONTRACTS & INITIATIVES MANAGER	2
WMS	EDL / EID OPERATIONS MGR	7
WMS	LEAN CAPACITY DEVELOPMENT MANAGER	0
WMS	BUDGET OPERATIONS ASST ADMIN	9
WMS	BTM FUNCTIONAL BUSINESS CHAMPION	0
WMS	DISTRICT MANAGER	12
EMS	CHIEF BDGT & FORECASTING OFFICER	4
WMS	PROGRAM MANAGER	4
WMS	PLANNING & PERFORMANCE MGR	0
WMS	CONTRACTS AND FORMS MANAGER	6
WMS	RESEARCH & DATA ANALYTICS ADMINISTRATOR	3

# of Managers	Management Service Type	# of Staff Supervised
127	WMS	400
33	EMS	136
160	Total	536

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Listing of RPM Measures

Number	Title
2840	% of agency-level performance measures on target
2841	% of customers with lobby wait times under 30 minutes
2842	% of customer calls answered within 4 minutes
2843	% of vehicle titles issued within 22 days
2844	% of audits and inspections completed timely per statute
2845	% of licenses issued timely
2846	% on schedule implementing technology system milestones
2849	% of customers who say online transaction services met or exceeded their ideal expectation
2850	% of customers who say in-person service met or exceeded their ideal expectation
2851	% of customers who say phone services met or exceeded their expectation

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A030 Agency Business Infrastructure

DOL's core services include driver, vehicle and professional licensing, regulation and education. Agency overhead is the business infrastructure required to lead and support that broad scope, and ensure agency accountability. Business units include: Executive management, Policy & Legislation, Communication & Education, Performance & Accountability, Human Resources, Emergency & Risk management, Budget, Accounting, Payroll, Contracts, and Public Disclosure.

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Account	FY 2018	FY 2019	Biennial Total
FTE			
06L-1 State	5.9	5.8	5.9
001-1 State	0.2	0.2	0.2
106-1 State	175.3	184.9	180.1
04E-1 State	0.3	0.3	0.3
FTE Total	181.7	191.2	186.5
16M Appraisal Management Company Account			
16M-6 Non-Appropriated	\$2,762	\$2,856	\$5,618
003 Architects' License Account			
003-1 State	\$17,377	\$20,669	\$38,046
06L Business and Professions Account			
06L-1 State	\$472,815	\$465,225	\$938,040
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	\$16,484	\$16,390	\$32,874
001 General Fund			
001-1 State	\$35,365	\$41,414	\$76,779
298 Geologists' Account			
298-6 Non-Appropriated	\$9,181	\$14,988	\$24,169
106 Highway Safety Account			
106-1 State	\$18,140,083	\$16,667,402	\$34,807,485
16B Landscape Architects' License Account			
16B-6 Non-Appropriated	\$8,827	\$3,962	\$12,789
108 Motor Vehicle Account			
108-1 State	\$2,307,776	\$1,642,146	\$3,949,922
024 Professional Engineers' Account			
024-1 State	\$117,693	\$112,277	\$229,970
06G Real Estate Appraiser Commission Account			
06G-1 State	\$48,214	\$47,743	\$95,957
026 Real Estate Commission Account			
026-1 State	\$223,791	\$216,824	\$440,615
04E Uniform Commercial Code Account			
04E-1 State	\$198,565	\$179,846	\$378,411

Expected Results

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A strong business infrastructure will result in efficient, effective and accountable services to nearly 6 million customers with over 13 million transactions each year. Specific results expected include: managing a growth in agency workload that outpaces growth in resources, data and research driven public policy decisions, continuous improvement of licensing and regulatory programs, spending within budget, accurate revenue collection and public information, safe offices, secure data, and ultimately engaged employees and satisfied customers.

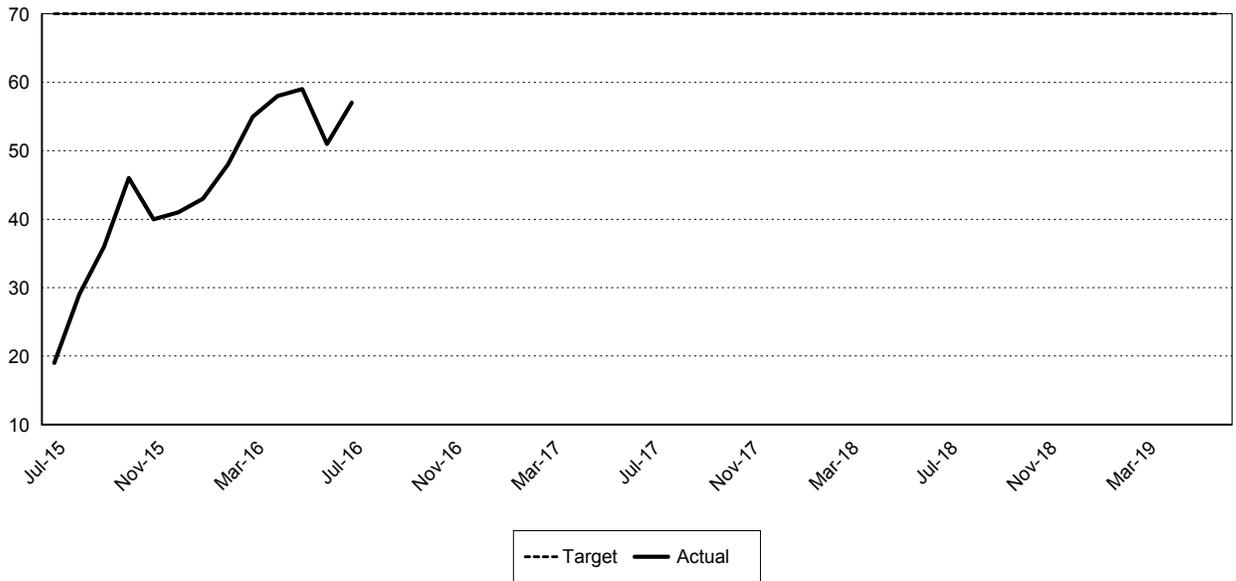
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002840 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		70%
	M23		70%
	M22		70%
	M21		70%
	M20		70%
	M19		70%
	M18		70%
	M17		70%
	M16		70%
	M15		70%
	M14		70%
	M13		70%
	M12		70%
	M11		70%
	M10		70%
	M09		70%
	M08		70%
	M07		70%
	M06		70%
	M05		70%
	M04		70%
	M03		70%
	M02		70%
	M01		70%
2015-17	M24		70%
	M23		70%
	M22		70%
	M21		70%
	M20		70%
	M19		70%
	M18		70%
	M17		70%
	M16		70%
	M15		70%
	M14		70%
	M13	57%	70%
	M12	51%	70%
	M11	59%	70%
	M10	58%	70%
	M09	55%	70%
M08	48%	70%	

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2015-17	M07	43%	70%
	M06	41%	70%
	M05	40%	70%
	M04	46%	70%
	M03	36%	70%
	M02	29%	70%
	M01	19%	70%
	Performance Measure Status: Approved		

Percent 002840 - % of agency-level performance measures on target (SP7a)

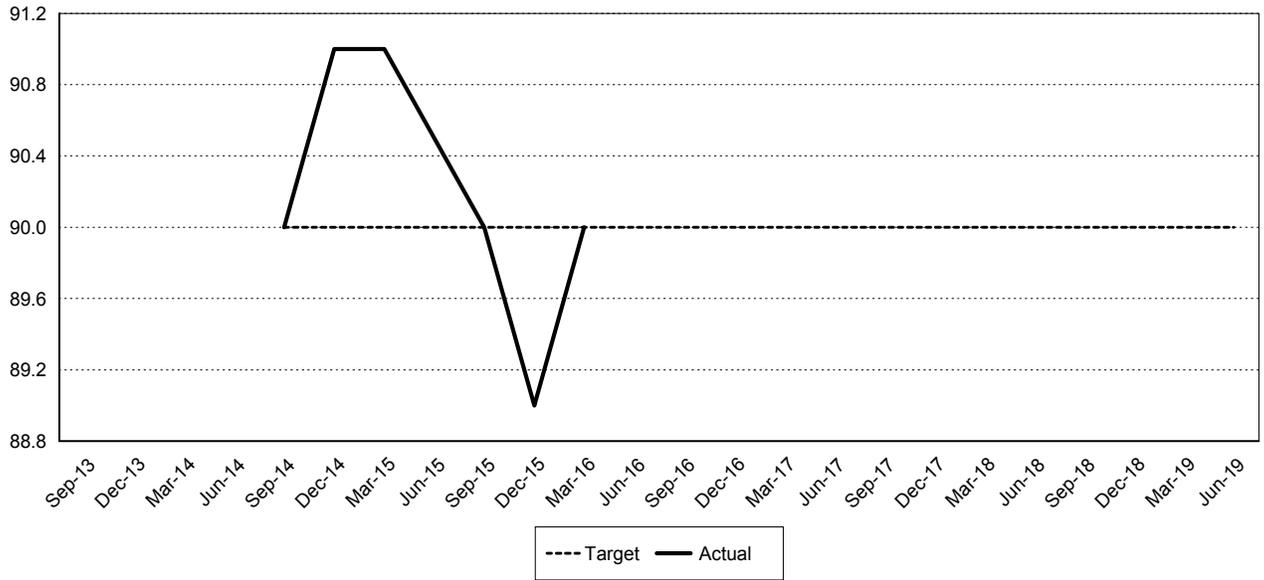


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002850 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	Q8		90%
	Q7		90%
	Q6		90%
	Q5		90%
	Q4		90%
	Q3		90%
	Q2		90%
	Q1		90%
2015-17	Q8		90%
	Q7		90%
	Q6		90%
	Q5		90%
	Q4		90%
	Q3	90%	90%
	Q2	89%	90%
	Q1	90%	90%
2013-15	Q8		
	Q7	91%	90%
	Q6	91%	90%
	Q5	90%	90%
	Q4		
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

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Percent 002850 - % of customers who say in-person service met or exceeded their ideal expectation (OM2a)



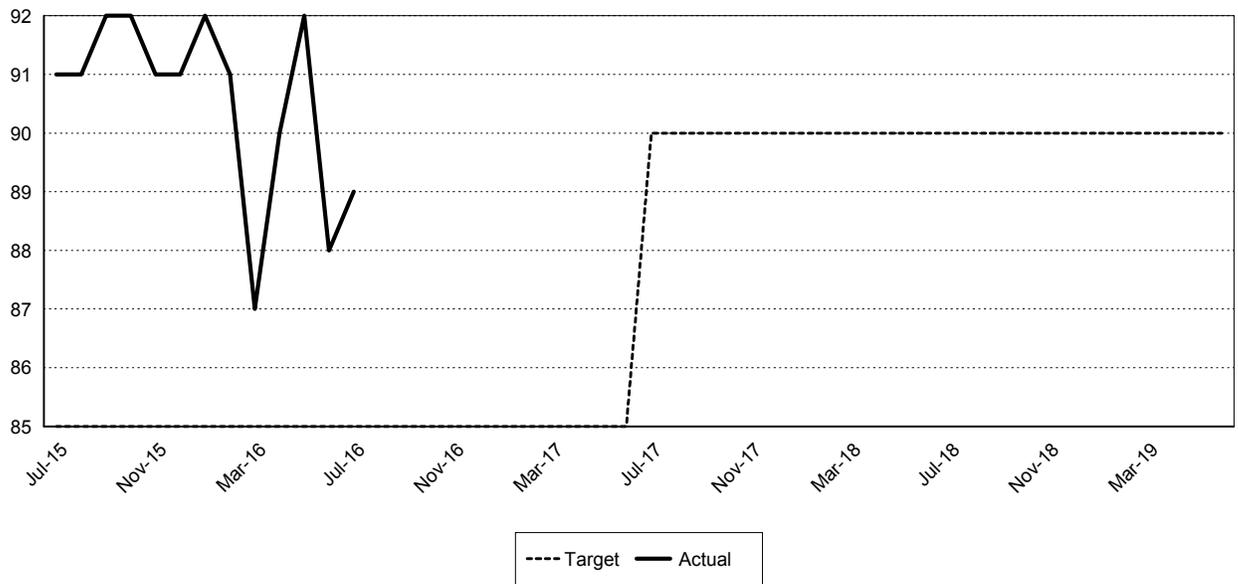
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002849 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13		90%
	M12		90%
	M11		90%
	M10		90%
	M09		90%
	M08		90%
	M07		90%
	M06		90%
	M05		90%
M04		90%	
M03		90%	
M02		90%	
M01		90%	
2015-17	M24		85%
	M23		85%
	M22		85%
	M21		85%
	M20		85%
	M19		85%
	M18		85%
	M17		85%
	M16		85%
	M15		85%
	M14		85%
	M13	89%	85%
	M12	88%	85%
M11	92%	85%	
M10	90%	85%	
M09	87%	85%	
M08	91%	85%	

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2015-17	M07	92%	85%
	M06	91%	85%
	M05	91%	85%
	M04	92%	85%
	M03	92%	85%
	M02	91%	85%
	M01	91%	85%
Performance Measure Status: Approved			

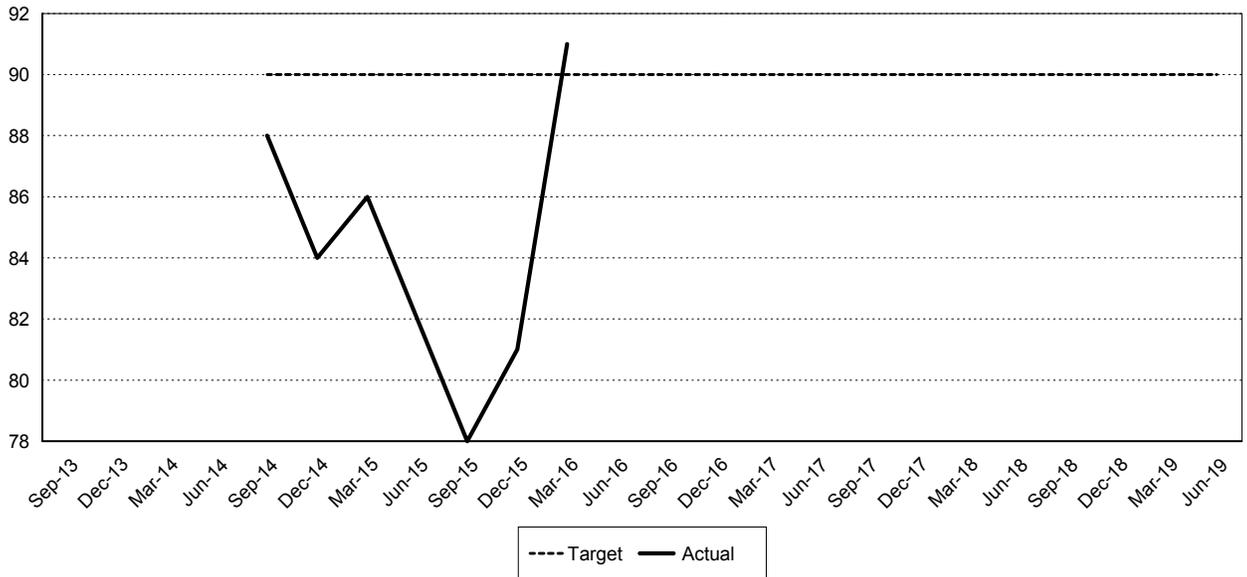
Percent 002849 - % of customers who say online transaction services met or exceeded their ideal expectation (OM2c)



Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002851 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	Q8		90%
	Q7		90%
	Q6		90%
	Q5		90%
	Q4		90%
	Q3		90%
	Q2		90%
	Q1		90%
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	91%	90%
	Q2	81%	90%
	Q1	78%	90%
2013-15	Q8		
	Q7	86%	90%
	Q6	84%	90%
	Q5	88%	90%
	Q4		
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Percent 002851 - % of customers who say phone services met or exceeded their expectation (OM2b)



A031 Driver Licensing, Regulation and Records

DOL issues and renews driver licenses, permits and identification cards to over 1 million Washington residents each year, by screening applicants for identity, eligibility and skills. DOL improves traffic safety by providing driver guides, curriculum and tests, motorcycle and commercial driver safety programs and endorsements, managing driver records, regulating unsafe drivers, and licensing and regulating driver training schools, instructors and examiners. Customers are served through driver licensing offices, online and by phone. Transaction fees collected help fund the state's transportation system.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

Account	FY 2018	FY 2019	Biennial Total
FTE			
106-1 State	556.0	586.0	571.0
106 Highway Safety Account			
106-1 State	\$70,450,027	\$64,853,501	\$135,303,528
106-2 Federal	\$1,483,000	\$2,583,000	\$4,066,000
106 Account Total	\$71,933,027	\$67,436,501	\$139,369,528
14V Ignition Interlock Device Revolving Account			
14V-1 State	\$2,570,000	\$2,574,000	\$5,144,000
108 Motor Vehicle Account			
108-1 State	\$2,137,922	\$1,079,776	\$3,217,698
108-7 Private/Local	\$227,000	\$277,000	\$504,000
108 Account Total	\$2,364,922	\$1,356,776	\$3,721,698
082 Motorcycle Safety Education Account			
082-1 State	\$2,074,000	\$2,430,000	\$4,504,000

Expected Results

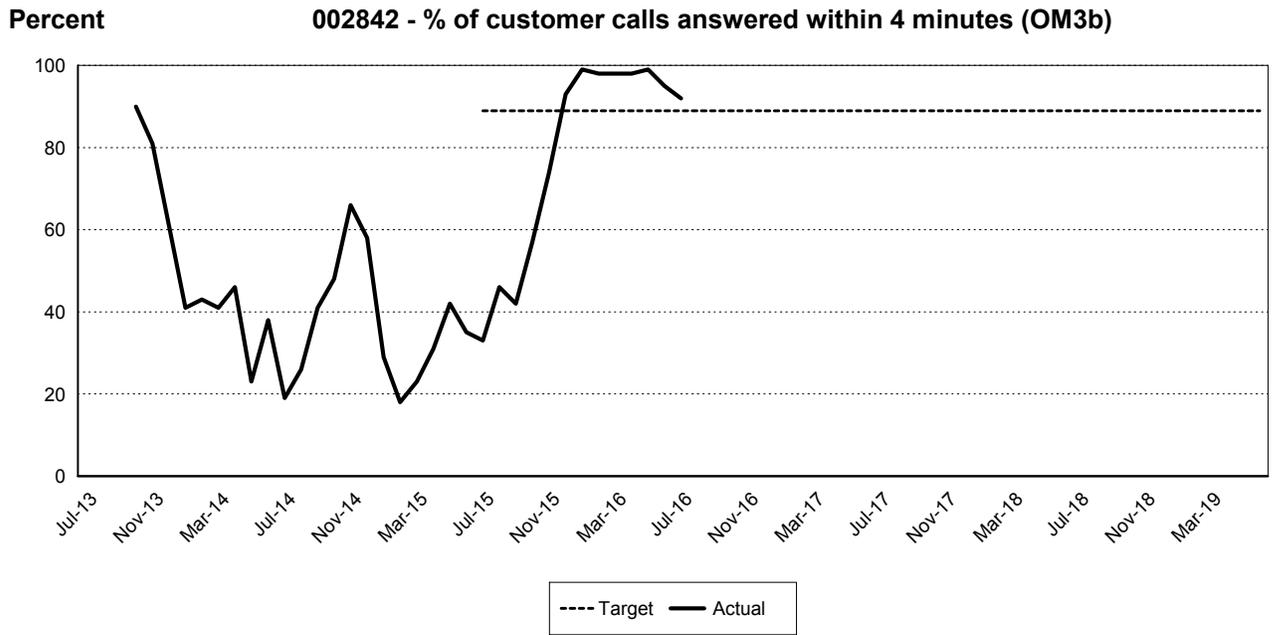
Key results expected include: decreasing traffic collisions, injuries and fatalities; increasing identity fraud prevention; sustaining or exceeding 90% of customers served within 30 minutes in offices and 4 minutes by phone; sustaining or exceeding 90% of customers reporting we met or exceeded their ideal expectations in person, by phone and online.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002842 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		89%
	M23		89%
	M22		89%
	M21		89%
	M20		89%
	M19		89%
	M18		89%
	M17		89%
	M16		89%
	M15		89%
	M14		89%
	M13		89%
	M12		89%
	M11		89%
	M10		89%
	M09		89%
	M08		89%
	M07		89%
	M06		89%
	M05		89%
	M04		89%
	M03		89%
	M02		89%
	M01		89%
2015-17	M24		89%
	M23		89%
	M22		89%
	M21		89%
	M20		89%
	M19		89%
	M18		89%
	M17		89%
	M16		89%
	M15		89%
	M14		89%
	M13	92%	89%
	M12	95%	89%
	M11	99%	89%
	M10	98%	89%
	M09	98%	89%
M08	98%	89%	

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

2015-17	M07	99%	89%
	M06	93%	89%
	M05	74%	89%
	M04	57%	89%
	M03	42%	89%
	M02	46%	89%
	M01	33%	89%
2013-15	M24	35%	
	M23	42%	
	M22	31%	
	M21	23%	
	M20	18%	
	M19	29%	
	M18	58%	
	M17	66%	
	M16	48%	
	M15	41%	
	M14	26%	
	M13	19%	
	M12	38%	
	M11	23%	
	M10	46%	
	M09	41%	
	M08	43%	
	M07	41%	
	M06	61%	
	M05	81%	
M04	90%		
M03			
M02			
M01			
Performance Measure Status: Approved			

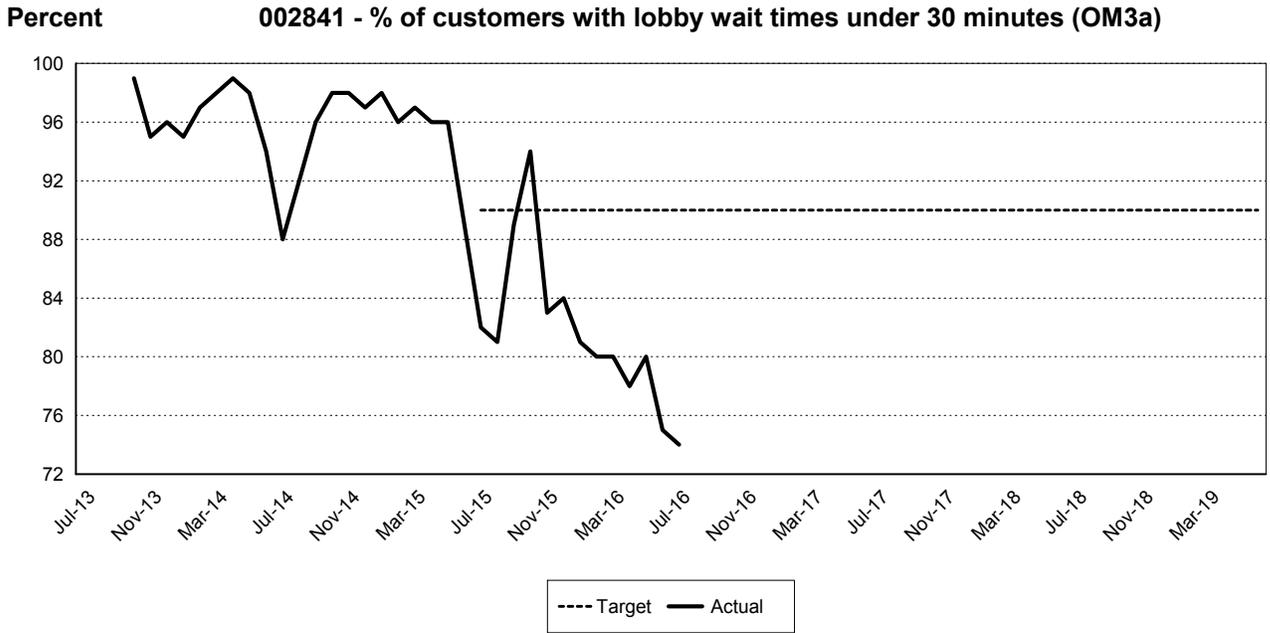


Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002841 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13		90%
	M12		90%
	M11		90%
	M10		90%
	M09		90%
	M08		90%
	M07		90%
	M06		90%
	M05		90%
	M04		90%
	M03		90%
	M02		90%
	M01		90%
2015-17	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13	74%	90%
	M12	75%	90%
	M11	80%	90%
	M10	78%	90%
	M09	80%	90%
M08	80%	90%	

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

2015-17	M07	81%	90%
	M06	84%	90%
	M05	83%	90%
	M04	94%	90%
	M03	89%	90%
	M02	81%	90%
	M01	82%	90%
2013-15	M24	89%	
	M23	96%	
	M22	96%	
	M21	97%	
	M20	96%	
	M19	98%	
	M18	97%	
	M17	98%	
	M16	98%	
	M15	96%	
	M14	92%	
	M13	88%	
	M12	94%	
	M11	98%	
	M10	99%	
	M09	98%	
	M08	97%	
	M07	95%	
M06	96%		
M05	95%		
M04	99%		
M03			
M02			
M01			
Performance Measure Status: Approved			



A032 Vehicle and Boat Registration, Titles and Records

DOL provides vehicle titles, registrations, plates and permits, as well as boat registrations, through county auditors and the private businesses with whom they subcontract. DOL provides technical support and training to these direct service providers and manages the contract. DOL creates, maintains and secures vehicle records; assists law enforcement by providing access to records; and collects fees and taxes that support state and local transportation projects, law enforcement, and the Washington State Patrol.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

Account	FY 2018	FY 2019	Biennial Total
FTE			
106-1 State	187.8	198.1	193.0
513 Derelict Vessel Removal Account			
513-1 State	\$16,000	\$17,000	\$33,000
201 DOL Services Account			
201-1 State	\$3,724,000	\$2,974,000	\$6,698,000
001 General Fund			
001-1 State	\$402,056	\$479,300	\$881,356
106 Highway Safety Account			
106-1 State	\$704,055	\$361,363	\$1,065,418
108 Motor Vehicle Account			
108-1 State	\$31,595,870	\$23,517,049	\$55,112,919
108-7 Private/Local	\$172,000	\$1,372,000	\$1,544,000
108 Account Total	\$31,767,870	\$24,889,049	\$56,656,919
104 State Wildlife Account			
104-1 State	\$490,000	\$530,000	\$1,020,000

Expected Results

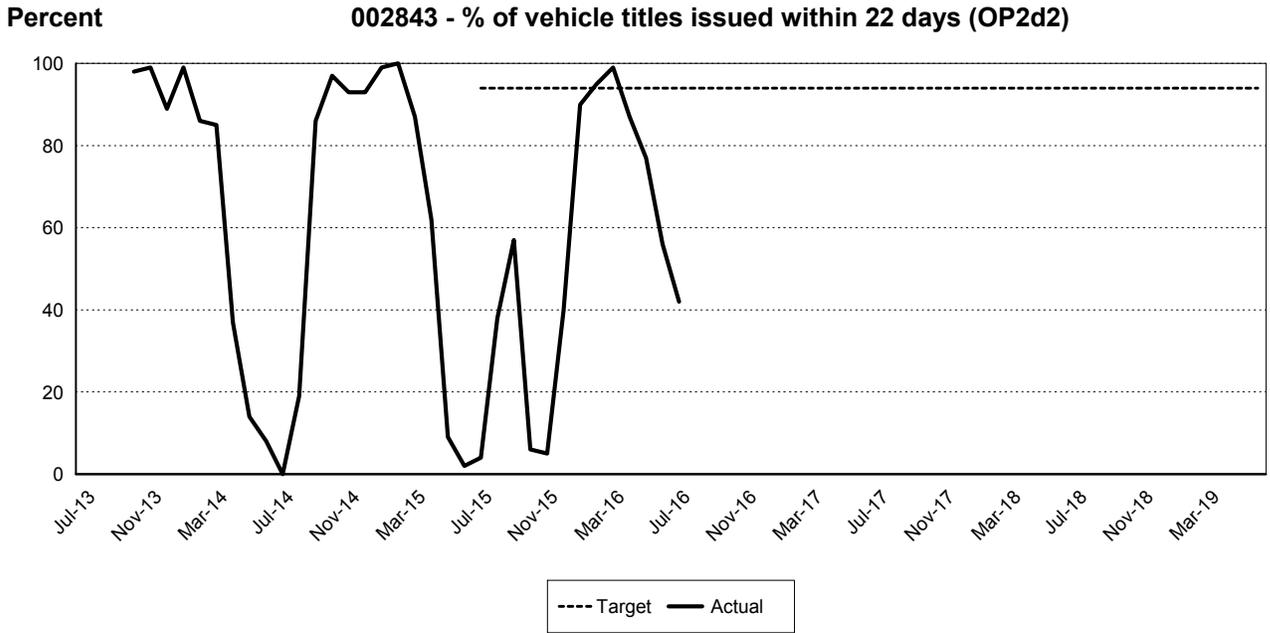
Key results expected include: improving the speed of vehicle title issuance, and continued prevention of vehicle title fraud.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002843 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		94%
	M23		94%
	M22		94%
	M21		94%
	M20		94%
	M19		94%
	M18		94%
	M17		94%
	M16		94%
	M15		94%
	M14		94%
	M13		94%
	M12		94%
	M11		94%
	M10		94%
	M09		94%
	M08		94%
	M07		94%
	M06		94%
	M05		94%
	M04		94%
	M03		94%
	M02		94%
	M01		94%
2015-17	M24		94%
	M23		94%
	M22		94%
	M21		94%
	M20		94%
	M19		94%
	M18		94%
	M17		94%
	M16		94%
	M15		94%
	M14		94%
	M13	42%	94%
	M12	56%	94%
	M11	77%	94%
	M10	87%	94%
	M09	99%	94%
M08	95%	94%	

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2015-17	M07	90%	94%
	M06	40%	94%
	M05	5%	94%
	M04	6%	94%
	M03	57%	94%
	M02	38%	94%
	M01	4%	94%
2013-15	M24	2%	
	M23	9%	
	M22	62%	
	M21	87%	
	M20	100%	
	M19	99%	
	M18	93%	
	M17	93%	
	M16	97%	
	M15	86%	
	M14	19%	
	M13	0%	
	M12	8%	
	M11	14%	
	M10	37%	
	M09	85%	
	M08	86%	
	M07	99%	
	M06	89%	
	M05	99%	
M04	98%		
M03			
M02			
M01			
Performance Measure Status: Approved			



A033 Professions Licensing, Regulation and Records

DOL licenses and regulates over 260,000 professions and businesses spanning over 40 industries, so that all Washington consumers are protected from potential risks to their health, safety or assets. Services include: audits and inspections of licensees, and guidance on regulatory compliance; taking regulatory action, conducting hearings, and corrective action follow-up; investigating consumer complaints against licensees; and partnering with regulatory boards regarding license requirements and consumer protection.

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Account	FY 2018	FY 2019	Biennial Total
FTE			
06L-1 State	206.9	204.6	205.8
001-1 State	5.7	6.0	5.9
106-1 State	44.5	46.9	45.7
FTE Total	257.1	257.5	257.3
16M Appraisal Management Company Account			
16M-6 Non-Appropriated	\$87,238	\$88,144	\$175,382
003 Architects' License Account			
003-1 State	\$414,623	\$510,331	\$924,954
06L Business and Professions Account			
06L-1 State	\$8,875,185	\$8,617,775	\$17,492,960
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	\$763,516	\$774,610	\$1,538,126
001 General Fund			
001-1 State	\$3,442	\$3,770	\$7,212
298 Geologists' Account			
298-1 State	\$23,000	\$30,000	\$53,000
298-6 Non-Appropriated	\$204,819	\$353,012	\$557,831
298 Account Total	\$227,819	\$383,012	\$610,831
106 Highway Safety Account			
106-1 State	\$1,961,713	\$1,789,856	\$3,751,569
16B Landscape Architects' License Account			
16B-6 Non-Appropriated	\$237,173	\$97,038	\$334,211
108 Motor Vehicle Account			
108-1 State	\$3,483,712	\$2,981,256	\$6,464,968
024 Professional Engineers' Account			
024-1 State	\$1,777,307	\$1,755,723	\$3,533,030
06G Real Estate Appraiser Commission Account			
06G-1 State	\$853,786	\$849,257	\$1,703,043
026 Real Estate Commission Account			
026-1 State	\$5,051,209	\$5,092,176	\$10,143,385
04F Real Estate Education Program Account			
04F-1 State	\$150,000	\$126,000	\$276,000
06R Real Estate Research Account			
06R-1 State	\$362,000	\$53,000	\$415,000

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Account	FY 2018	FY 2019	Biennial Total
04E Uniform Commercial Code Account			
04E-1 State	\$2,371	\$1,670	\$4,041

Expected Results

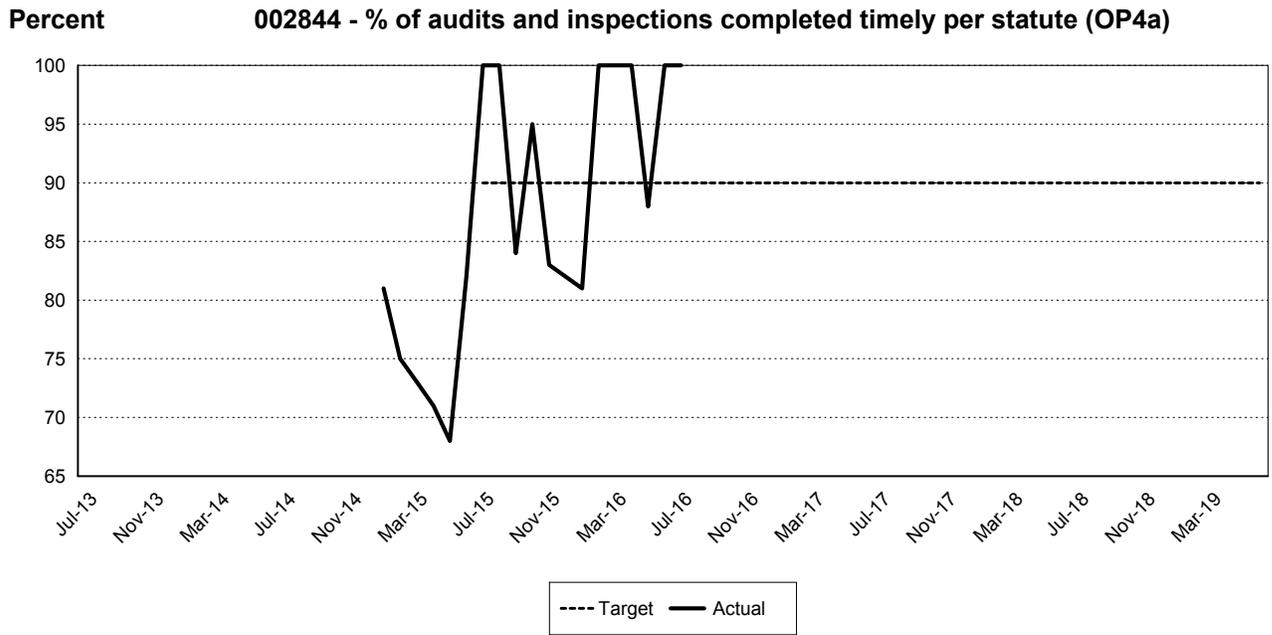
Key results expected include: sustaining or exceeding 90% timeliness of pre-license inspections, license issuance, and post-license audits and inspections; and increasing the services available to licensees online, as well as their use and satisfaction of those services.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002844 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13		90%
	M12		90%
	M11		90%
	M10		90%
	M09		90%
	M08		90%
	M07		90%
	M06		90%
	M05		90%
	M04		90%
	M03		90%
	M02		90%
	M01		90%
2015-17	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13	100%	90%
	M12	100%	90%
	M11	88%	90%
	M10	100%	90%
	M09	100%	90%
M08	100%	90%	

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

2015-17	M07	81%	90%
	M06	82%	90%
	M05	83%	90%
	M04	95%	90%
	M03	84%	90%
	M02	100%	90%
	M01	100%	90%
2013-15	M24	82%	
	M23	68%	
	M22	71%	
	M21	73%	
	M20	75%	
	M19	81%	
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03			
M02			
M01			
Performance Measure Status: Approved			

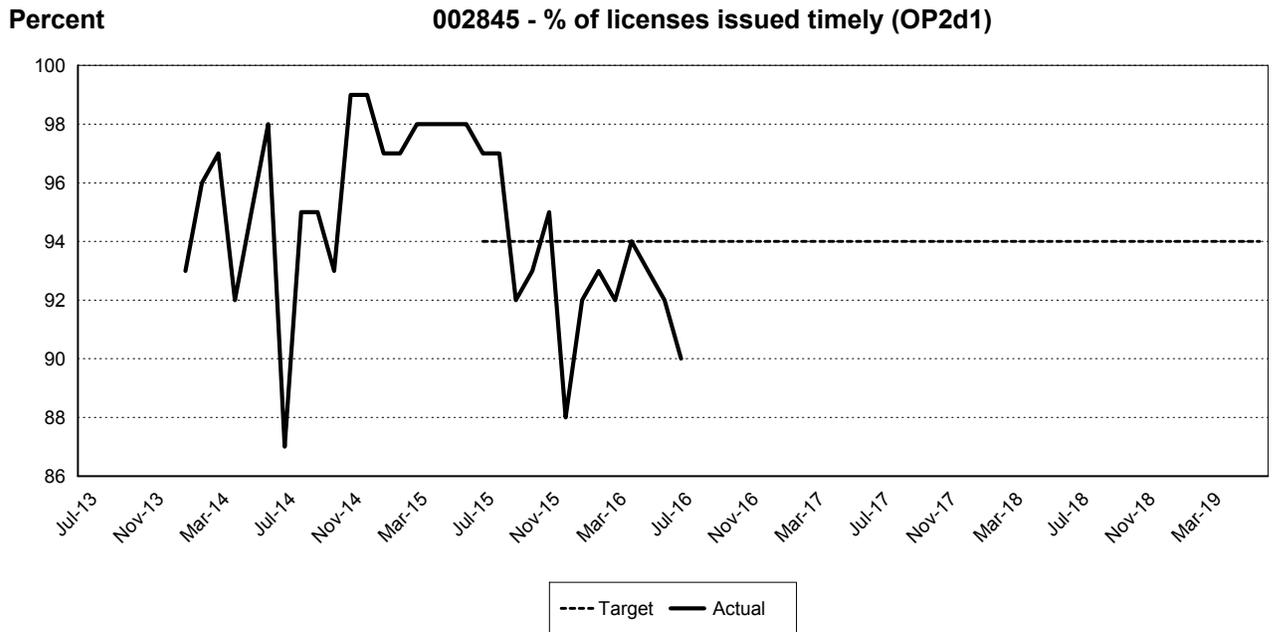


Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002845 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		94%
	M23		94%
	M22		94%
	M21		94%
	M20		94%
	M19		94%
	M18		94%
	M17		94%
	M16		94%
	M15		94%
	M14		94%
	M13		94%
	M12		94%
	M11		94%
	M10		94%
	M09		94%
	M08		94%
	M07		94%
	M06		94%
	M05		94%
	M04		94%
	M03		94%
	M02		94%
	M01		94%
2015-17	M24		94%
	M23		94%
	M22		94%
	M21		94%
	M20		94%
	M19		94%
	M18		94%
	M17		94%
	M16		94%
	M15		94%
	M14		94%
	M13	90%	94%
	M12	92%	94%
	M11	93%	94%
	M10	94%	94%
	M09	92%	94%
M08	93%	94%	

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2015-17	M07	92%	94%
	M06	88%	94%
	M05	95%	94%
	M04	93%	94%
	M03	92%	94%
	M02	97%	94%
	M01	97%	94%
2013-15	M24	98%	
	M23	98%	
	M22	98%	
	M21	98%	
	M20	97%	
	M19	97%	
	M18	99%	
	M17	99%	
	M16	93%	
	M15	95%	
	M14	95%	
	M13	87%	
	M12	98%	
	M11	95%	
	M10	92%	
	M09	97%	
	M08	96%	
	M07	93%	
	M06		
	M05		
M04			
M03			
M02			
M01			
Performance Measure Status: Approved			



A034 Administration of Fuel Tax Collection and Motor Carrier Services

DOL administers motor vehicle, special, and aviation fuel tax collection programs; processes fuel tax returns; and collects over \$1 billion in annual revenue to fund our state's transportation system. DOL licenses and audits fuel distributors, and provides them with taxpayer education. DOL administers the International Registration Plan and International Fuel Tax Agreement, providing one-stop vehicle licensing and fuel tax filing services for Washington based interstate motor carriers.

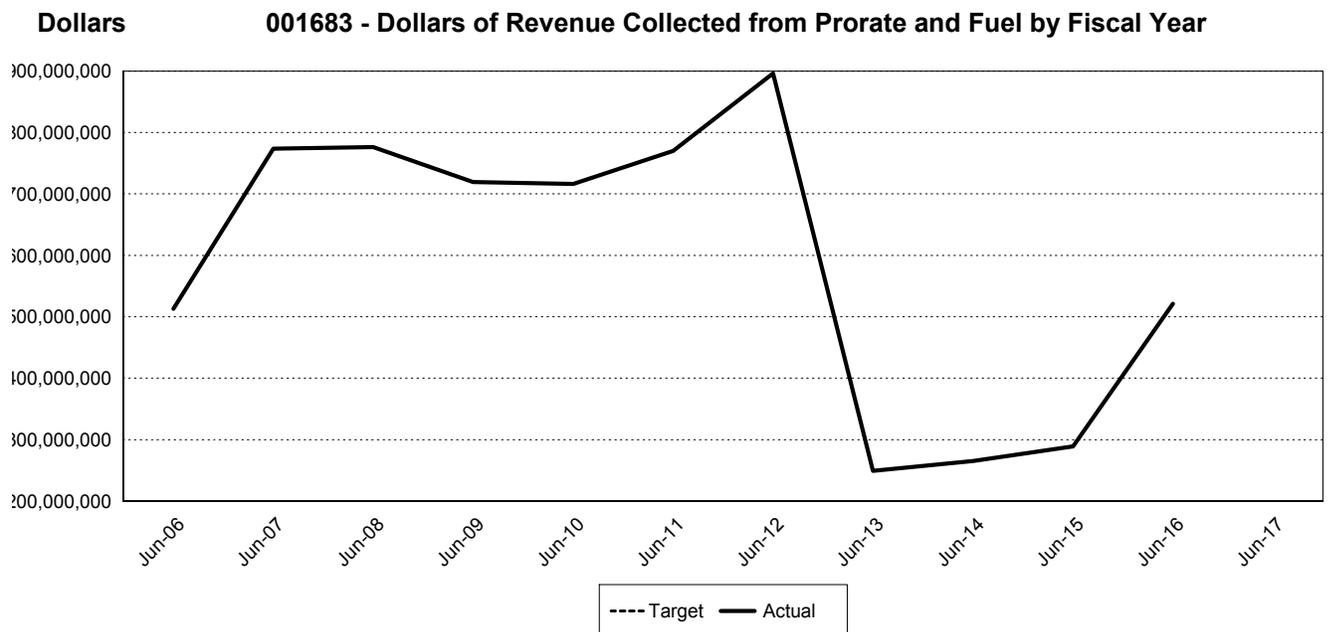
Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

Account	FY 2018	FY 2019	Biennial Total
FTE			
108-1 State	88.5	94.6	91.6
048 Marine Fuel Tax Refund Account			
048-1 State	\$29,000	\$5,000	\$34,000
108 Motor Vehicle Account			
108-1 State	\$9,518,720	\$12,522,773	\$22,041,493
108-2 Federal	\$165,000	\$164,000	\$329,000
108 Account Total	\$9,683,720	\$12,686,773	\$22,370,493

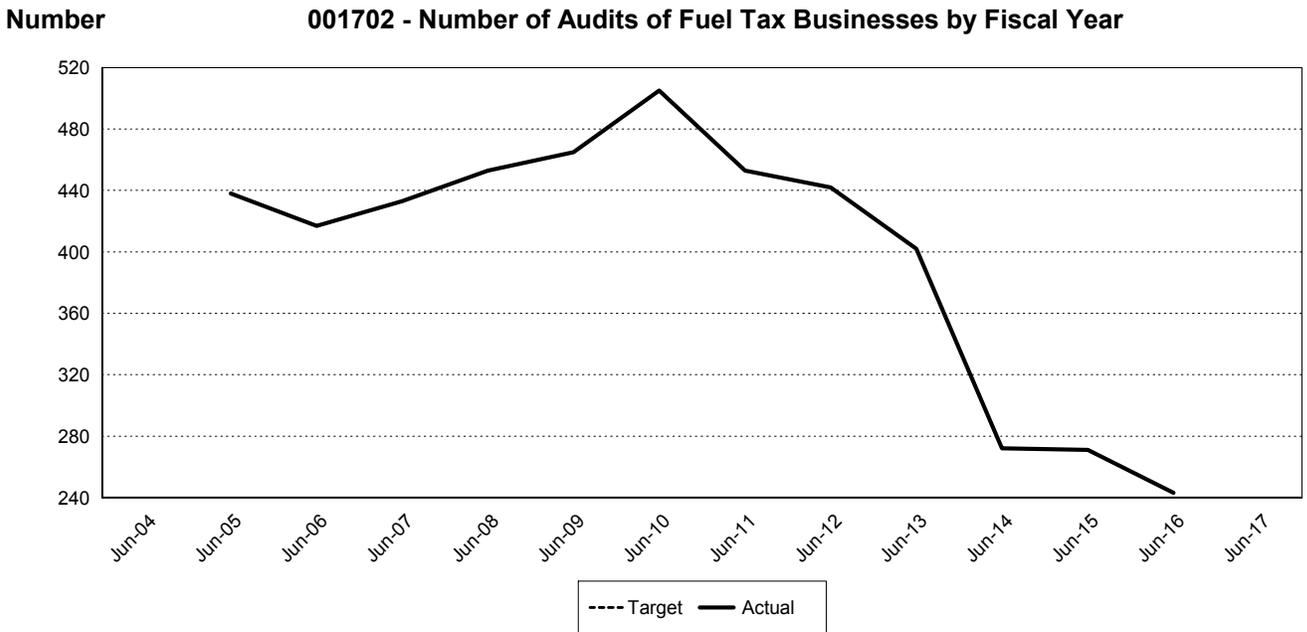
Expected Results

Key results expected include: collection of over \$1 billion per year in fuel taxes which fund the state's transportation system, timely audits of fuel distributors and regulatory action, and collection of delinquent accounts.

001683 Dollars of Revenue Collected from Prorate and Fuel by Fiscal Year			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	\$1,521,302,371	\$1,500,000,000
2013-15	A3	\$1,289,142,110	
	A2	\$1,265,049,084	
Performance Measure Status: Approved			



001702 Number of Audits of Fuel Tax Businesses by Fiscal Year			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	243	250
2013-15	A3	271	
	A2	272	
Performance Measure Status: Approved			



A035 Data Clearing House

DOL collects, maintains and provides data of two types not directly related to our licensing and regulatory roles: 1) The Firearms program sustains a database of concealed pistol licenses, firearm dealer licenses, and pistol transfers and sales from licensed firearm dealers. This database is used by law enforcement agencies who issue firearm licenses and conduct background checks. 2) The Uniform Commercial Code program is the central repository of liens on personal property in Washington, and conducts certified searches of its records for the public upon request.

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

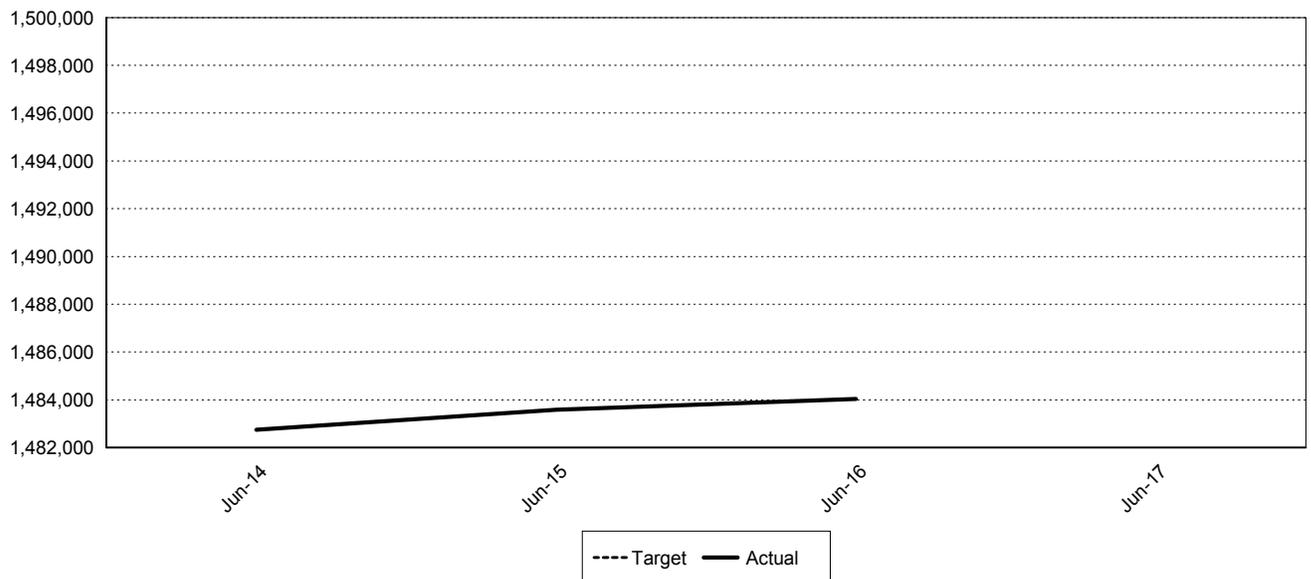
Account	FY 2018	FY 2019	Biennial Total
FTE			
001-1 State	17.1	8.4	12.8
04E-1 State	11.7	11.7	11.7
FTE Total	28.8	20.1	24.5
001 General Fund			
001-1 State	\$1,388,137	\$936,516	\$2,324,653
04E Uniform Commercial Code Account			
04E-1 State	\$1,535,064	\$1,382,484	\$2,917,548

Expected Results

Key results expected include: timely entry of firearm records and accessibility to law enforcement, and timely searched of lien data for the public.

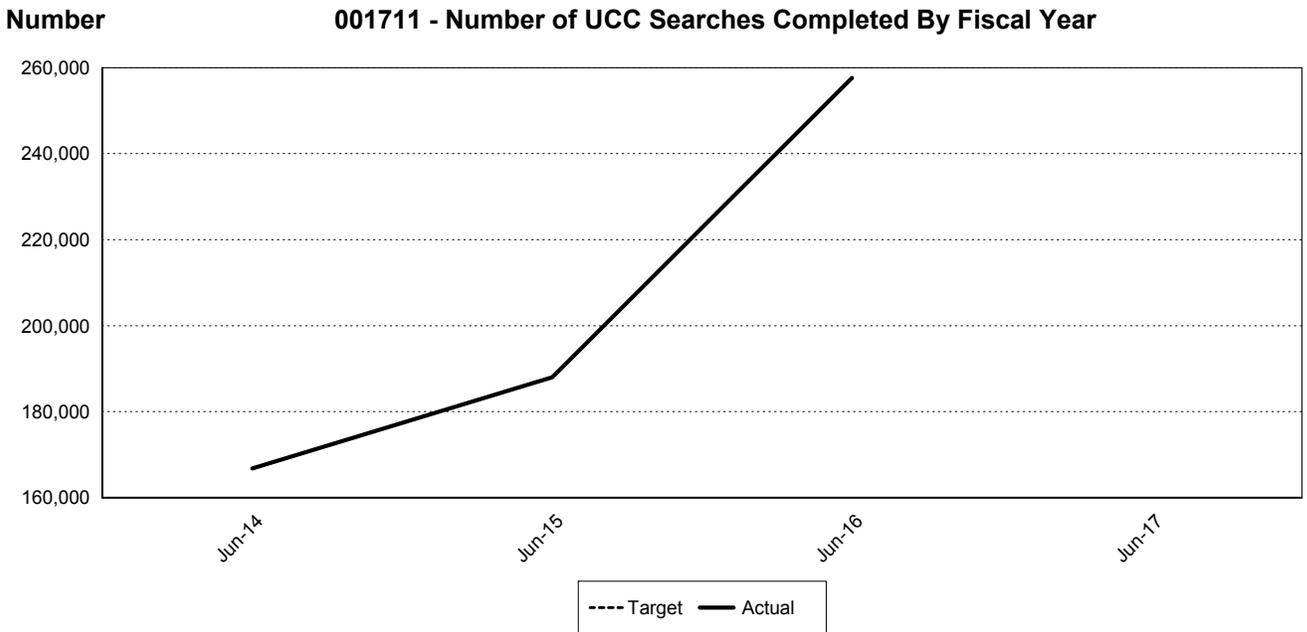
001714 Number of Law Enforcement Inquiries to Firearms Database			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	1,484,029	1,500,000
2013-15	A3	1,483,581	
	A2	1,482,745	
Performance Measure Status: Approved			

Number 001714 - Number of Law Enforcement Inquiries to Firearms Database By Fiscal Year



Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

001711 Number of UCC Searches Completed			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	257,627	250,000
2013-15	A3	187,974	
	A2	166,828	
Performance Measure Status: Approved			



A036 Agency IT Projects

DOL is continuously modernizing and adapting its technology systems in response to law changes, population growth, and the public's expectation for modern service through technology. DOL prioritizes and manages large IT projects at an enterprise level to ensure successful outcomes from large technology investments.

Account	FY 2018	FY 2019	Biennial Total
FTE			
106-1 State	29.0	14.7	21.9
106 Highway Safety Account			
106-1 State	\$8,606,122	\$16,178,878	\$24,785,000

Expected Results

Key results expected include: timely implementation of project milestones and projects costs within budget; increased customer, stakeholder and employee satisfaction with systems after implementation; decreased system downtime; increased transactions completed online.

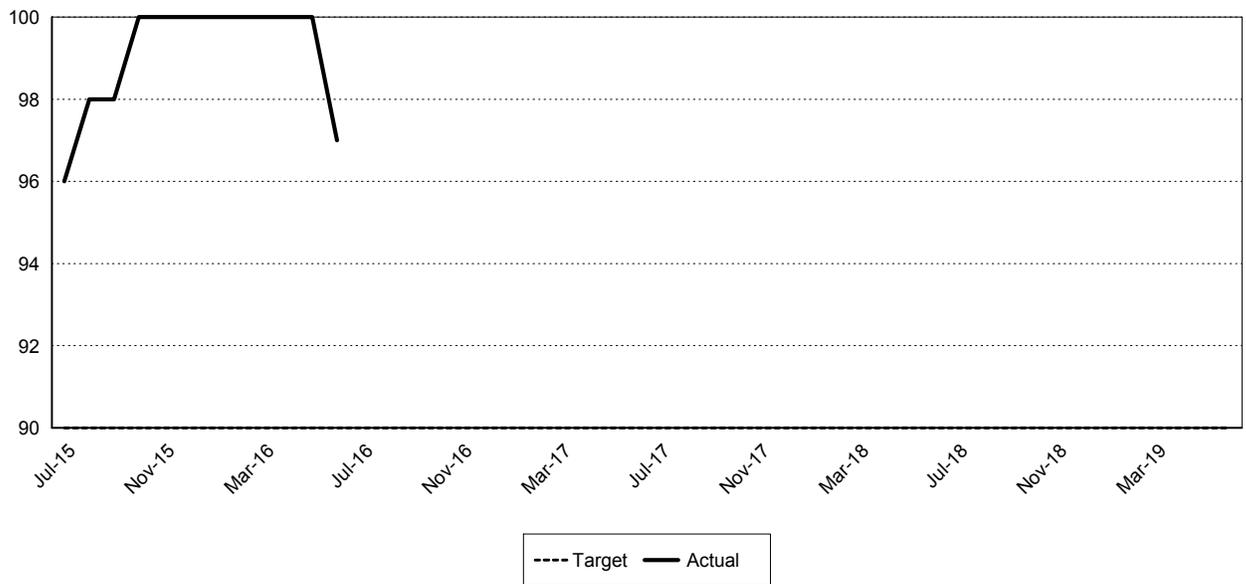
Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

002846 Results DOL measure			
Biennium	Period	Actual	Target
2017-19	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13		90%
	M12		90%
	M11		90%
	M10		90%
	M09		90%
	M08		90%
	M07		90%
	M06		90%
	M05		90%
	M04		90%
	M03		90%
	M02		90%
	M01		90%
2015-17	M24		90%
	M23		90%
	M22		90%
	M21		90%
	M20		90%
	M19		90%
	M18		90%
	M17		90%
	M16		90%
	M15		90%
	M14		90%
	M13		90%
M12	97%	90%	
M11	100%	90%	
M10	100%	90%	
M09	100%	90%	

Appropriation Period: 2017-19 Activity Version: 00 - Agency Budget Submittal 17-19

2015-17	M08	100%	90%
	M07	100%	90%
	M06	100%	90%
	M05	100%	90%
	M04	100%	90%
	M03	98%	90%
	M02	98%	90%
	M01	96%	90%
Performance Measure Status: Approved			

Percent 002846 - % on schedule implementing technology system milestones (SP7c)



Grand Total

	FY 2018	FY 2019	Biennial Total
FTE's	1,328.9	1,362.2	1,345.6
GFS	\$1,829,000	\$1,461,000	\$3,290,000
Other	\$181,309,000	\$175,332,000	\$356,641,000
Total	\$183,138,000	\$176,793,000	\$359,931,000

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**Agency Performance Measure
Incremental Estimates for the Biennial Budget**

Agency: 240 Department of Licensing Budget Period: 2017-19

Activity: A030 Agency Business Infrastructure

M1	M1	Credit Card Transaction Fees	No measures linked to decision package
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Activity: A031 Driver Licensing, Regulation and Records

M1	M2	Driver's License Production	No measures linked to decision package
M2	9F	Federal Funding Adjustment	No measures linked to decision package
M2	M5	DRIVES Maintenance	No measures linked to decision package
PL	P6	Facility 6 Year Plan	No measures linked to decision package
PL	P8	New Driver Requirements	No measures linked to decision package

Process - Efficiency Mea 002841 Results DOL measure

PL	P2	CIS Completion and Maintenance	<u>FY 2018</u> 80.00%	<u>FY 2019</u> 85.00%
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Activity: A032 Vehicle and Boat Registration, Titles and Records

M2	8P	Postage Rate Adjustments	No measures linked to decision package
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Activity: A034 Administration of Fuel Tax Collection and Motor Carrier Services

M2	9F	Federal Funding Adjustment	No measures linked to decision package
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Activity: A035 Data Clearing House

PL	P7	Firearms Workload Backlog	No measures linked to decision package
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Activity: A036 Agency IT Projects

M2	9S	Equipment Replacement Costs	No measures linked to decision package
PL	P4	Continuation of BTM DRIVES-Drivers	No measures linked to decision package

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**Washington Department of Licensing
2017-19 Biennium
Indirect Cost Allocation to Activities Description**

Methodology: Overhead is a fixed cost based on infrastructure needs and indirect is 12% (7% Management Support Services, 5% Information Services) of the direct budget. A030 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 specific direct program operating functions.

		A030	A031	A032	A033	A034	A035	A036		
		Agency Business Infrastructure	Driver Licensing, Regulation and Records	Vehicle and Boat Registration, Titles and Records	Professions Licensing, Regulation and Records	Administration of Fuel Tax Collection and Motor Carrier Services	Data Clearing House	Agency IT Projects	TOTAL	% of TOTAL
Management Support Services	Direct	0	220,891	18,512,628	0	0	0	31,675,893	50,409,412	57%
	Overhead	31,901,184	0	0	0	0	0	0	31,901,184	36%
	Indirect	0	26,176	2,193,756	0	0	0	3,801,107	6,021,039	7%
	Total	31,901,184	247,067	20,706,384	0	0	0	35,477,000	88,331,635	100%
Information Services	Direct	0	6,167,548	12,357,778	0	3,532,926	0	0	22,058,252	45%
	Overhead	23,887,374	0	0	0	0	0	0	23,887,374	49%
	Indirect	0	730,858	1,464,403	0	418,654	0	0	2,613,915	5%
	Total	23,887,374	6,898,406	13,822,181	0	3,951,580	0	0	48,559,541	100%
Customer Relations	Direct	0	65,555,300	12,967,634	0	0	0	0	78,522,934	88%
	Overhead	1,412,340	0	0	0	0	0	0	1,412,340	2%
	Indirect	0	7,768,336	1,536,671	0	0	0	0	9,305,007	10%
	Total	1,412,340	73,323,636	14,504,305	0	0	0	0	89,240,281	100%
Programs & Services	Direct	0	49,985,716	6,272,579	0	0	0	3,714,000	59,972,295	88%
	Overhead	1,794,755	0	0	0	0	0	0	1,794,755	3%
	Indirect	0	5,923,332	743,304	0	0	0	0	6,666,636	10%
	Total	1,794,755	55,909,048	7,015,883	0	0	0	3,714,000	68,433,686	100%
Business & Professions	Direct	0	0	0	37,311,883	18,505,338	2,303,556	0	58,120,777	86%
	Overhead	2,628,945	0	0	0	0	0	0	2,628,945	4%
	Indirect	0	0	0	4,421,477	2,192,892	272,973	0	6,887,342	10%
	Total	2,628,945	0	0	41,733,360	20,698,230	2,576,529	0	67,637,064	100%
TOTAL	Direct	0	121,929,455	50,110,619	37,311,883	22,038,264	2,303,556	35,389,893	269,083,670	% of Direct
	Overhead	61,624,598	0	0	0	0	0	0	61,624,598	23%
	Indirect	0	14,448,702	5,938,134	4,421,477	2,611,546	272,973	3,801,107	31,493,939	12%
	Total	61,624,598	136,378,157	56,048,753	41,733,360	24,649,810	2,576,529	39,191,000	362,202,207	100%
% of Total	Direct	0%	89%	89%	89%	89%	89%	90%	74%	
	Overhead	100%	0%	0%	0%	0%	0%	0%	17%	
	Indirect	0%	11%	11%	11%	11%	11%	10%	9%	
	Total	100%	100%	100%	100%	100%	100%	100%	100%	

Note: Numbers are from 2015-17 allotments after the 1st supplemental, 2017-19 base, prior to 2017-19 carryforward level adjustments to show allocation split within all activities. Excludes \$3,806,012 of unallotted. (EDL Workload, Federal Authority)

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Strategic Plan

2017-2020

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 Long-term commitments	STRATEGIC INITIATIVES What we will do to cause measurable progress toward the goal	STRATEGIC OUTCOME MEASURES What we will measure to quantify progress and communicate results
<i>When engaged employees ...</i>		
Engaged Employees	1 Ensure every employee connects to DOL's Mission, Fundamentals Map, measures, and results.	% of employees who understand their connection to the mission, map, and measures
	2 Enable and encourage every employee to solve problems and come up with better ways of doing things.	% of employees who say they are encouraged to come up with better ways of doing things
	3 Ensure supervisors actively seek and incorporate input from employees.	% of employees who say they have opportunities to give input on decisions affecting their work
	4 Engage every employee with communication and training to be prepared for the ongoing changes in our work.	% of employees who say they receive clear information about changes being made within DOL # of employees, supervisors, and managers trained in change management
	5 Enable every employee to learn and grow by developing and implementing an employee development program.	% of employees who say they have opportunities at work to learn and grow
<i>... create a customer focused organization ...</i>		
A Customer Focused Organization	6 Ensure every employee understands and delivers on the customer service promise.	% of customers who say we were friendly and helpful (drivers, vehicles, professions; in person, by phone)
	7 Gather and use timely, actionable feedback from all customer groups, so customers guide our improvement efforts.	% of customers who say we met or exceeded their ideal expectation (drivers, vehicles, professions; in person, by phone, online)
<i>... providing the most efficient and effective services ...</i>		
Efficient, Effective Services	8 Implement adaptable technology systems and processes to meet emerging needs of customers, stakeholders, and employees.	% on schedule implementing system milestones % of customers, stakeholders, and employees who say the system and processes improved after new system implementation % of transactions completed online (drivers, vehicles, professions)
	9 Improve our management practices for prioritizing work and effectively using resources.	% of agency-level performance measures on target
	10 Use Results DOL to manage, measure, and improve agency performance, processes, and results.	% of off-target measures having root cause analysis and action plans for continuous improvement
<i>... we become the trusted and credible partner of all Washingtonians ...</i>		
A Trusted, Credible Partner	11 Protect our systems and customer data from being compromised and prevent fraud by continuously researching and responding to emerging risks and cyberthreats.	% on schedule implementing the data risk mitigation plan
	12 Provide timely information to policy makers on federal requirements and emerging technologies, and how they will impact customers, operations, and partners.	Completion of information materials on emerging issues
<i>... so together we can measurably improve public safety.</i>		
Improved Public Safety	13 Reduce traffic fatalities and serious injuries by implementing our Target Zero Action Plan for young drivers, motorcycles, and senior drivers.	# of fatalities involving 16 to 25 year old drivers # of serious injuries involving 16 to 25 year old drivers # of fatalities involving motorcycles # of fatalities involving drivers aged 70 and older # of Target Zero measures on target
	14 Assess and review the statewide Driver Training Program and develop a long-term plan to provide world-class training for drivers.	Completion of plan for Driver Training Program
	15 Provide law enforcement agencies real-time electronic access to accurate firearm records.	# of records in backlog and date of backlog % of law enforcement agencies and firearm dealers submitting records electronically

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WASHINGTON STATE DEPARTMENT OF LICENSING

Our 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.

Our Vision

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

Our Agency Culture

We are all responsible for DOL's success

We make decisions that align with our agency goals and values, and understand our own connection to the agency's mission and vision.

We build great teams

We build a diverse workforce of team players with the right skills, attitudes, and work ethics to achieve our goals.

We plan for tomorrow

We are all leaders. Today's leaders mentor tomorrow's leaders. We share our knowledge and give our coworkers the tools and information they need to lead us into the future.

We solve problems

We help make decisions that affect the agency and our customers. We support an environment where everyone is encouraged to ask questions and suggest changes.

We empower employees to continuously improve processes

We encourage Lean thinking and provide the tools for our employees to solve problems using creativity and innovation. We align efforts across the agency and within state government to deliver results to our customers.

We communicate respectfully and openly

We create an environment where everyone feels comfortable speaking up and participating in groups to solve problems. We listen to understand others' opinions, needs and goals.

We are accountable

We are accountable to DOL and to the public to use resources wisely and efficiently. We will hold each other accountable to improve agency performance and achieve results.

We minimize risks

We are on alert for risks in the workplace, whether it's a safety issue or protecting customers' personal information. We identify and minimize risks through our solid processes and good decision-making.

We are friendly and helpful – every time

We listen to our customers, understand their needs and goals, resolve problems and answer questions in a timely way. We provide the excellent customer service that people expect.

We welcome input from those we impact

We have many stakeholders and we welcome their feedback and input. In partnership, we develop sound public policy and provide better customer service.

Our Values



Our Key Goals

- Engaged Employees
- A Customer Focused Organization

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

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Recommendation Summary

Agency: 240 Department of Licensing

10:39:01AM

9/16/2016

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total	1,362.2	2,667	363,217	365,884
CL CF Agency Carry Forward	(45.5)	11	(50,712)	(50,701)
Total Carry Forward Level	1,316.7	2,678	312,505	315,183
Percent Change from Current Biennium	(3.3)%	.4%	(14.0)%	(13.9)%
M1 M1 Credit Card Transaction Fees			2,742	2,742
M1 M2 Driver's License Production			355	355
Carry Forward plus Workload Changes	1,316.7	2,678	315,602	318,280
Percent Change from Current Biennium	(3.3)%	.4%	(13.1)%	(13.0)%
M2 8P Postage Rate Adjustments			1,277	1,277
M2 9F Federal Funding Adjustment			3,102	3,102
M2 9S Equipment Replacement Costs			493	493
M2 M5 DRIVES Maintenance			7,750	7,750
Total Maintenance Level	1,316.7	2,678	328,224	330,902
Percent Change from Current Biennium	(3.3)%	.4%	(9.6)%	(9.6)%
PL P2 CIS Completion and Maintenance	3.8		846	846
PL P4 Continuation of BTM DRIVES-Drivers	21.9		24,785	24,785
PL P6 Facility 6 Year Plan			2,418	2,418
PL P7 Firearms Workload Backlog	4.5	612		612
PL P8 New Driver Requirements	1.5		368	368
Subtotal - Performance Level Changes	31.6	612	28,417	29,029
2017-19 Total Proposed Budget	1,348.3	3,290	356,641	359,931
Percent Change from Current Biennium	(1.0)%	23.4%	(1.8)%	(1.6)%

Recommendation Summary

Agency: 240

10:39:01AM

9/16/2016

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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CB 00 Current Biennium Base

Current biennium base.

CL CF Agency Carry Forward

Carry forward adjustments.

M1 M1 Credit Card Transaction Fees

The Department of Licensing requests funds to pay increased credit card costs resulting from online licensing transactions for driver, vehicle, business and profession licenses, and uniform commercial code transactions. (Multiple funds)

M1 M2 Driver's License Production

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

M2 8P Postage Rate Adjustments

Department of Licensing request funds for postage and printing costs due to increased volume of title, registration and disability renewal notifications. (Motor Vehicle Account - State)

M2 9F Federal Funding Adjustment

The Department of Licensing requests federal expenditure authority to support federal grants that have been received and that will be applied for. The grants will be used to implement federal commercial driver's licensing requirements (Highway Safety Account-Federal) and to support fuel tax compliance and evasion investigations (Motor Vehicle Account-Federal).

M2 9S Equipment Replacement Costs

The Department of Licensing (DOL) requests funding to replace existing network equipment at core DOL sites in Thurston County. DOL also requests funding to obtain vendor services for maintenance of three large imaging scanners and equipment located in Thurston County. (Motor Vehicle Account - State)

M2 M5 DRIVES Maintenance

The Department of Licensing requests ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems, referred to as DRIVES. Currently, the project is ahead of the originally proposed schedule and within the proposed budget. (Highway Safety Fund-State)

PL P2 CIS Completion and Maintenance

Recommendation Summary

Agency: 240

10:39:01AM

9/16/2016

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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The Department of Licensing requests funding to complete the Central Issuance System (CIS) project and support ongoing system maintenance and operations. (Highway Safety Account-State)

PL P4 Continuation of BTM DRIVES-Drivers

The Department of Licensing (DOL) requests funding to continue with the modernization of DOL's antiquated driver licensing system. This budget request provides funding for commercial off-the-shelf (COTS) system related costs, vendor-provided professional services, and project FTEs to support system implementation activities. (Highways Safety Fund-State)

PL P6 Facility 6 Year Plan

Funding is requested to reconfigure twelve driver licensing offices and relocate six licensing offices to meet the operational and strategic facility needs identified in the 2017-2023 Six-Year Facilities Plan that is required by the Office of Financial Management. This request responds to population changes, workload volumes, inefficient facilities and demand for driver licensing services. (Highway Safety Fund-State)

PL P7 Firearms Workload Backlog

The Department of Licensing requests funding for its Firearms program to hire nine temporary staff in fiscal year 2018 to eliminate an estimated backlog of over 364,000 firearm pistol transfer/sale records. (General Fund - State)

PL P8 New Driver Requirements

The Department of Licensing requests funding for two FTEs for the Driver Training School Program (a curriculum specialist and an auditor) to improve traffic safety education throughout the state as part of a comprehensive Young Driver Target Zero agency request bill. This request supports the state's goal to reach zero traffic deaths and serious injuries by 2030. (Highway Safety Fund -State)

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Agency Budget Request Decision Package Summary

(Lists only the agency Performance Level budget decision packages, in priority order)

Agency: **240 Department of Licensing**

9/15/2016
3:15:25PM

Budget Period: **2017-19**

Decision Package Code	Decision Package Title
PL-P4	Continuation of BTM DRIVES-Drivers
PL-P2	CIS Completion and Maintenance
PL-P6	Facility 6 Year Plan
PL-P8	New Driver Requirements
PL-P7	Firearms Workload Backlog

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2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: M1-Credit Card Transaction Fees

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text:

The Department of Licensing requests funds to pay increased credit card costs resulting from online licensing transactions for driver, vehicle, business and profession licenses, and uniform commercial code transactions. (Multiple funds)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 003-1	1,000	1,000	1,000	2,000
Fund 024-1	5,000	6,000	7,000	8,000
Fund 026-1	4,000	5,000	6,000	7,000
Fund 04E-1	1,000	1,000	1,000	2,000
Fund 06G-1	0	1,000	1,000	1,000
Fund 06L-1	10,000	11,000	14,000	16,000
Fund 106-1	233,000	215,000	232,000	274,000
Fund 108-1	803,000	937,000	1,076,000	1,204,000
Fund 108-7	227,000	277,000	327,000	377,000
Fund 298-6	1,000	1,000	1,000	1,000
Total Cost	1,285,000	1,455,000	1,666,000	1,892,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
N/A	0.0	0.0	0.0	0.0
Object of Expenditure				
Obj. E	1,285,000	1,455,000	1,666,000	1,892,000

Package Description:

Summary

This package requests \$2,740,000 for the 2017-19 biennium and on-going to cover higher credit card transaction fees resulting from increased online transaction volumes and increased credit card fee rate. Online transactions continue to increase as the customer base increases and more services are available online.

Credit card companies charge DOL an average rate of 2.25% of the customer payment amount. At current funding levels, DOL is unable to pay for rising credit card fees incurred when more customers conduct online licensing transactions using credit cards. The type of licensing transactions include driver, vehicle, business and profession licenses, and uniform commercial code.

DOL will also submit a 2017 supplemental budget request for additional funding for higher credit card costs in the 2015-17 biennium.

Background

DOL offers customer the ability to conduct online transactions for their convenience. This also helps maintain reasonable wait time at Licensing Service Offices (LSO) and sub-agents.

The composite credit card rate increased by 0.05% from the previous budget calculations. Prior rate was 2.2% and current experienced rate is 2.25%. Each credit card company charges their own rate and DOL has no control over which credit cards customers use to pay for their transactions.

DOL collects Regional Transit Authority (RTA) taxes on behalf of Sound Transit, which consists of King, Pierce, or Snohomish counties, to pay for their local transit-related projects. The RTA reimburses the state for the actual costs of administering this program, including related credit card costs for online renewals. In order to spend the money the state receives from RTA, DOL needs appropriation authority from the legislature. Due to the increase in both online renewals and the number of registered vehicles, credit card costs have increased over DOL's appropriation level for the 2015-17 biennium. An appropriation increase is requested to ensure DOL has sufficient spending authority related to RTA credit card costs.

DOL collects state mandated licensing fees from business and professions defined by applicable laws. DOL also collects fees for uniform commercial code inquiries and requests. The vast majority of these transactions are done online. Due to increase in online renewals for applicable professions and licensees, credit card costs have increased.

Over the past two years, Washington's population increase has been noted by the state. A June 25, 2015 press release titled "Washington's population tops 7 million" issued by the Office of Financial Management (OFM) notes a 1.34% increase in 2015 and a 1.25% increase in 2014.

Source: <http://www.ofm.wa.gov/news/release/2015/150625.asp>

Also per the Detailed Forecast Tables published on June 21, 2016 by the OFM vehicle registrations grew 2.1% in 2014 and 3.5% in 2015. There is expected growth from fiscal year 2016 thru 2027 of 1.5% per year. Source: <http://www.ofm.wa.gov/budget/info/June16transpovol2.pdf>

DOL's Washington State Drivers Report further supports this trend. The 2015 report noted that driver in-migration (population moving to Washington from other states) was up 10.2% over the previous year, while the 2016 report indicated continued in-migration of 10% over the 2015 report. This package requests funding to support increased driver's license production costs associated with in-migration population trends.

Source: <http://www.dol.wa.gov/about/docs/driver-reports/2016-06-WDL-report.pdf>

Source: <http://www.dol.wa.gov/about/docs/driver-reports/2015-06-WDL-report.pdf>

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

Fund	Activity	FY 2018	FY 2019	FY 2020	FY 2021
003-1	A033	3,000	3,000	3,000	3,000
024-1	A033	20,000	20,000	20,000	20,000
026-1	A033	18,000	18,000	18,000	18,000
04E-1	A035	8,000	8,000	8,000	8,000
06G-1	A033	2,000	2,000	2,000	2,000
06L-1	A033	38,000	39,000	38,000	39,000
106-1	A031	338,000	359,000	338,000	359,000
108-1	A031	2,362,000	2,363,000	2,362,000	2,363,000
108-7	A031	562,000	562,000	562,000	562,000
298-1	A033	2,000	2,000	2,000	2,000
	Total	3,353,000	3,376,000	3,353,000	3,376,000

A031 – Drivers Licensing, Regulating and Records Management

A033 – Professions Licensing, Regulation and Records Management

A035 – Data Clearing House

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Drivers and Vehicles

Approximately 28% of customers renew their vehicle registrations and driver licenses online with a credit card. Approximately 75% of Reports of Sale are filed online. There is a credit card fee of 2.25% applied to the amount of the transaction, payable by DOL to credit card companies.

Driver Credit Cards	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	106	ED0	571,000	574,000	1,145,000	570,000	633,000	1,203,000	695,000	742,000	1,437,000
Current Expenditures	2.25%	106	ED0	338,000	359,000	697,000	338,000	359,000	697,000	338,000	359,000	697,000
			Total	233,000	215,000	448,000	232,000	274,000	506,000	357,000	383,000	740,000

Vehicle Credit Cards	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	108	EE0	3,165,000	3,300,000	6,465,000	3,438,000	3,567,000	7,005,000	3,687,000	4,219,000	7,906,000
Current Expenditures	2.25%	108	EE0	2,362,000	2,363,000	4,725,000	2,362,000	2,363,000	4,725,000	2,362,000	2,363,000	4,725,000
			Total	803,000	937,000	1,740,000	1,076,000	1,204,000	2,280,000	1,325,000	1,856,000	3,181,000

Regional Transit Authority

Increased credit card costs were forecasted using actual internet payment data which is compiled in the Vehicle and Vessel Fee Distribution Report. Higher credit card costs are attributed to higher vehicle volumes, and increased use of the internet to complete vehicle registration transactions. Historical data is available through the following link.

<https://fortress.wa.gov/dol/vsd/vsdFeeDistribution/ReportList.aspx>

DOL has calculated an average rate of credit card fees of 2.25% for online transactions.

RTA Credit Card Costs	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	108	5L0	789,000	839,000	1,628,000	889,000	939,000	1,828,000	993,000	1,039,000	2,032,000
Current Expenditures	2.25%	108	5L0	562,000	562,000	1,124,000	562,000	562,000	1,124,000	562,000	562,000	1,124,000
Total				227,000	277,000	504,000	327,000	377,000	704,000	431,000	477,000	908,000

Business and Professions

Approximately 95% of customers renew their professional licenses and pay uniform commercial code requests online using credit cards. There is a credit card fee of 2.25% applied to the amount of the transactions.

Architects	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	003	1B0	4,000	4,000	8,000	4,000	5,000	9,000	5,000	5,000	10,000
Current Expenditures	2.25%	003	1B0	3,000	3,000	6,000	3,000	3,000	6,000	3,000	3,000	6,000
Total				1,000	1,000	2,000	1,000	2,000	3,000	2,000	2,000	4,000

Engineers	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	024	1E0	25,000	26,000	51,000	27,000	28,000	55,000	29,000	30,000	59,000
Current Expenditures	2.25%	024	1E0	20,000	20,000	40,000	20,000	20,000	40,000	20,000	20,000	40,000
Total				5,000	6,000	11,000	7,000	8,000	15,000	9,000	10,000	19,000

Real Estate Commission	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	026	1F0	22,000	23,000	45,000	24,000	25,000	49,000	26,000	27,000	53,000
Current Expenditures	2.25%	026	1F0	18,000	18,000	36,000	18,000	18,000	36,000	18,000	18,000	36,000
Total				4,000	5,000	9,000	6,000	7,000	13,000	8,000	9,000	17,000

Uniform Commercial Code	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	04E	1H0	9,000	9,000	18,000	9,000	10,000	19,000	10,000	10,000	20,000
Current Expenditures	2.25%	04E	1H0	8,000	8,000	16,000	8,000	8,000	16,000	8,000	8,000	16,000
Total				1,000	1,000	2,000	1,000	2,000	3,000	2,000	2,000	4,000

Real Estate Appraisers	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	06G	1R0	2,000	3,000	5,000	3,000	3,000	6,000	3,000	3,000	6,000
Current Expenditures	2.25%	06G	1R0	2,000	2,000	4,000	2,000	2,000	4,000	2,000	2,000	4,000
Total				0	1,000	1,000	1,000	1,000	2,000	1,000	1,000	2,000

Multiple Professions	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	06L	CN0	48,000	50,000	98,000	52,000	55,000	107,000	57,000	60,000	117,000
Current Expenditures	2.25%	06L	CN0	38,000	39,000	77,000	38,000	39,000	77,000	38,000	39,000	77,000
Total				10,000	11,000	21,000	14,000	16,000	30,000	19,000	21,000	40,000

Geologists (Nonappropriated)	%	Fund	AI	FY 2018	FY 2019	2017-19 Total	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	298	963	3,000	3,000	6,000	3,000	3,000	6,000	4,000	4,000	8,000
Current Expenditures	2.25%	298	963	2,000	2,000	4,000	2,000	2,000	4,000	2,000	2,000	4,000
Total				1,000	1,000	2,000	1,000	1,000	2,000	2,000	2,000	4,000

Decision Package Justification and Impacts

Increasing the number of transactions completed online remains one of DOL's key strategies for customer satisfaction and efficient and effective service delivery. As online transactions increase, DOL costs to provide this service also increases. Without funding for these credit card costs, DOL cannot sustain the level of service which is valued by customers and is an integral part of DOL's business efficiency model.

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

If funding is provided, DOL expects:

- To continue offering all the online services now available without financial impact to our customers.
- Customer satisfaction with online services would remain high, ranging from 88 to 92 percent as shown by our monthly analysis of customer feedback from our online survey.
- 28% of driver transactions and 31% of vehicle transactions would continue to be completed online (based on 2015 actuals).
- Significant increase in professions' online transactions (based on technology advances in 2016 and 2017 which provide more online service options to professions).

If funding is not received and we have to limit online services, we would expect:

- Significant customer complaints.
- Increased customer traffic to driver, vehicle and professional licensing offices.
- Increased wait times in field offices.

These outcomes would be counter to DOL's commitment to great service. If funding is not received and DOL cuts other services to pay for unfunded credit card fees, DOL expects a decrease in satisfaction among impacted customers, which in turn would impact the Results Washington Goal 5 sub-topics of customer satisfaction and service reliability.

Performance Measure detail:

DOL will measure the percent of transactions completed online, by transaction type and customer group; and the percent of customers who say we met or exceeded their ideal expectations with online services. These are outcome measures in our 2017-2020 Strategic Plan, reflecting our goals of customer focus and efficient, effective services.

Activity:

A031 – Drivers Licensing, Regulating and Records Management

A033 – Professions Licensing, Regulation and Records Management

A035 – Data Clearing House

Measure: Driver, Vehicle and Vessel Registration Transactions (001715): This decision package is specific to online vehicle registration renewals, which are a subset of the statewide vehicle and vessel transactions included in this statewide measure. To provide context for the online growth, here is a look at statewide growth of online vehicle registration renewals:

Fully describe and quantify expected impacts on state residents and specific populations served.

2015 Counts from June 2016 Stats and Trends Report	
2,972,760	Driver transactions
836,157	Internet Transactions
28%	% done online

8,152,474	Vehicle transactions
2,503,820	Internet Transactions
31%	% done online

As many as 3 million online customers a year could be impacted (based on 2015 with over 800,000 driver transactions and over 2.5 million vehicle transactions completed online).

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Sound Transit
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	

Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

The state collects RTA fees that are used to support local projects. The state is reimbursed for expenses related to DOL’s collection of the fees.

What alternatives were explored by the agency and why was this option chosen?

Option 1: Do nothing. This option is not considered practical because of negative impacts on other driver’s license related service areas.

Option 2: Request funding for increased credit card fees. This option allows DOL to continue offer customers access to online services without impacting other business areas.

What are the consequences of not funding this request?

DOL is required by law to furnish driver licenses, vehicle registrations, business, and profession licenses. By providing these services online credit card fees are incurred and without this funding, the agency would need to reduce services in other areas or reduce online services. Reducing online services will increase traffic to Licensing Services Offices (LSOs) and sub-agent offices.

How has or can the agency address the issue or need in its current appropriation level?

DOL cannot address this issue without negatively impacting other service areas.

One of DOL’s strategic initiative is to promote online transactions which:

- Allows for faster processing of eligible transactions (no waiting in line).
- Provides online renewal notifications (saves printing and postage costs).

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

N/A

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: M2-Driver's License Production

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text:

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

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-1	385,000	(30,000)	(59,000)	8,000
Total Cost by Fund	385,000	(30,000)	(59,000)	8,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
Total Revenue	0	0	0	0
Object of Expenditure				
E	385,000	(30,000)	(59,000)	8,000
Total Cost by Object	385,000	(30,000)	(59,000)	8,000

Package Description

Summary

Department of Licensing (DOL) requests funding to support increased driver's license and identicard production. The total 2017-19 biennium request is for \$355,000 from the Highway Safety Account to pay DOL's contracted central issuance system vendor for card production. This total includes cost-per-card changes associated with a new central issuance vendor and increased document production driven by new residents in the state.

Background

Under the provisions of Chapter [46.20 RCW](#) the Department of Licensing (DOL) issues driver's licenses and identicards to qualified residents of the state. These documents are produced in a secure facility operated by a central issuance system (CIS) vendor under contract with DOL. 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 adopted by the state's Transportation Revenue Forecast Council.

Washington State is experiencing an increase in population that impacts the demand for driver's license and identicard documents. This package requests funding for the 2017-19 biennium to respond to higher demand and the subsequent production costs of driver's licenses and identicards caused by state population growth. The package also illustrates changes in allocation requirements based on contractual changes with DOL's new CIS vendor that will be fully integrated at the beginning of the 2017-19 biennium.

Current Status

Over the past two years, Washington's population increase has been noted by the state. A June 25, 2015 press release titled "Washington's population tops 7 million" issued by the Office of Financial Management (OFM) notes:

"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 93,200 to 7,061,400 between 2014 and 2015. This 1.34 percent gain — up from 1.25 percent in 2014 — marks the largest annual increase since 2008.

Washington's population has been growing at an increasing rate, driven largely by migration. This year there was a net gain of 57,400 people moving into the state, compared to a net gain of 49,500 the previous year. Net migration accounts for 62 percent of the state's population growth this year, with natural increase (births minus deaths) responsible for the other 38 percent (35,800 people). For the second straight year, net migration exceeds the three-decade historical average of 48,800 migrants per year".

<http://www.ofm.wa.gov/news/release/2015/150625.asp>

A June 30, 2016 press release titled "Washington's population grows at fastest pace since 2007" issued by OFM states:

"Washington's population grew by an estimated 1.73 percent over the past year — the largest percentage increase since 2007. The number of people in the state increased by 122,300 to 7,183,700, according to annual estimates prepared by the Office of Financial Management.

Migration was once again the primary driver behind Washington's population growth. From 2015 to 2016, net migration (people moving in vs. people leaving) to the state totaled 87,100, compared to 57,600 the previous year. Net migration accounts for 71 percent of the state's population growth this year, with natural increase (births minus deaths) responsible for the other 29 percent (35,200 people)".

<http://www.ofm.wa.gov/news/release/2016/160630.asp>

DOL's Washington State Drivers Report further supports this trend. The 2015 report noted that driver in-migration (population moving to Washington from other states) was up 10.2 percent over the previous year, while the 2016 report indicated continued in-migration of 10.0 over the 2015 report. This package requests funding to support increased driver's license production costs associated with in-migration population trends.

<http://www.dol.wa.gov/about/docs/driver-reports/2015-06-WDL-report.pdf>

<http://www.dol.wa.gov/about/docs/driver-reports/2016-06-WDL-report.pdf>

Total Package Expenditure and Allocation Impact

This decision package is a composite of forecast changes that impact projected volumes of card production and contractual changes related to the acquisition of a new CIS vendor. Contracted vendor changes include a reduction of \$0.11 in the cost of a non-enhanced personal driver's license (PDL) or identicard and a reduction of \$0.23 in the cost of an enhanced driver's license (EDL) or enhanced identicard (EID). It is assumed that all contract-related changes are fully incorporated by the beginning of the 2017-19 biennium. The lower cost-per-card in the new contract serves as an offset to costs driven by additional card production.

Forecast changes are subject to ongoing revision as forecasts are updated in accordance with the schedule as determined by state law. Changes are impacted by in-migration and other population changes within the state, which as noted above have been significant over the last several years. In future biennia, in-migration pressures on license issuance will be mitigated by the effect of the state's adoption of a six-year license life cycle, which has the effect of spreading five years of workload across six years.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL's 2015-17 base allocation for contracted cost-per-card payments is based on the March 2015 forecast of workload. Allotments are distributed for basic or PDL document production and EDL/EID document production. The 2017-19 Carry Forward Level (CFL) budget reduces this base level by \$217,000.

\$9,872,929	PDL document production, Highway Safety Account-State (106-1)
\$1,258,421	EDL/EID document production, Highway Safety Account-State (106-1)
<u>(\$217,000)</u>	2017-19 CFL reduction to base
\$10,914, 350	2017-19 allocation base, adjusted

No FTE associated with document production, only vendor related expenditures.

Both types of document production are included in Activity A031, Driver Licensing, Regulation and Records.

DOL will submit a 2017 supplemental budget request to secure adequate funding for card production in the 2015-17 biennium.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Expenditures

The funding level in this package represents the net difference between volumes projected in the June 2016 Transportation Revenue forecast and the average volumes projected in the March 2015 Transportation Revenue Forecast, which served as the base for card production cost allocations. This base was reduced by (\$217,000) in the 2017-19 CFL.

Cost-per-card assumptions in future biennia reflect production cost as negotiated with DOL’s Central Issuance System (CIS) vendor. This table also includes estimates of savings related to contractual changes for costs per card. A lower rate of cost increases in future biennia are expected as the transition from a five year license to a six year license is complete. Table 1 illustrates personal driver’s licenses (PDLs) and enhanced (EDLs/EIDs) document volumes, the costs for each, and the difference between expected costs from the adjusted 2017-19 baseline to the June 2016 forecast. Expenditures are from the Highway Safety Account-State (106-1) and are expensed to Sub-object ER (Other Purchased Services).

Table 1 summarizes the decision package requirements for the 2017-19 biennium.

Table 1

Allocation Summary

Summary	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2020-21
PDL + EDL/EID Net Changes	\$167,655	(\$29,516)	\$138,139	(\$276,300)	\$7,866	(\$268,434)
Base Budget 2017-19 CFL Adjustment	(\$217,000)	\$0	(\$217,000)	(\$217,000)	\$0	(\$217,000)
Net Impact	\$384,655	(\$29,516)	\$355,139	(\$59,300)	\$7,866	(\$51,434)

Document Production Costs	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2020-21
2015-17 Allocation Base	\$5,565,675	\$5,565,675	\$11,131,350	\$5,565,675	\$5,565,675	\$11,131,350

FTEs

There are no FTEs associated with this request.

Revenue

Revenue changes associated with increased driver’s license and identicard production are included separately in DOL’s revenue forecasts as adopted by the Transportation Revenue Forecast council. These forecasts are updated regularly to capture fluctuations in document demand.

Table 2 provides detail of changes for personal driver’s licenses and identicards, and enhanced documents.

Table 2

Increased Driver's License Production

Personal Driver's License (PDL) Production Costs	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2020-21
Production Changes						
June 2016 Forecast	1,891,617	1,797,015	3,688,632	1,706,664	1,777,164	3,483,828
March 2015 Forecast (avg/yr=funded production baseline)	1,855,814	1,855,814	3,711,627	1,855,814	1,855,814	3,711,627
Change	35,804	(58,799)	(22,995)	(149,150)	(78,650)	(227,799)
Cost Changes						
March 2015 forecast Old CIS Contract: \$2.66/card	\$4,936,464	\$4,936,464	\$9,872,928	\$4,936,464	\$4,936,464	\$9,872,928
June 2016 Forecast Old CIS Contract: \$2.66/card (Prior to May 2017) New CIS Contract \$2.55/card (May 2017 on-going)	\$4,823,623	\$4,582,388	\$9,406,011	\$4,351,993	\$4,531,768	\$8,883,761
Change, Basic (PDL/ID) documents	(\$112,841)	(\$354,076)	(\$466,917)	(\$584,471)	(\$404,696)	(\$989,167)

EDL/EID Driver's License Production Costs	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2020-21
Production Changes						
June 2016 Forecast	192,327	201,643	393,970	198,178	220,248	418,426
March 2015 Forecast (avg/yr=funded production baseline)	126,857	126,857	253,714	126,857	126,857	253,714
Change	65,470	74,786	140,256	71,321	93,391	164,712
Cost Changes						
March 2015 forecast Old CIS Contract: \$4.96/card	\$629,211	\$629,211	\$1,258,422	\$629,211	\$629,211	\$1,258,422
June 2016 Forecast Old CIS Contract: \$4.96/card (Prior to May 2017) New CIS Contract \$4.73/card (May 2017 on-going)	\$909,707	\$953,771	\$1,863,478	\$937,382	\$1,041,773	\$1,979,155
Change, Enhanced (EDL/EID) documents	\$280,496	\$324,560	\$605,056	\$308,171	\$412,562	\$720,733

Summary	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2020-21
PDL + EDL/EID Net Changes	\$167,655	(\$29,516)	\$138,139	(\$276,300)	\$7,866	(\$268,434)
Base Budget 2017-19 CFL Adjustment	(\$217,000)	\$0	(\$217,000)	(\$217,000)	\$0	(\$217,000)
Net Impact	\$384,655	(\$29,516)	\$355,139	(\$59,300)	\$7,866	(\$51,434)

Summary captures new net impacts based on forecast and production costs (rate changes), as well as impacts to the base budget that increases the fund request.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

If funding is received, DOL can issue the increased volume of documents, pay the related invoices timely, and avoid using funds needed for direct customer service and operations. If funding is not received, agency performance may decline in the service area absorbing the increased costs.

Performance Measure detail: If funding is not received, we would carefully analyze any performance data changes from the area that absorbed the increased costs.

Fully describe and quantify expected impacts on state residents and specific populations served.

This package supports all state residents that apply for and receive driver’s licensing or identicaid documents from the department. Maintaining sufficient funding for document production will help ensure that front line and back office customer services are not negatively impacted.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov’t impacts?	No	
Tribal gov’t impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	

Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

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 for 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.

What are the consequences of not funding this request?

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. It takes a coordinated effort from supporting service areas to effectively issue licenses and identicards in a timely manner.

How has or can the agency address the issue or need in its current appropriation level?

DOL found a more cost effective vendor when contractually allowed which will lower production costs in the future. Additional funds are needed during the transition period.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

N/A

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.

2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: ML2-8P Postage Rate Adjustments

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text: Department of Licensing request funds for postage and printing costs due to increased volume of title, registration and disability renewal notifications. (Motor Vehicle Account – State)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
108-1	619,000	658,000	677,000	727,000
Total Cost by Fund:	619,000	658,000	677,000	727,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
Total Revenue:	0	0	0	0
Object of Expenditure				
E	619,000	658,000	677,000	727,000
Total Cost by Object:	619,000	658,000	677,000	727,000

Package Description

Summary

Department of Licensing (DOL) is experiencing increased postage and printing costs due to increased volume of titles and registrations which creates the need for more renewal notifications. This service covers the renewal notices for titles, vehicle registrations and disability placards/identification cards. The total 2017-19 biennium request is for \$1,277,000 from the Motor Vehicle Account (108) to pay contracted postage and printing service.

Background

DOL prints and mails out over 15,000,000 renewal notices a biennium. Due to increased population migration and a healthier economy, more people are purchasing and titling vehicles in Washington State. This is leading to increased costs. Funding this request ensures the agency will continue to maintain the level of service that is expected by citizens. DOL continues to encourage citizens to sign up for online license renewal notifications to minimize postage and printing related costs.

Over the past two years, Washington’s population increase has been noted by the state. A June 25, 2015 press release titled “Washington’s population tops 7 million” issued by the Office of Financial Management (OFM) notes a 1.25% increase in 2014 and a 1.34% increase in 2015.

<http://www.ofm.wa.gov/news/release/2015/150625.asp>

Also per the Detailed Forecast Tables published on June 21, 2016 by the OFM vehicle registrations grew 2.1% in 2014 and 3.5% in 2015. There is expected growth from fiscal year 2016 thru 2027 of 1.5% per year.

<http://www.ofm.wa.gov/budget/info/June16transpovol2.pdf>

DOL’s Washington State Drivers Report further supports this trend. The 2015 report noted that driver in-migration (population moving to Washington from other states) was up 10.2 percent over the previous year, while the 2016 report indicated continued in-migration of 10.0 over the 2015 report. This package requests funding to support increased driver's license production costs associated with in-migration population trends.

<http://www.dol.wa.gov/about/docs/driver-reports/2015-06-WDL-report.pdf>

<http://www.dol.wa.gov/about/docs/driver-reports/2016-06-WDL-report.pdf>

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL’s 2015-17 base allocation for contracted postage and printing in the Renewal/Title Printing and Postage index is as follows:

Sub-Object Category	FY16	FY17	2015-17 Total
Communications/Telecommunications (sub-object EB - Postage)	2,948,328	2,936,173	5,884,501
Printing and Reproduction (sub-object EF - Printing)	1,140,000	1,140,000	2,280,000
TOTAL	4,088,328	4,076,173	8,164,501

All of these costs are under fund 108-1 Motor Vehicle Account and activity code A031 Drivers Licensing, Regulating and Records Management.

DOL submitted a 2017 supplemental budget request to secure adequate funding for printing and postage in the 2015-17 biennium.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Expenditures:

The following table captures production levels for 5 different renewal notifications and the associated printing and mailing costs for the 2017-19 biennium. The number of renewal notifications (Count) was determined from trend data for the last 5 fiscal years.

Postage					
Biennium		2017-19		2019-21	
Fiscal Year		FY18	FY19	FY20	FY21
Disability Parking	Count	75,771	80,225	85,165	89,781
	Rate	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44
	Total	\$ 33,339	\$ 35,299	\$ 37,473	\$ 39,504
ID Card	Count	167,232	168,768	166,316	166,523
	Rate	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41
	Total	\$ 68,565	\$ 69,195	\$ 68,190	\$ 68,274
Parking Ticket	Count	57,732	66,373	72,012	79,653
	Rate	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45
	Total	\$ 25,980	\$ 29,868	\$ 32,406	\$ 35,844
Title	Count	1,514,656	1,446,851	1,375,900	1,307,046
	Rate	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42
	Total	\$ 636,155	\$ 607,677	\$ 577,878	\$ 548,959
Vehicle Renewal	Count	6,169,348	6,250,463	6,405,513	6,511,273
	Rate	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42
	Total	\$ 2,591,126	\$ 2,625,194	\$ 2,690,315	\$ 2,734,735
Total		\$ 3,355,165	\$ 3,367,234	\$ 3,406,261	\$ 3,427,316

Printing					
Biennium		2017-19		2019-21	
Fiscal Year		FY18	FY19	FY20	FY21
Disability Parking	Count	108,120	120,248	133,449	137,746
	Rate	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
	Total	\$ 21,624	\$ 24,050	\$ 26,690	\$ 27,549
ID Card	Count	661,018	736,742	905,227	935,697
	Rate	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
	Total	\$ 132,204	\$ 147,348	\$ 181,045	\$ 187,139
Parking Ticket	Count	1,005,790	903,085	1,246,767	1,144,925
	Rate	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
	Total	\$ 170,984	\$ 153,524	\$ 211,950	\$ 194,637
Title	Count	1,407,121	1,423,481	1,314,542	1,361,755
	Rate	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
	Total	\$ 309,567	\$ 313,166	\$ 289,199	\$ 299,586
Vehicle Renewal	Count	4,487,047	4,557,692	4,063,286	4,171,062
	Rate	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
	Total	\$ 717,927	\$ 729,231	\$ 650,126	\$ 667,370
Total		\$ 1,352,306	\$ 1,367,319	\$ 1,359,010	\$ 1,376,282

Budget Shortfall	FY18	FY19	2017-19 Total	FY20	FY21	2019-21 Total
Current Budget (CFL)	4,088,328	4,076,173	8,164,501	4,088,328	4,076,173	8,164,501
Expenditure Forecast	4,707,471	4,734,553	9,442,024	4,765,271	4,803,598	9,568,869
Variance	(619,143)	(658,380)	(1,277,523)	(676,943)	(727,425)	(1,404,368)

FTEs:

There are no FTEs associated with this request.

Revenue:

There is no expected additional revenue from this decision package.

Decision Package Justification and Impacts**What specific performance outcomes does the agency expect?**

DOL will be able to continue offering mailed reminders and therefore continue meeting the customer expectation for mailed notification services. If funding is not received, DOL will have to limit offering mailed vehicle tab renewal notices and would expect:

- Significant customer complaints.
- An increase of expired tabs and the associated work for law enforcement to pull cars over.
- Less timely and accurate customer data in DOL systems needed by DOL and law enforcement for regulatory purposes.
- A decrease in revenue from vehicle tab renewals.

These outcomes would be counter to elements of DOLs mission – great service, public safety and collecting revenue. If funding is not received and DOL cuts some other service to pay for unfunded postage, DOL would expect a decrease in satisfaction among those customers impacted, which in turn would impact the Results Washington Goal 5 sub-topics of customer satisfaction and service reliability.

Performance Measure detail:

DOL will continue measuring documents printed and mailed, and comparing those to electronic alternatives chosen by customers, analyzing for trends and opportunities to increase electronic alternatives. DOL will continue measuring customer satisfaction for service by mail, office, phone and internet. If this request is not funded, an analysis of customer comment data for feedback would be used on what services to cut from.

Fully describe and quantify expected impacts on state residents and specific populations served.

These mailings include the vast majority of Washington State residents. This would impact those with vehicles, vessels, disability placards and identification cards.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	Yes	DOL encourages online renewals and notifications. While it saves postage and printing it does shift some costs to credit card fees.

Please provide a detailed discussion of connections/impacts identified above.

By having citizens do more online transactions increases customer satisfaction from quicker transactions: no wait times, can be done from home and electronic notifications. Online transactions will encourage savings from postage, printing, facility and staffing costs for renewal notifications and in-person renewal transactions, but will incur more credit card fees and online website maintenance. As more people adopt online services, it will create the budget savings and works to offset population growth budget impacts at DOL.

What alternatives were explored by the agency and why was this option chosen?

Option 1 – Request additional funds to maintain current service levels.

Options 2 - The agency continues to encourage customers to sign up for online license renewal notifications to minimize postage and printing costs. Long-term effort.

Option 3 – Make cuts to other DOL services to maintain this particular service. This could also include limiting which service products get renewal notifications or make cuts to other business areas to make this service whole.

DOL is pursuing options 1 and 2 to maintain current service levels that will best meet the customer’s expectations and confidence in government services while DOL continues to encourage the use of online services.

What are the consequences of not funding this request?

Without additional resources, DOL will have to divert resources from other direct service program areas. Diverting resources would only shift customer dissatisfaction from one business area to another or in multiple areas because it would then create underfunding in multiple areas.

How has or can the agency address the issue or need in its current appropriation level?

One of DOLs strategic initiative is to reduce barriers with online transactions by adding more services and making the website user friendly. With each generation becoming more comfortable with technology and with increasing access to the internet it is anticipated the use of online services will continue to rise.

Other supporting materials:

None.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: ML2-9F Federal Funding Adjustment

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text:

The Department of Licensing requests federal expenditure authority to support federal grants that have been received and that will be applied for. The grants will be used to implement federal commercial driver's licensing requirements (Highway Safety Account-Federal) and to support fuel tax compliance and evasion investigations (Motor Vehicle Account-Federal).

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-2	472,000	2,301,000	1,250,000	0
108-2	165,000	164,000	0	0
Total Cost by Fund	637,000	2,465,000	1,250,000	0
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
106-2	472,000	2,301,000	1,250,000	0
108-2	165,000	164,000	0	0
Total Revenue	637,000	2,465,000	1,250,000	0
Object of Expenditure				
E	637,000	2,465,000	1,250,000	0
Total Cost by Object	637,000	2,465,000	1,250,000	0

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's License (CDL) Program

Project: 2014 CDL Improvement Grant

Applied February 2014.

Estimated Completion: September 30, 2017.

Federal Authority Required: \$150,000 (Highway Safety Account – 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 (FMCSA). DOL's grant award is \$934,750 and \$150,000 is expected to be used in the 2017-19 biennium.

Project: 2016 CDL Improvement Grant

Applied for in May 2016. Expect award approximately September 2016.

Estimated Completion: If awarded, term will be through July 31, 2019.

Federal Authority Required: Estimated \$2,666,000 (Highway Safety Account – Federal)

Background: To complete programming and project activities to maintain compliance with federal regulations, Commercial Driver's License Information System (CDLIS) 6.0 that may be imposed, and implement updated technology within the CDL Program. Purchasing and installing cameras in Licensing Service Offices (LSO), CDL knowledge testing areas, and CDL skills testing areas.

Project: 2017 CDL Improvement Grant

Will Apply for in February 2017. Expect award approximately September 2017.

Estimated Completion: If awarded, term will be through July 2020.

Federal Authority Required: Estimated \$1,250,000 (Highway Safety Account – Federal)

Background: To complete programming and project activities to maintain compliance with federal regulations that may be imposed such as new CDLIS requirements (CDLIS 6.1), and implement updated technology within the CDL Program. The total award expected is \$2,500,000, with half of that used in the 2017-19 biennium and the balance used in the 2019-21 biennium.

Agency Subject Matter Expert:

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

Prorate and Fuel Tax Program

Project: Fuel Tax Task Force Travel

Estimated Completion: When expended in full.

Federal Authority Required: \$4,000 (Motor Vehicle Account – 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.

Project: Fuel Tax Investigations

Estimated Completion: When expended in full.

Federal Authority Required: \$325,000 (Motor Vehicle Account – 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. These funds can only be expended for fuel tax investigations and training.

Agency Subject Matter Expert:

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

Table 1 provides a summary of the 2017-19 federal expenditure authority requested for the grants that the department has either already received or will apply for:

Table 1 - Grant Summary

Title	Motor Vehicle Account-Federal	Highway Safety Account-Federal	Total
2014 CDL Improvement	0	150,000	150,000
2016 CDL Improvement	0	2,666,000	2,666,000
2017 CDL Improvement	0	1,250,000	1,250,000
Fuel Tax Task Force Travel	4,000	0	4,000
Fuel Tax Evasion Investigations	325,000	0	325,000
Total by Fund Required	329,000	4,066,000	4,395,000
2017-19 CFL Allocation	0	1,293,000	1,293,000
Total by Fund Requested	329,000	2,773,000	3,102,000

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL's 2015-17 federal expenditure authority is based on the department's 2015 decision package request for grants that were either expected to continue into the 2015-17 biennium, or be requested in the 2015-17 biennium.

\$3,573,000	2015-17 Highway Safety Account-Federal (106-2)
<u>(\$2,280,000)</u>	Removed in 2017-19 Carry Forward Level (CFL) adjustment
\$1,293,000	2017-19 Highway Safety Account-Federal CFL
\$362,000	2015-17 Motor Vehicle Account-Federal (108-2)
<u>(\$362,000)</u>	Removed in 2017-19 CFL adjustment
\$0	2017-19 Motor Vehicle Account-Federal CFL

Highway Safety Account-Federal is included in Activity A031, Driver Licensing, Regulation and Records. Motor Vehicle Account-Federal is included in Activity A034, Administration of Fuel Tax Collection and Motor Carrier Services.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Expenditure Assumptions

The federal expenditure authority requested in this package reflects grants that will carry over into the 2017-2019 Biennium, grants DOL has applied for and anticipates applying for.

Commercial Driver's License Program:

Federal authority required, total: \$4,066,000, Highway Safety Account-Federal

2017-19 CFL: \$1,293,000

Federal authority requested net of CFL: \$2,773,000, Highway Safety Account-Federal

Prorate and Fuel Tax Program:

Federal authority requested net of CFL: \$329,000, Motor Vehicle Account-Federal

Total federal authority required (both funds): **\$3,102,000**

Expenses will be recorded in various sub-object codes as required but captured in object E for this request since that data is unknown at this time.

Revenue 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.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Authority to spend federal grants relating to CDLs is expected to result in:

- Increased compliance with existing federal requirements of agencies administering CDLs
- Timely implementation of new federal requirements for administering CDLs
- Timely provision of data for the annual CDL program audits by FMCSA
- Reduced risk of fraud when cameras are installed over CDL applicants taking tests at licensing offices
- Reduced burden on other funding sources supporting the CDL program

These performance outcomes strengthen the CDL program's ability to advance safe driving, which is essential to DOL's public safety mission, our Strategic Initiative 13 and the related Results Washington Goal 4 measure 2.4 to reduce traffic fatalities. Since many factors impact driving outcomes, we do not estimate a direct impact of this funding on these measures, rather a complementary impact.

Authority to spend federal grants related to fuel tax is expected to result in sustained participation in the fuel tax task force and continued information sharing about audits and investigations with the task force and Washington State Patrol.

Performance Measure detail:

DOL will continue to measure CDL audit outcomes and resolution of findings with Results DOL measure OM6a and SP3b. (These measures are internal and not reported through Results Washington or OFM's RPM system).

Fully describe and quantify expected impacts on state residents and specific populations served.

DOL continues to strengthen its personal driver's license and identification card (PDL/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.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	County sheriffs
Other local gov't impacts?	Yes	Local police departments
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	Washington State Patrol, Washington State Department of Transportation
Responds to specific task force, report, mandate or exec order?	Yes	Federal Motor Carrier Safety Administration (FMCSA) / Commercial Driver's License Information System (CDLIS) requirements
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

DOL requests funding to allow the department to implement changes necessary to remain in compliance with federal requirements for the Commercial Driver's License program. Failure to remain in compliance can subject the state to penalties and sanctions. (See below for consequences of non-funding).

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 lowers state revenue, reduces roadway construction funding and air quality program funding, and has been linked to other violations.

What alternatives were explored by the agency and why was this option chosen?

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

What are the consequences of not funding this request?

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's 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 \$30 million; a ten percent reduction is estimated at \$60 million.

- 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.

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.

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.

How has or can the agency address the issue or need in its current appropriation level?

DOL has \$1,293,000 of Highway Safety Account-Federal retained in the 2017-19 carry forward budget and could expend federal grant awards up to that level but not beyond. Federal expenditure authority for Motor Vehicle Account-Federal is removed in DOL's 2017-19 carry forward budget level, therefore no current appropriation level will be available.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

None

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: ML2-9S Equipment Replacement Costs

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text: The Department of Licensing (DOL) requests funding to replace existing network equipment at core DOL sites in Thurston County. DOL also requests funding to obtain vendor services for maintenance of three large imaging scanners and equipment located in Thurston County. (Motor Vehicle Account – State)

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
108-1	455,000	38,000	38,000	38,000
Total Cost by Fund	455,000	38,000	38,000	38,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
Total Revenue	0	0	0	0
Object of Expenditure				
J	455,000	38,000	38,000	38,000
Total Cost by Object	455,000	38,000	38,000	38,000

Package Description

Summary

The Department of Licensing (DOL) requests funding to replace existing network and scanning equipment at core DOL sites, and update maintenance contracts that support core DOL sites within Thurston County. DOL core sites include the Highway and Licensing Building, Bristol Court, Black Lake Buildings, and the DOL warehouse located in Tumwater.

This equipment provides network services to DOL employees who serve the public.

Background

The DOL Information Services Division (ISD) team provides network services for all DOL core sites to ensure that DOL staff do not encounter outages or downtime due to equipment failures.

ISD utilizes preventive maintenance and repair contracts to keep equipment working properly and keep warranties valid. The IS network team can conduct basic support; however a maintenance contract is necessary for higher-level support for timely replacement and maintenance of failing equipment.

Most of the network infrastructure (connectivity between staff computers, servers and internet) at DOL core sites have reached or passed the equipment vendors end-of-life (EOL) support. DOL purchased the majority of the existing network infrastructure in 2005, with smaller amounts in 2006 and 2007. Vendor EOL for network switches and routers is typically five years and scanners have a typical lifecycle of three to five years.

Proposed Solution

Currently ISD replaces and repairs network equipment and obtains scanner maintenance on a break-fix basis. The break-fix approach accumulates more EOL inventory, contributing to infrastructure debt, which is risky and eventually more costly.

The intended outcome of this request is to replace the EOL network equipment and purchase maintenance contracts to keep existing and replaced equipment functioning properly, while maintaining valid warranties. The agency will realize cost savings when purchasing all EOL network items in bulk and having a consistent network environment across DOL core sites.

Expected Results

Funding this request enables DOL carry out preventive maintenance that avoids operational and service interruptions, and costly repairs and replacement of equipment.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Current Annual Expenditures

FY	Activity	Fund	FTE	Expenditure
2016	A030	108-1	Not Applicable	Not Applicable
2017	A030	108-1	Not Applicable	Not Applicable

This request is not an expansion or alteration of a current program or service. The purpose of this request is to replace outdated network equipment and associated maintenance contracts for equipment that supports existing programs and core functions. Expenditures will impact 108-1 Motor Vehicle Account-State and activity A030 Agency Overhead.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Equipment Needs	Units	Unit Cost	Total Unit Cost	2018	2019	2020	2021
Network Switch*	65	6,110	397,150	397,150			
Network Switch**	3	4,745	14,235	14,235			
Network Switch Maintenance	3	1,194	3,582	3,582	3,582	3,582	3,582
Network Router	2	2,145	4,290	4,290			
Network Router Maintenance	2	266	532	532	532	532	532
Network Router Power Supply	2	548	1,096	1,096			
Scanner Maintenance - I5800	3	7,336	22,008	22,008	22,008	22,008	22,008
Scanner Maintenance -I840	1	10,191	10,191	10,191	10,191	10,191	10,191
Scanner Maintenance -I841	1	1,748	1,748	1,748	1,748	1,748	1,748
			454,832	454,832	38,061	38,061	38,061

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The requested funds will result in:

- Reduced outages/downtime due to equipment failure,
- Reduced risk in potential security.
- Improvement in performance metrics

DOL measures network and scanner up time under the existing DOL performance measure, “Leverage Technology SP4”. Scanner downtime also influences the timeliness of services. Improvements in system reliability influence timely issuance of vehicle titles, which is measure under OP2d2.

Fully describe and quantify expected impacts on state residents and specific populations served.

Equipment replacement and maintenance has an indirect impact on state residents. Functioning network equipment allows core DOL sites to communicate with customers and business partners across the state; scanning equipment allows headquarters to support field offices and business partners who perform licensing transactions and interact with the public.

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

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

Equipment replacement and maintenance has an indirect impact on state residents and stakeholders. Functioning equipment has a direct impact on DOL’s ability to conduct core functions that support licensing activities.

What alternatives were explored by the agency and why was this option chosen?

Options	Pros	Cons
Option 1: Break/Fix Methodology	<ul style="list-style-type: none"> Temporarily provides least budget impact. 	<ul style="list-style-type: none"> Maintenance contracts are not consistent. Run the risk of having different equipment to manage and provide support for across the agency. Risk to business continuity, equipment failure.
Option 2: Lease Equipment	<ul style="list-style-type: none"> Funding is consistent. 	<ul style="list-style-type: none"> Run the risk of having different equipment to manage and provide support for across the agency. Increased cost to lease equipment.
Option 3: Replace at five year EOL (end of life) <i>Recommended</i>	<ul style="list-style-type: none"> Realized cost savings if we purchase equipment in bulk. Equipment will be consistent across the agency. 	

What are the consequences of not funding this request?

Network:

External stakeholders will be impacted if internal DOL staff are unable to help them because of network outages due to equipment and network failure. Depending on where the failure occurs in the network, network failures could also affect DOL’s field offices.

Scanners:

There are typically three scanners available. If these fail, Information Services would need to procure repair services from a vendor, because currently this service is not provided by DOL staff. This is a service typically provided under a software/hardware maintenance agreement. Directly impacted DOL units include Accidents, Medical, License Integrity Unit (LIU), and Citations.

In June 2016, the agency received an average of 4,000-16,500 vehicles and 300-400 vessel transactions per day. This transaction volume quickly results in a significant backlog should unexpected downtime occurs. The maintenance agreement to support these units would stipulate 24-hour repair turnaround, to limit downtime. Downtime can result in costly over-time to avoid accumulating backlogs.

How has or can the agency address the issue or need in its current appropriation level?

Funding for this equipment is not part of DOL’s current appropriation level. Currently replacing and repairing network equipment and obtaining scanner maintenance occurs on a break-fix basis. The break-fix approach accumulates more EOL inventory, contributing to infrastructure debt, which is risky and eventually more costly.

Without additional resources, DOL will continue the break-fix approach or divert resources from direct service program areas, which shifts the shortfall.

Other supporting materials:

Not applicable

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Equipment Needs	Units	Unit Cost	Total Unit Cost	2018	2019	2020	2021
Network Switch*	65	6,110	397,150	397,150			
Network Switch**	3	4,745	14,235	14,235			
Network Switch Maintenance	3	1,194	3,582	3,582	3,582	3,582	3,582
Network Router	2	2,145	4,290	4,290			
Network Router Maintenance	2	266	532	532	532	532	532
Network Router Power Supply	2	548	1,096	1,096			
Scanner Maintenance - I5800	3	7,336	22,008	22,008	22,008	22,008	22,008
Scanner Maintenance -I840	1	10,191	10,191	10,191	10,191	10,191	10,191
Scanner Maintenance -I841	1	1,748	1,748	1,748	1,748	1,748	1,748
			454,832	454,832	38,061	38,061	38,061

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: M5-DRIVES Maintenance

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text: The Department of Licensing requests ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems, referred to as DRIVES. Currently, the project is ahead of the originally proposed schedule and within the proposed budget. (Highway Safety Fund-State)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for four years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-1	3,300,000	4,450,000	3,725,000	2,025,000
Total Cost by Fund	3,300,000	4,450,000	3,725,000	2,025,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
Total Revenue	0	0	0	0
Object of Expenditure				
E	3,300,000	4,450,000	3,725,000	2,025,000
Total Cost by Object	3,300,000	4,450,000	3,725,000	2,025,000

Package Description

Summary

In January 2015, the Department of Licensing (DOL) contracted with an experienced vendor to implement a Commercial Off-The-Shelf (COTS) solution to modernize the state's vehicle and driver licensing systems. The current maintenance and support portion of the contract was subsequently funded by the legislature. Contracted services includes 'Level 3' maintenance and support for the integrated Vehicles and Drivers system following implementation of DRIVES Rollout 1 (Vehicles). Level 3 maintenance and support provides onsite vendor personnel to ensure DOL is running the latest version of the configured COTS solution to support the agency's vehicle and drivers licensing functions.

Background

DRIVES Rollout 1, including the Vehicle licensing and initial revenue management portions of the modernization project are scheduled to be completed by December 2016. DRIVES Rollout 2, including the Driver licensing and remaining revenue management portions of the system are scheduled for implementation in June 2018.

Maintenance and support costs begin in December 2016. Funding for costs incurred during the 2015-17 biennium is included in the modernization project budget, but are removed from DOL's 2017-19 carry-forward level budget. This request ensures that ongoing funding is available for contractually obligated maintenance and support payments for services that maintain the state's investment.

Proposed Solution

Funding is requested to cover ongoing vendor maintenance and support payments. Payments to the vendor for maintenance and support include:

- an annual software license maintenance fee
- on-site support services
- software upgrades
- services patches and hotfixes

System support will improve staff productivity, reduce customer wait times and improve customer satisfaction. Having the most current software and on-site vendor support services will improve system stability and minimize system down time. System defects or deficiencies will be resolved quickly. Hot fixes, service packs and system enhancements will be installed by on-site vendor staff as soon as fixes and enhancements are available. Additionally, new versions of the software are typically available every 18 to 36 months and are installed by the vendor as part of the maintenance and support agreement.

Partnering with an experienced vendor on the implementation of a COTS solution was DOL'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 DOL's business requirements.

Advantages of contracting with the COTS configuration vendor for ongoing maintenance and support include:

- Vendor expertise and direct access to experts
- Solutions can be quickly identified to reduce system failure
- Bridges the learning curve for internal staff
- Functioning and updated systems maximize system value and extend the lifecycle of the COTS solution

Expected Results

The contracted maintenance and support services will ensure that DRIVES:

- Does not create technology debt over time by becoming architecturally outdated
- Maintains federal compliance including integration with federal stakeholders (e.g., American Association of Motor Vehicle Administrators)

Services provided in the contracted Level 3 Maintenance and Support agreement include:

- Onsite vendor personnel to ensure that defects in site code, extensions, and configurations are resolved.
- The onsite vendor personnel to ensure that service packs, hotfixes, and new versions of Fast DS-VS are installed
- Allowing DOL vehicle and driver systems to continuously run the latest version of Fast DS-VS.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service

DOL's base budget does not include funding to pay vendor maintenance and support payments for modernized vehicle and licensing systems. System modernization project funding was removed from DOL's 2017-19 carry-forward level budget.

Any funds received for this expenditure will impact fund 106-1 Highway Safety Account-State and activity code A036 Agency IT Projects.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Maintenance and support payments for the 2017-19 biennium total \$7,750,000. These cost are ongoing and will continue through the 2019-21 biennium. The amount for the 2019-21 biennium is \$5,750,000. After the 2019-21 biennium, the maintenance and support contract may be renegotiated.

Expenditure and FTE Calculations and Assumptions

Object Detail		Fund	FY 2018	FY 2019	Total
E	Goods and Services	106	\$ 3,300,000	\$ 4,450,000	\$ 7,750,000

- Please see the attached payment schedule for more details.

One-time, Recurring and Ongoing Expenditures

Maintenance and support payments for the 2017-19 biennium total \$7,750,000. These cost are ongoing and will continue through the 2019-21 biennium. The amount for the 2019-21 biennium is \$5,750,000. After the 2019-21 biennium, the maintenance and support contract may be renegotiated.

Revenue Calculations and Assumptions

N/A

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Level 3 maintenance and support will protect and continuously improve the state's investment in an integrated Driver and Vehicle systems that issues more than 1.4 million driver licenses and identification cards each year to more than six million card holders throughout the state; and licenses more than seven million vehicles each year. The vendor is contractually required to "on an ongoing basis, identify, report to DOL and implement ways to improve performance of the services and identify and apply techniques and tools from their other installations that would benefit DOL either operationally or financially".

The following performance outcomes are expected:

- Improved system stability and less system down time will improve staff productivity, which will reduce customer lobby wait times and transaction processing time, and these outcomes will sustain or improve customer satisfaction.
- System defects or deficiencies will be resolved quickly based on severity level and contractual requirements. For instance, urgent defects will be resolved within one business day. High level defects will have a workaround within eight hours and resolution within 10 business days.
- System and data security will be prioritized when opportunities for improvement are identified. For instance, "hot fixes" are typically available monthly or to address a customer specific issue. These "hot fixes" will mitigate defects often caused when web browser updates are released.
- System enhancements will be frequent. For instance, "service packs" are typically issued every three months to provide bundled enhancements to existing software, and new versions of Fast DS-VS are typically available every 18 to 36 months.

This contract for maintenance and support is essential to DOL achieving two initiatives in our 2017-2020 Strategic Plan.

- Through initiative 8, we are committed to continuous adaptation of our technology systems, to respond to the quickening pace of change in state and federal laws and the needs of customers, stakeholders and employees. Through this maintenance and support contract, Fast will enable us to adapt timely, with low risk, and within predictable costs.
- Through initiative 11, we are committed to protecting our systems and customer data from compromise, fraud and cyber threats. This contract with Fast – and their ever growing range of knowledge and broad customer base - will increase our awareness and ability to respond to emerging threats.

This contract is also essential to DOL sustaining its contribution to the Results Washington goal of efficient, effective and accountable government.

- With well supported and maintained adaptable technology systems, DOL can continue to achieve high levels of customer satisfaction and service reliability.
- With more stable systems and full-time vendor support, DOL's customer service and technology staff can work more efficiently on their primary work without interruption from system issues.

Performance Measure detail:

DOL will monitor the performance of the vendor, the system, and the impacts they have on agency performance. We will use the following Results DOL measures and routine of analysis and action planning for continuous improvement:

- Percent of system availability, target 100% (SP4a)
- Percent of technology releases that do not result in a need for rework, target 90% (SP4c)
- Percent of vendor compliance with contractual performance standards
- Percent of customers, stakeholders and employees who say the system is improved after implementation, target 90% (strategic initiative 8 measure)

Additionally, we will analyze wait times, process turnaround times and customer satisfaction, looking for any changes in performance after each system change that may have been a result of the system change.

Fully describe and quantify expected impacts on state residents and specific populations served.

Modernized and maintained vehicle and driver licensing business processes and systems are integral to DOL’s ability to provide key services to citizens, agency business partners, and state and federal agencies that rely on data for public safety, licenses, IDs, and revenue for state’s transportation system. The funding requested in this decision package enables DOL to always run the latest version of the COTS solution, and utilize vendor services to ensure the system operates as designed.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov’t impacts?	No	
Tribal gov’t impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	

Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	No	Washington State residents and businesses that rely on driver licensing and vehicle registration.

Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

After considerable investigation into what other states have experienced, it was determined that Level 3 support was the best alternative and provided the greatest security for the state's investment and DOL's service delivery.

Other states with lower levels of support found themselves unable to maintain the system and were required to spend millions of dollars to have the vendor return and bring the system up to current standards.

With Level 3 support, DOL will avoid the high cost of bringing the system to current standards.

What are the consequences of not funding this request?

Other states with lower levels of support were unable to maintain the system and were required to spend millions of dollars to have the vendor return and bring the system up to current standards.

How has or can the agency address the issue or need in its current appropriation level?

DOL's base appropriation does not include funding to pay vendor maintenance and support payments for modernized vehicle and licensing systems. DOL cannot address this need without additional funding.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

		Milestone	Invoice Date	Maintenance	Support	Payment Amount
FY 15-17						
Software Maintenance Subscription	M0	After R1 delivery, before R2 delivery	12-Dec-16	\$700,000		\$700,000
Post Implementation Level 3 Support	S0.1	R1 support, 1 of 4	12-Dec-16		\$700,000	\$700,000
Post Implementation Level 3 Support	S0.2	R1 support, 2 of 4	29-Apr-17		\$700,000	\$700,000
Total FY15-17				\$700,000	\$1,400,000	\$2,100,000
FY 17-19						
Post Implementation Level 3 Support	S0.3	R1 support, 3 of 4	14-Sep-17		\$700,000	\$700,000
Post Implementation Level 3 Support	S0.4	R1 support, 4 of 4	30-Jan-18		\$700,000	\$700,000
Software Maintenance Subscription	M1	1st year after R2 delivery	18-Jun-18	\$1,000,000		\$1,000,000
Post Implementation Level 3 Support	SQ1Y1	R1/R2 support, Q1 of Year 1	18-Jun-18		\$900,000	\$900,000
Post Implementation Level 3 Support	SQ2Y1	R1/R2 support, Q2 of Year 1	18-Sep-18		\$900,000	\$900,000
Post Implementation Level 3 Support	SQ3Y1	R1/R2 support, Q3 of Year 1	18-Dec-18		\$900,000	\$900,000
Post Implementation Level 3 Support	SQ4Y1	R1/R2 support, Q4 of Year 1	18-Mar-19		\$900,000	\$900,000
Software Maintenance Subscription	M2	2nd year after R2 delivery	18-Jun-19	\$1,100,000		\$1,100,000
Post Implementation Level 3 Support	SQ1Y2	R1/R2 support, Q1 of Year 2	18-Jun-19		\$650,000	\$650,000
Total FY17-19				\$2,100,000	\$5,650,000	\$7,750,000
FY 19-21						
Post Implementation Level 3 Support	SQ2Y2	R1/R2 support, Q2 of Year 2	18-Sep-19		\$650,000	\$650,000
Post Implementation Level 3 Support	SQ3Y2	R1/R2 support, Q3 of Year 2	18-Dec-19		\$650,000	\$650,000
Post Implementation Level 3 Support	SQ4Y2	R1/R2 support, Q4 of Year 2	18-Mar-20		\$650,000	\$650,000
Software Maintenance Subscription	M3	3rd year after R2 delivery	18-Jun-20	\$1,100,000		\$1,100,000
Post Implementation Level 3 Support	SQ1Y3	R1/R2 support, Q1 of Year 3	18-Jun-20		\$675,000	\$675,000
Post Implementation Level 3 Support	SQ2Y3	R1/R2 support, Q2 of Year 3	18-Sep-20		\$675,000	\$675,000
Post Implementation Level 3 Support	SQ3Y3	R1/R2 support, Q3 of Year 3	18-Dec-20		\$675,000	\$675,000
Post Implementation Level 3 Support	SQ4Y3	R1/R2 support, Q4 of Year 3	18-Mar-21		\$675,000	\$675,000
Total FY19-21				\$1,100,000	\$4,650,000	\$5,750,000
Totals by FY						
				Maintenance	Support	Payment Amount
		Vendor Payments				
		FY17 Vendor Payments	FY 17	\$700,000	\$1,400,000	\$2,100,000
		FY18 Vendor Payments	FY 18	\$1,000,000	\$2,300,000	\$3,300,000
		FY19 Vendor Payments	FY 19	\$1,100,000	\$3,350,000	\$4,450,000
		FY20 Vendor Payments	FY 20	\$1,100,000	\$2,625,000	\$3,725,000
		FY21 Vendor Payments	FY 21	\$0	\$2,025,000	\$2,025,000
TOTAL Project Maintenance and Support Costs through end of FY21				\$3,900,000	\$11,700,000	\$15,600,000

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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2017-19 Biennium Budget Decision Package

Agency: Department of Licensing

Decision Package Code/Title: P2-CIS Completion and Maintenance

Budget Period: 2017-2019

Budget Level: Policy and Performance Level

Agency Recommendation Summary Text: The Department of Licensing requests funding to complete the Central Issuance System (CIS) project and support ongoing system maintenance and operations.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for four years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-1	627,000	219,000	219,000	219,000
Total Cost by Fund	627,000	219,000	219,000	219,000
Staffing				
FTEs	5.5	2.0	2.0	2.0
Revenue				
Total Revenue	0	0	0	0
Object of Expenditure				
A	441,000	153,000	153,000	153,000
B	141,000	50,000	50,000	50,000
E	45,000	16,000	16,000	16,000
Total Cost by Object	627,000	219,000	219,000	219,000

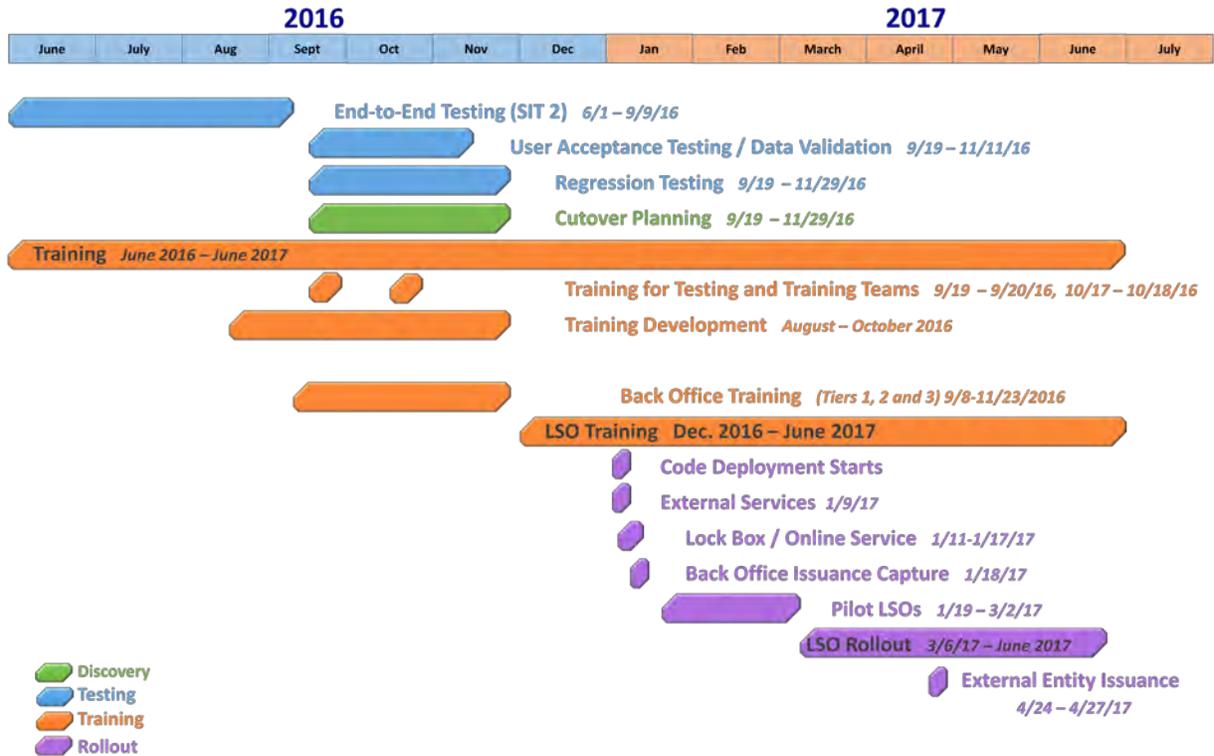
Package Description

Background

The new CIS is one of DOL's Business and Technology Modernization (BTM) projects. BTM is a multi-biennia DOL effort to modernize business processes and antiquated information technology systems, including CIS, the new Driver and Vehicle System (DRIVES) and the Prorate and Fuel Tax Project.

DOL has been with its current CIS vendor (MorphoTrust) since 2000. Due to the contract's age, DOL was required to rebid the contract under state procurement law. A Request for Proposal was released in July 2014 and a new vendor, Valid USA, was selected in November 2014. The project kicked off January 2015. CIS project activities during the 2015-17 biennium are outlined in the diagram below.

Central Issuance System Key Activities



Current Status

DOL is currently transitioning to a new CIS system that will improve the customer in-office experience and align the office workflow with national best practices for secure document issuance. The CIS project is in the testing stage and is on track to begin deployment in licensing offices starting January 2017.

Although implementation of the new CIS will be substantially complete and in production by the end of the 2015-17 biennium, DOL still needs additional resources to complete stabilization, optimization, legacy CIS decommissioning, and data conversion.

Proposed Solution

Funding is requested to complete the CIS project through final close out, and to provide ongoing system support.

Expected Results

With a modern CIS, DOL will be better positioned to respond to policy changes, emerging business needs and national best practices for license issuance. Completion of the CIS project by decommissioning the old system and migrating to the new system will:

- Provide uninterrupted high quality, secure drivers' license and identification cards to customers in a cost-effective and efficient manner;
- Eliminate workarounds and consolidate DOL's drivers' license and identification card data;
- Reduce errors and improve data security and integrity;
- Improve employee productivity and minimize customer wait times;
- Improve DOL's ability to verify the identity of applicants through an improved facial recognition system; and
- Align DOL's license issuance process with national best practices.

These improvements also reduce ongoing costs due to cheaper document prices from the new CIS vendor. The current cost under DOL's old CIS vendor for a basic driver's license or identicard is \$2.00 per card. The current cost for an enhanced document is \$4.12. The new CIS vendor will provide cards for \$1.89 for a regular driver's license or identicard, and \$3.89 for an Enhanced Driver License or Enhanced Identicard.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL's 2015-17 appropriation for the new CIS is \$3,714,000. The 2017-19 Carry Forward Level (CFL) budget removed the entire appropriation.

- \$3,714,000 2015-17 CIS appropriation, Highway Safety Account-State (106-1)
- (\$3,714,000) 2017-19 CFL adjustment, Highway Safety Account-State (106-1)
- \$0 2017-19 CFL reduction to base

The 2015-17 CIS decision package included 2017-19 biennium funding of \$850,000 for four IT Specialist positions to support ongoing maintenance of the new system. Funding for these positions was not included in DOL's 2017-19 carry forward budget.

Funding for CIS is included in Activity A031, Driver Licensing, Regulations and Records Management. The CIS relies on Highway Safety Account-State funds.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Requested staff resources align with a function-based matrix. The functions include:

- Stabilization Period: 9.75 positions for 3 months (July 2017 through September 2017) ranging from IT Specialist 2-6
- Optimization Period: 7.75 positions for 3 months (October 2017 through December 2017) ranging from IT Specialist 2-6
- Ongoing maintenance and operations (M&O) support: 2 full-time IT Specialist 4 positions.

CIS project close out – 2017-19 Work Plan

- Months 1–3, stabilization
- Months 4-6, optimization

Stabilization: Lessons learned from DOL’s Organizational Change Management (OCM) advisors and experience from other projects indicate that maintaining the project team intact through the end of stabilization is the preferred approach in order to ensure the new system is working as intended and business needs are being met. Keeping the project intact during stabilization is reflected in this request, requiring up to 3 months in Fiscal Year 2018.

Optimization: Some functional requirements have been deferred in order to maintain project momentum –involving preparation and completion of field office rollouts before the contract with the previous CIS vendor expires. In order to ensure maximum system functionality, up to 6 months of optimization work is needed during Fiscal Year 2018.

CIS systems maintenance

DOL’s current CIS was funded by a budget request funded in the 1999-2001 biennium. At that time, no CIS maintenance and support staffing was requested. Subsequent requests addressed periodic increases in the contracted cost per card, but did not consider staffing needs. Internal CIS support has been provided since implementation in 2000 by existing staff. The current package funds two IS positions that will be ongoing to provide the dedicated CIS support that was not considered during development of the 1999-2001 package.

The new system will provide 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. The requested maintenance and operations support staff are essential for successful implementation and operation of the new CIS solution. Due to increased demands within DOL’s information technology systems group, they can no longer be pulled from other required support operations.

DOL originally estimated a need for four FTE in the 2017-19 biennium to complete integration and provide ongoing support. We've learned more now that vendors are on site and system architects, vendors, and project managers have worked through the integration plans. The revised staffing plan requires a larger team while we complete stabilization and optimization. After stabilization and optimization are completed, the staffing plan reduces to two FTEs for ongoing maintenance and operations support. This reallocation of resource timing will yield savings in out-biennia compared to earlier estimates.

The table below illustrates the staffing matrix that will support these functions, by FTE, job class, and month in the 2017-19 biennium. 2.0 IT Specialist 4 positions will be required in future biennia for ongoing maintenance and operations support.

IS Staffing Needs by Month

Positions	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
ITS6	0.5	0.5	0.5	0.5	0.5	0.5						
ITS5	0.5	0.5	0.5	0.5	0.5	0.5						
ITS5	1.0	1.0	1.0	1.0	1.0	1.0						
ITS3	1.0	1.0	1.0	1.0	1.0	1.0						
ITS5	0.5	0.5	0.5	0.5	0.5	0.5						
ITS5	1.0	1.0	1.0	1.0	1.0	1.0						
WMS2	1.0	1.0	1.0	1.0	1.0	1.0						
ITS5	0.3	0.3	0.3	0.3	0.3	0.3						
ITS4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ITS4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ITS4	1.0	1.0	1.0									
ITS5	1.0	1.0	1.0									
Total FTE	9.8	9.8	9.8	7.8	7.8	7.8	2.0	2.0	2.0	2.0	2.0	2.0

Positions include salaries, benefits, and goods and services.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Funding CIS Completion and Maintenance will result in the following performance improvements:

- Customers will receive their permanent license or ID card one day earlier, or their EDL or EID one to four days earlier, as the new CIS vendor provides real time printing rather than batch processing.
- Customers who did not bring all required documents with them will be notified earlier in the process so they can leave earlier, which will mitigate their frustration from waiting.
- Customer wait times will be reduced, as the new system supports workflow improvements, and most offices will gain a second camera to relieve the frequent photograph backups.

- Identity fraud will be significantly reduced. Since the new CIS temporary license will not include a photograph, it cannot be used as a document to commit identity fraud. In 2015, 279 fraudulent temporary documents with photographs were discovered.
- Typographical errors that caused inaccurate identity documents will be eliminated as the new system auto-populates information from previous documents.
- System downtime will be reduced and camera replacement will be faster. The new vendor has significantly stronger system performance standards and service level agreements than the current vendor.
- DOL will save an estimated \$203,000 per year in card costs. These savings are recognized in DOL's 2017-19 Driver's License Production decision package and are used to offset increased production costs caused by transaction growth.

CIS Completion and Maintenance is in DOL's 2016-2019 Strategic Plan as initiative #8 which calls for adaptability of new technology systems for emerging needs of customers, stakeholders and employees. CIS will provide the adaptability needed for anticipated state and federal law changes regarding legal presence. (Implementing CIS by June 2017 is in DOL's 2014-2017 Strategic Plan as initiative #11).

The results expected from CIS are well aligned with the Results Washington Goal 5 sub-topics of customer satisfaction, service reliability, effective government, and fiscal responsibility. However, the Goal 5 map does not currently have a measure that reflects results specific to CIS.

Performance Measure detail:

DOL will monitor the performance of the new CIS and potential impacts to customers by measuring:

- Lobby wait times, currently reported in RPM as #002841 "Percent of driver license customers with lobby wait times under 30 minutes". DOL estimates performance will improve from 80 percent to 85 percent within months of CIS implementation.
- Timeliness of temporary license issuance, as the time between a customer receiving a service ticket and receiving the temporary document at the end of service.
- Timeliness of permanent document processing, as the time between vendor receiving DOL input and vendor mailing document to customer.
- Identity fraud prevented during screening in the office (OP2b) and identity fraud found and corrected after the fact (OM8a).
- Vendor and system performance based on the detailed service level agreement and monthly performance report provided.

Fully describe and quantify expected impacts on state residents and specific populations served.

Through development and implementation of the new CIS, DOL is changing the in-office process. The new process will create a three step workflow:

- 1) Document Reviewer: Does an initial review of the customer's documents and checks to ensure the customer is eligible to receive the service they are requesting.
- 2) Image Capture Workstation: Takes the customer's photo and matches it against previous photos on the customer's record.
- 3) Counter Workstation: Confirms the documents and finalizes the transaction.

This change introduces "off ramping" that will allow a customer to leave the office without much wait if they do not present the proper documents or are not eligible for the service they are

requesting. In order to accomplish this change, DOL is expanding the use of the in-office queuing system, Q-Flow, which will provide more accurate data about the time it is taking a customer to move through the licensing process.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections		Washington State residents

Please provide a detailed discussion of connections/impacts identified above.

The CIS is integral to DOL's ability to provide key services to citizens, agency business partners, and state and federal agencies that rely on data for public safety, licenses, IDs, and revenue for state's transportation system.

What alternatives were explored by the agency and why was this option chosen?

When DOL considered whether or not to proceed with procuring a new CIS, DOL considered pursuing continued extensions of the original CIS contract that it awarded in 2000 to minimize business disruptions by modifying 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. Regardless of these considerations, state procurement law required DOL to rebid the contract.

Under the current contract, in addition to the base cost per card that has been negotiated, DOL must pay additional costs for change orders when updates or upgrades to the system are required due to legislative or business process changes. The new CIS meets current business needs and provides the latest technology without costly change orders. In addition to eliminating expenses related to legislative changes within the normal course of business, DOL also negotiated technology refresh cycles that keep software and hardware current during the lifecycle of the contract.

When deciding whether to request resources to implement the new CIS, DOL considered postponing other agency initiatives, legislation, and maintenance/production fixes to redirect internal resources solely to this project. However, that puts the agency at risk of failing to meet other state and federal legislative mandates and customer needs.

What are the consequences of not funding this request?

Following the deployment of the CIS, the contract calls for three month stabilization and three months optimization, occurring consecutively. If the package is not funded, DOL will not have the resources available to take the project closeouts steps that DOL is responsible for and contractually obligated to perform. Allowing these two periods to pass without sufficient resources will result in system defects and a system that does not meet DOL's business needs.

How has or can the agency address the issue or need in its current appropriation level?

DOL can reduce service levels at licensing offices and in other direct service areas, such as processing and maintenance of driver records.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
CIS stabilization/optimization/maintenance staff	627,000	219,000	219,000	219,000
Total Cost	627,000	219,000	219,000	219,000

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: P4-Continuation of Business and Technology Modernization – DRIVES Rollout 2

Budget Period: 2017-2019

Budget Level: Policy Level

Agency Recommendation Summary Text

The Department of Licensing (DOL) requests funding to continue with the modernization of DOL's antiquated driver licensing system. This budget request provides funding for commercial off-the-shelf (COTS) system related costs, vendor-provided professional services, and project FTEs to support system implementation activities. (Highways Safety Fund-State)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-State	13,825,000	10,961,000	0	0
Total Cost by Fund	13,825,000	10,961,000	0	0
Staffing				
FTEs	29.0	14.7	0.0	0.0
Revenue				
Total Revenue	0	0	0	0
Object of Expenditure				
A	3,229,000	1,957,000	0	0
B	1,105,000	674,000	0	0
C	6,176,000	4,188,000	0	0
E	3,285,000	2,981,000	0	0
G	0	300,000	0	0
J	30,000	861,000	0	0
Total Cost by Object	13,825,000	10,961,000	0	0

Package Description

Summary

This request provides funding during the 2017-19 biennium to complete the implementation of the driver licensing portion of the DRIVES (Driver and Vehicle System) project, through the planned continuation of the Business and Technology Modernization (BTM). Part of the driver licensing

portion of DRIVES was funded in the 2016 supplemental transportation budget. The Department of Licensing (DOL) plans to continue efforts to improve system reliability, eliminate the high risk of current system failure, provide a modern user interface to make driver licensing functions more efficient for customers and staff, and reduce the complexity and duration of system changes. The current system is about 30 years old.

Funding provided through the 2016 supplemental budget covered costs associated with moving implementation activities originally planned for the 2017-19 biennium into the 2015-17 biennium. These costs include commercial off-the-shelf (COTS) system related costs, vendor-provided professional services, and 6.0 FTEs for internal staffing support for driver's system implementation activities in fiscal year 2017. The earlier start to this rollout will lead to an earlier completion than originally planned.

The DRIVES project supports more efficient vehicle and driver licensing services and revenue collection. These functions are dependent on the usability and reliability of the supporting information technology infrastructure. Modernized systems will provide employees with enhanced tools and information and customers with faster transaction times.

The project is replacing failing information systems with modern, flexible, and more easily supported architecture. The DRIVES solution is being implemented on servers located at the Washington State data center, and represents a significantly newer technology being hosted in the facility.

The implementation of this enterprise COTS software will be transformative, impacting all aspects of how applications are supported, maintained and enhanced. This enables DOL and contracted vehicle licensing offices at county auditor offices and subagents to provide better and faster customer service, support continuous process improvement and better measure work output. Project completion ensures tools and data are in place to provide reliable and timely customer service performance metrics, including improved wait times, better data reporting capability and the ability to make system modifications and standard legislative changes faster and generally with lower costs.

Background

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. DOL's core IT systems are significantly outdated, not reliable and in need of modernization. The study also found DOL application support costs to be less than peer organizations. This has created a situation where DOL carries substantial "technical debt" – the gap between current agency technology infrastructure and industry standards for organizations with similar functions. This project responds to this assessment.

DOL received funding in FY 2013 and FY 2014 for the initial stages of BTM. Planning activities were completed with a modernization blueprint and roadmap document produced in June 2013. A feasibility study was completed in May 2014 which recommended the acquisition of a proven, highly configurable commercial off-the-shelf (COTS) solution. Additional "pre-work" was completed with this funding – particularly in the area of data cleanup.

In January 2015, DOL contracted with Fast Enterprises, LLC (FAST) for implementation of a COTS software solution for licensing and revenue management systems. The contract was reviewed and approved by the Department of Enterprise Services (DES) and the Office of the Chief Information Officer (OCIO). The development of the solution is being completed using a highly-iterative approach within the FAST implementation methodology, with regular demonstration and review to both the project team and the stakeholder community.

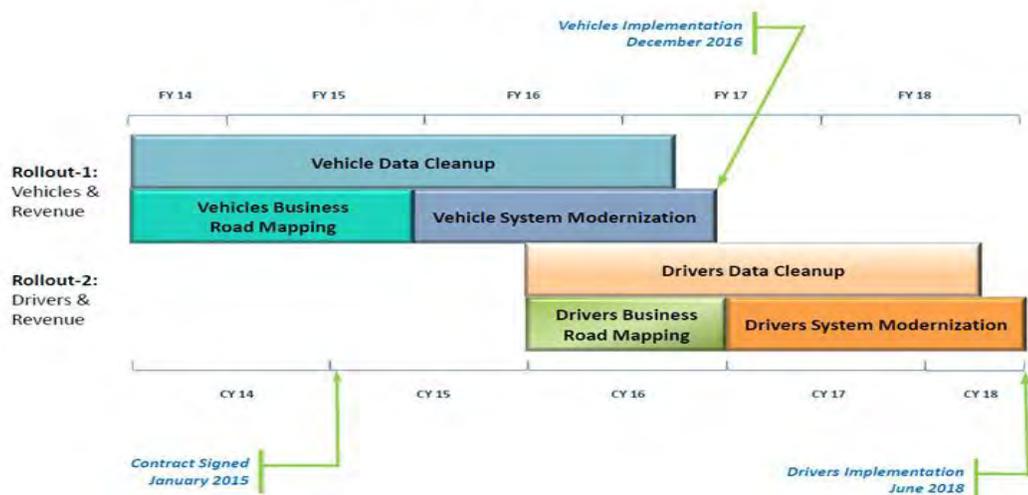
The BTM/DRIVES initiative is sequenced into releases upgrading our vehicle and driver licensing systems. The first phase of the DRIVES project is Rollout 1 for vehicles. The vehicle licensing portion of the modernization project, which started in June 2015, is expected to be implemented in December 2016. Implementation of DRIVES Rollout 1 will be completed in 18 months rather than the 24 months as planned in the original investment plan timeline.

DOL received funding in the 2016 supplemental budget to start the modernization of DRIVES Rollout 2 for the driver's system. The focus of this funding request is to continue DRIVES Rollout 2. Implementation of the driver's licensing system and remaining revenue functions are now underway, on schedule and within budget.

The driver licensing system implementation will be one-third complete as of the beginning of the 2017-19 biennium. DRIVES Rollout 2 is scheduled for completion in June 2018, a full year ahead of the original investment plan timeline. The accelerated schedule was the result of the final negotiated sole-source contract with the vendor. The sole-source contract was approved by the DES and the OCIO.

During the last five fiscal years, the legislature has funded a total of approximately \$39.44 million for this overall project. This includes the \$6.74M provided in the supplemental budget to start rollout 2 early in accordance to the contract schedule. The accelerated project timeline based on the contract with the vendor is shown below.

BTM Project Timeline



Proposed Solution

The approved investment plan proposed a solution to carry out an enterprise-wide COTS implementation strategy to replace core legacy systems in the vehicles, drivers, and revenue domains. COTS is the agency's preferred alternative based on an assessment of risks and cost, and the vendor's successes on other large IT project across the country.

From the beginning of BTM, DOL anticipated and documented the need for funding through the 2017-19 biennial budget in order to complete the driver licensing system rollout. DOL requested and received supplemental funding to start the implementation of DRIVES Rollout 2 during the last six months of the 2015-17 biennium. Funding is requested during the 2017-19 biennium to continue and complete the implementation of DRIVES Rollout 2 for the driver licensing system portion of BTM.

The COTS approach to the DRIVES modernization project offers these 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.
- Provides significant business process improvement, both in leveraging industry knowledge and best practice licensing and revenue management processing built in to the COTS solution, and in improving Washington-specific processes in the course of configuring the system.
- 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.
- Allows more rapid and less costly 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 mitigating the occurrence of technological debt and keeping the system current to emerging software technologies.
- Provides the fastest, lowest risk way to reduce DOL's dependency on COBOL and other legacy languages that are extremely expensive and complicated to change to meet new business needs.

Expected Results

The DRIVES project will replace dozens of existing systems and databases with a single cohesive solution with a consistent data access architecture. Internal access to data will be simpler and the resulting information more complete than in the past. The solution also supports external portal

query capabilities providing key stakeholders such as the State Patrol and the courts to more timely and reliable access to DOL data.

The DRIVES solution will provide for expanded customer self-service capabilities, leveraging the internet for the benefit of all stakeholders. This mobile access to the DRIVES licensing system is a key online service for DOL, used by a significant number of public customers.

Modernizing the driver licensing system supports more efficient driver licensing administration and revenue collection. The project has specific requirements for a web-enabled solution that will allow employees to work from authorized work locations throughout the state. These functions are dependent on the usability and reliability of the supporting information technology infrastructure. Modernized systems will provide employees with enhanced tools and information.

Interoperability is a core component of the DRIVES solution as it interfaces with more than 50 internal and external stakeholders, such as the Department of Revenue, Secretary of State, State Patrol, and the American Association of Motor Vehicle Administrators (AAMVA). The DRIVES solution supports multiple interface types (file exchange, message based, web services, API), implemented and managed using a single consistent application architecture. Interfaces with nationally-used public and private sector partners and stakeholders, such as AAMVA and VINtelligence, are built in to the COTS solution and supported by the vendor.

Completion of the DRIVES Rollout 2 for the drivers system allows DOL to accomplish the following:

- Demonstrate a return on investment in this system;
- Reduce risk of dependency on outdated legacy systems with high potential points of failure that are difficult to change;
- Reduce the need for operational “workarounds” that introduce potential for error or inefficient processes; and
- Increases the agency’s ability to respond to changing policy and business needs.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL’s base budget does not include funding to complete modernization of the drivers licensing systems. System modernization project funding was removed from DOL’s 2017-19 carry-forward level budget.

Any funds received for this expenditure will impact the Highway Safety Account-State fund and activity code A036 Agency IT Projects.

Decision Package expenditure, FTE and revenue assumptions, calculations and details.

The budget request provides funding for necessary vendor-provided professional identified as:

- Project Management team

- Business Analysis services
- Quality Assurance services
- Organizational Change Management services
- Penetration Testing
- Trainers, Testers and backfills for agency positions necessary to the project.

The budget request provides funding for project FTEs for internal staffing identified as:

- Core project management office staff
- Product Owners for both the business and revenue functions
- Subject Matter Experts
- IT Specialists (developers, business analysts)
- Indirect Staff

The budget request also provides funding for essential purchases for hardware maintenance, licenses, facility expenses, and goods & services.

Detailed Expenditure and FTE Calculations and Assumptions

DOL is requesting \$24,786,000 for continuation of DRIVES Rollout 2. This includes expenditures for vendor configuration and implementation of the COTS solution, internal project staffing, and goods and services.

Total vendor and professional services cost is \$15,837,000. Contract Services:

- Vendor payment to start the driver's system implementation at \$8,008,000.
- Organizational Change Management (OCM) contract at \$1,025,000.
- Project manager at \$750,000.
- Quality and Assurance at \$135,000.
- Penetration testing at \$50,000.
- Business Analysts at \$952,000.
- Business Testers at \$1,334,000.
- Trainers and Travel at \$1,400,000.
- Reserves of \$2,183,000 based on standard project contingency recommended by the OCIO.

Total cost for DOL staffing is \$4,416,733. Expenditures in the 2017-19 biennium are estimated based on staff costs for business area positions needed to support identified business requirements. DOL is requesting funding for the 29.0 FTEs (project and temporary backfill positions) described below:

- **Project Business Director.** Represents the agency executive on the project. Ensures the project is meeting the business goals and objectives. Provides guidance to the project staff to meet project objectives. Serves as liaison between the business at all levels, and the project team. Takes complex technical solutions and translate them into easy to understand language. Understands business processes and works with the technical staff to achieve the preferred outcome. Under the executive sponsor, has decision-making authority for project scope, schedule and budget. Timely removal of project barriers, addresses and escalates

major project issues. Ensures that the project follows legislatively mandated objectives as funded. Salary and benefits for 1.0 FTE is \$216,688.

- Business Process Manager. 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. Salary and benefits for 1.0 FTE is \$194,524.
- Lead Organizational Change Champion. Position manages organizational change for the project; coordinates and oversees change management process activities with product owners and subject matter experts; develops and executes communications plan with project team, DOL staff, management and stakeholders. Explanation Salary and benefits for 1.0 FTE is \$183,722.
- Outreach and Training Coordinator. Position creates communication strategies and a variety of communications for all enterprise projects. Collaborates with project leadership, contract staff and internal managers to provide timely, accurate, and relevant information to internal and external stakeholders. This position also manages the internal website for enterprise projects. Salary and benefits for 1.0 FTE is \$143,677.
- Administrative Assistant 5. Position is the Office Manager for the Drives program and the Administrative Assistant to the Director of the Enterprise Program Management Office. The position coordinates facility, equipment and supply requirements, contract administration and invoice processing, and meeting and schedule management. Salary and benefits for 1.0 FTE is \$113,402.
- Office Assistant 3. Position provides office assistance for the Enterprise Program Management Office, answers phones, takes meeting minutes, and manages conference room calendars. Also supports the DRIVES project Product Owners with meeting and schedule management. Salary and benefits for 1.0 FTE is \$70,452.
- Contracts Manager. Position develops and manages 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. Salary and benefits for 1.0 FTE is \$173,825.
- Product Owner for the Programs and Services Division. Position is subject matter expert for driver requirements and is responsible for driver data clean-up requirements, business rules research, and analysis and coordination of COTS configuration. Salary and benefits for 1.0 FTE is \$173,135.
- Product Owner for Revenue. Position is subject matter expert for revenue requirements and is responsible for business rules research, and analysis and coordination of COTS configuration. Salary and benefits for 1.0 FTE is \$155,598.
- Customer Service 3. Positions are responsible for researching and updating driver data records that are identified as having data issues. Positions are dedicated 100% to the data clean-up effort. Salary and benefits for 3.0 FTE is \$281,785.

- IT Systems Specialist 3. Position is data management and reporting specialist and subject matter expert for drivers data clean-up. Position also performs driver's business rules assistance, and driver's Interface and reporting specification development. Salary and benefits for 2.0 FTE is \$281,546.
- IT Specialist 4 (Developer). Positions are senior-level specialist that provides analysis, design, development, testing, quality assurance, and problem resolution with driver's system development. Salary and benefits for 4.0 FTE is \$614,474.
- IT Specialist 5. Position provides expert analysis, design, development, testing, quality assurance, and problem resolution with driver's system development. Salary and benefits for 1.0 FTE is \$167,971.
- IT Specialist 5-Security Risk Management and Vulnerability. Positions will develop, oversee, and maintain program. Consult with agency project manager for input and requirements. Consult with architects in developing tactical and strategic Audits/compliance PCI, CJIS BPD, SSA, CJIS PSD, OCIO, Internal Audits. Provide software and hardware scanning, software review/research and analysis, public disclosure assistance and training and awareness. Salary and benefits for 2.0 FTE is \$335,942.
- IT Specialist 6. Position is an architect that is responsible for the underlying architecture, design, development, testing and implementation of the application and database systems that supports multiple business units. Salary and benefits for 1.0 FTE is \$183,744.
- Integration Architect. Positions maintains and fosters a standard and strategic architecture approach to application development and COTS applications. This position ensure all COTS applications are in compliance with agency standards and ensures successful integration across applications. Salary and benefits for 0.5 FTE is \$98,092.
- BTM Integration Engineer. These positions ensure all COTS applications are in compliance with agency standards and ensures successful integration across applications. Salary and benefits for 1.5 FTE is \$294,276.
- BTM Functional Business Champion. Positions perform Drivers data clean-up, business rules research, analyses, and coordinates Drivers COTS configurations. Salary and benefits for 5.0 FTEs is \$733,880. FTE breakout: 1 vehicles, 3 drivers, and 1 BPD/Drivers Training School (DTS).

FTEs by job classification and fiscal year

Job Classification	Salary	FY 2018	FY 2019	17-19 Total
Business Process Manager	99,624	1.00	0.50	0.75
Project Business Director	111,984	1.00	0.50	0.75
Administrative Assistant 5	54,384	1.00	0.50	0.75
Office Assistant 3	30,432	1.00	0.50	0.75
BTM Contracts Manager	88,080	1.00	0.50	0.75
Organization Change Manager	93,600	1.00	0.50	0.75
Outreach and Training Coordinator	71,268	1.00	0.50	0.75
BTM Product Owner for Drivers	87,696	1.00	0.50	0.75
BTM Product Owner for Revenue	77,916	1.00	0.50	0.75
BTM Functional Business Champion	72,996	5.00	2.50	3.75
Customer Service Specialist 3	43,524	3.00	1.50	2.25
IT Specialist 3	69,648	2.00	1.00	1.50
IT Specialist 4	76,812	4.00	2.00	3.00
IT Specialist 5	84,816	3.00	1.50	2.25
IT Specialist 6	93,612	1.00	0.50	0.75
Integration Architect	93,642	0.50	0.25	0.38
BMT Integration Engineer	93,642	1.50	0.75	1.10
Total		29.00	14.50	21.73

Total cost for IT software and hardware, scanners and other goods and services is \$985,000.

Expenditures include: Microsoft EA Assurance at \$125,000; and 380 document scanners for Licensing Services Offices (LSO) at \$860,000.

- DOL is requesting funding to replace current document scanners located at the agencies LSO's. The scanners DOL uses to image source documents and attach them to driver records are no longer being produced and are no longer supported, so the break-fix approach is no longer feasible. Inoperable scanners decrease and even stop productivity contributing to increased wait times and cause unacceptable inconveniences for customers. DOL is taking the opportunity to align the replacement and release of new standard scanners and corresponding software with the DRIVES Rollout 2. This approach eliminates the need for separate rollouts and reduces associated implementation costs.
- New scanners that are closer to Licensing Service Representatives (LSR) work stations (two stations will share a scanner versus an entire office sharing a single scanner) will reduce customer wait time. Currently, in busy offices, especially with requirements to scan CDL and EDL source documents, LSRs must wait in line to access the scanner. The current process to scan a document also requires an LSR to insert a special thumb drive into the scanner and take it back to their computer in order to attach documents to the record. This process is cumbersome – and is prone to mistakes and rework.

Administrative support (indirect costs) is included at a rate of 12 percent applied to direct program costs. Amounts calculated are reflected as staff hires with salary, and benefits. Total cost is \$2,655,000 based on rate applied upon total expenditures.

Agency standard costs are included to pay for office supplies, telephone installation and usage, facility and related costs, training and personnel services. These costs are calculated based on actual costs from the previous fiscal year, included on a per-FTE added basis at \$892,538.

Expenditures by fund source and object by fiscal year

Objects		Fund	FY 2018	FY 2019	17-19 Total
A	Salaries and Wages	106-Highways Safety Fund State	3,229,000	1,957,000	5,186,000
B	Employee Benefits	106-Highways Safety Fund State	1,105,000	674,000	1,779,000
C	Personal Service Contracts	106-Highways Safety Fund State	6,176,000	4,188,000	10,364,000
E	Goods and Services	106-Highways Safety Fund State	3,285,000	2,981,000	6,266,000
G	Travel	106-Highways Safety Fund State	-	300,000	300,000
J	Equipment	106-Highways Safety Fund State	30,000	861,000	891,000
Total Objects			\$ 13,825,000	\$ 10,961,000	\$ 24,786,000

Object E Breakdown:	FY 2018	FY 2019	17-19 Total
EA Office Supplies	21,895	11,099	32,994
EB Phone/Install/Usage	15,660	7,560	23,220
ED Facility/Lease Costs	173,507	87,950	261,457
EG Staff Training	15,428	7,820	23,248
EL DIS Shared Svcs & HRISD Fee	10,092	5,116	15,208
EN Personnel Services-direct only	15,344	7,945	23,289
ER Application Programmers	2,848,610	2,506,873	5,355,483
ER Miscellaneous	-	300,000	300,000
EY Software Maintenance	125,219	-	125,219
EZ Other Goods & Svcs	59,240	46,960	106,200
Total Goods & Svcs	\$ 3,284,995	\$ 2,981,323	\$ 6,266,318

One-time, Recurring and Ongoing Expenditures

Ongoing expenditures for maintenance and support will be submitted in the DRIVES Maintenance decision package.

Revenue Calculations and Assumptions

N/A

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Performance outcomes will include:

- More accurate, timely and secure driver record data
- Timelier implementation of new laws and the related revenue collection
- More reliable daily operations and customer service

Those outcomes can be achieved because DRIVES Rollout 2 will:

- Eliminate driver record errors caused when legacy systems react inconsistently to new entries or codes reflecting new laws. Eliminating errors will improve accuracy of records used by DOL, courts and law enforcement for regulating licensees. Better regulating leads to safer roads.
- Improve security to the agency. Mitigate the risk of unauthorized access and fraudulent use of customers' personal information. This COTS solution is currently operating securely in several other states in real time, high transaction volume environments. It conforms to 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 regarded as the industry benchmark with respect to articulating enterprise system security requirements.

- Reduce annual programmer/analyst/tester hours dedicated to law changes. Based on our annual average of using 12,000 hours, we could save up to 6,000 hours. Actual savings will reflect the number and complexity of actual bills passed each legislative session. Reducing technology staff time will ensure implementation of state and federal laws is on time and on budget, and that new revenue is not delayed.
- Reduce driver system outages, service slowdowns and errors in the field that require DOL technician support which adds up to 15 minutes of wait time for customers.
- Reduce the amount of time it takes to add new employees to the system from up to one week to less than a day.
- Improve system usability, changing from multiple applications open to serve a single customer to a single application. This also shortens the amount of time it takes to train new employees.
- The DRIVES initiative is well structured to mitigate risk.
 - Organizational Change Management is a large component of the DRIVES approach, leveraging contracts that are providing OCM consulting services to the project. The comprehensive OCM scope covers external and internal system users, the Information Systems group, and the broad stakeholder community.
 - The project team is a mix of Agency and solution vendor staff working side by side in similar roles, both technical and business oriented. Testing will leverage broad participation across the internal and external system user community, led by an agency/vendor joint test coordination team. Similarly, a large trainer group is planned, comprised of agency and vendor trainers and seeking external stakeholder participation.
 - Other risk mitigation components of the DRIVES project already in place include the Independent Quality Assurance provided by Case Associates, with weekly interaction between the QA consultant and the project team, and detailed monthly assessments of the project.

DRIVES Rollout 2 supports the Results Washington Goal 4 for Healthy and Safe Communities, traffic safety measures 2.4 through 2.4c, and Washington's strategic highway safety plan Target Zero. Implementation will:

- Improve our ability to collect data, report on, and research traffic fatalities and the associated causal factors found in driver records.
- Improve our ability to collect and analyze driver education and training participation data.
- Improve driver record accuracy and availability used by law enforcement to take action with drivers posing a risk to the public. (Pertinent records include endorsements, citations and violations).

DRIVES rollout 2 will also support the Results Washington Goal 5 for Effective, Efficient and Accountable Government, by reducing customer service slowdowns.

Without DRIVES Rollout 2, we cannot reduce disruptions to daily operations or driver record errors. Therefore we cannot improve record quality for law enforcement or record security for our customers.

DOL's 2014-17 Strategic Plan includes our Business and Technology Modernization initiative 11, to complete the system implementations for vehicles and prorate and fuel tax. DOL's 2017-20 Strategic Plan moves forward with initiative 8 for driver licensing systems and ongoing adaptability of all systems to meet emerging needs. These projects remain our highest strategic priorities and are interdependent.

Performance Measure Detail:

DOL will continue to measure our fiscal accountability for DRIVES implementation, using our internal performance measure SP5c, the fiscal year to date project budget variance. Each month our Enterprise Performance Management Office reports this variance as a dollar and a percent, what has been impacting the variance, and what action they are taking to stay within the target of less than three percent underspent or overspent.

We will continue to measure our project timeline management, using our internal performance measure SP7c, the timeliness of completing all major project milestones. This performance is also reported monthly with analysis and action plans updated.

We will continue to measure our driver systems outages, using our internal performance measure SP4a, and expect to see outages decline.

We will continue to report driver record errors caused by system weaknesses, along with solutions or barriers to solution, to our executive team for resource and risk mitigation decisions.

Fully describe and quantify expected impacts on state residents and specific populations served.

The driver licensing system is integral to DOL's ability to provide key services to citizens, agency business partners, and state and federal agencies that rely on data for public safety, licenses, IDs, and revenue for state's transportation system. The funding requested in this decision package enables DOL and business partners to be more responsive to changes in policy and business needs.

Financially, the DRIVES system will position the agency's ability to accelerate implementation of revenue capture caused by legislative mandates associated with fee changes. The DRIVES initiative will also address the dramatically increased costs of maintenance and support for the existing legacy systems, 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. Meanwhile, 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. Implementing the new system will avoid a future substantial redevelopment to modernize the existing solutions.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Select Y/N	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

The approved Investment Plan proposed a solution to carry out an enterprise-wide COTS implementation strategy to replace core legacy systems in the Vehicles, Drivers, and Revenue domains. This phased implementation approach will result in the modernization of the agency's core information technology, deliver business value incrementally, improve service delivery systems and support the reengineering of primary business processes.

What are the consequences of not funding this request?

If funding is not provided to continue and complete the Drivers phase of the project:

- The resulting benefits of an enterprise-wide system will not be achieved.
- The Drivers phase of the project will remain incomplete and non-functional resulting in a lack of integration of the vehicles and drivers system components as originally planned.
- The agency will be unable to realize the efficiencies of an enterprise system addressing both vehicles and driver licensing functions.
- Reliance on the legacy system will continue with existing issues of failure and not reliability. In addition, the system's Revenue management capability will remain incomplete without continued funding.
- Further, if this budget request is not approved, the investment of \$6.74M appropriated in the 2016 Supplemental budget to start the implementation of DRIVES Rollout 2 will be lost resulting in no return on the investment of state dollars.

How has or can the agency address the issue or need in its current appropriation level?

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

DOL requests \$14,190,045 for IT related costs. Expenditures in the 2017-19 Biennium are estimated based on staff costs for business area positions needed for identified business requirements.

Total cost for DOL IT Staff is \$1,976,045. DOL is requesting funding for 12.0 FTEs (project and temporary backfill positions) described below:

- IT Systems Specialist 3. Position is data management and reporting specialist and subject matter expert for drivers data clean-up. Position also performs driver's business rules assistance, and driver's Interface and reporting specification development. Salary and benefits for 2.0 FTE is \$281,546.
- IT Specialist 4 (Developer). Positions are senior-level specialist that provides analysis, design, development, testing, quality assurance, and problem resolution with driver's system development. Salary and benefits for 4.0 FTE is \$614,474.
- IT Specialist 5. Position is an expert specialist that provides analysis, design, development, testing, quality assurance, and problem resolution with driver's system development. Salary and benefits for 1.0 FTE is \$167,971.
- IT Specialist 5-Security Risk Management and Vulnerability. Positions will develop, oversee, and maintain program. Consult with agency project manager for input and requirements. Consult with architects in developing tactical and strategic Audits/compliance PCI, CJIS BPD, SSA, CJIS PSD, OCIO, Internal Audits. Provide software and hardware scanning, software review/research and analysis, public disclosure assistance and training and awareness. Salary and benefits for 2.0 FTE is \$335,942.
- IT Specialist 6. Position is an architect that is responsible for the underlying architecture, design, development, testing and implementation of the application and database systems that supports multiple business units. Salary and benefits for 1.0 FTE is \$183,744.
- Integration Architect. Positions maintains and fosters a standard and strategic architecture approach to application development and COTS applications. This position ensure all COTS applications are in compliance with agency standards and ensures successful integration across applications. Salary and benefits for 0.5 FTE is \$98,092.
- BTM Integration Engineer. These positions ensure all COTS applications are in compliance with agency standards and ensures successful integration across applications. Salary and benefits for 1.5 FTE is \$294,276.

Total IS vendor and professional services cost is \$11,229,000. Contract Services include:

- Vendor payment to start the driver's system implementation at \$8,008,000.
- Project manager at \$750,000.

- Quality and Assurance at \$135,000.
- Penetration testing at \$50,000.
- Business Analysts at \$952,000.
- Business Testers at \$1,334,000.

DOL is requesting \$985,000 for IT software and hardware, scanners and other goods and services.

- Microsoft EA Assurance at \$125,000.
- 380 document scanners for Licensing Services Offices (LSO) at \$860,000.

DOL is requesting funding to replace current document scanners located at the agencies LSO's. The scanners DOL uses to image source documents and attach them to driver records are no longer being produced and are no longer supported, so the break-fix approach is no longer feasible. Inoperable scanners decrease and even stop productivity contributing to increased wait times and cause unacceptable inconveniences for customers. DOL is taking the opportunity to align the replacement and release of new standard scanners and corresponding software with the DRIVES Rollout 2. This approach eliminates the need for separate rollouts and reduces associated implementation costs.

FTEs by job classification and fiscal year

Salary and FTE	Salary	FY 2018	FY 2019	17-19 Total
IT Specialist 3	69648	2	1	1.5
IT Specialist 4	76812	4	2	3
IT Specialist 5	84816	3	1.5	2.3
IT Specialist 6	93612	1	0.5	0.8
Integration Architect	93642	0.5	0.25	1.5
BMT Integration Engineer	93642	1.5	0.75	1.1
Total		12	6	10.2

Contracted Information Services (IS) Costs

Contracted IS Costs (rounded to the thousands)				
Cost Category	FY 18 Months	FY 19 Months	Rate	Cost
Tester	25	47.3	\$ 18,444	\$ 1,334,000
Business Analyst	24	12	\$ 26,448	\$ 952,000
Project Manager	16	11.3	\$ 27,492	\$ 750,000
Quality Assurance	2.27	2	\$ 31,668	\$ 135,000
Penetration Testing				\$ 50,000
FAST Vendor payment				\$ 8,008,000
Total	67.27	72.6		\$ 11,229,000

Software and Hardware Costs

ISD Software/Hardware Costs	FY 18	FY 19	Total
Microsoft EA Assurance	\$ 125,000	\$ -	\$ 125,000
Scanners	\$ -	\$ 860,000	\$ 860,000
Total	\$ 125,000	\$ 860,000	\$ 985,000

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a Yes No new or enhanced software or hardware system or service?
2. Does this decision package fund the acquisition or enhancements Yes No of any agency data centers? (See [OCIO Policy 184](#) for definition.)
3. Does this decision package fund the continuation of a project that Yes No is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).)

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: P6 - Facility 6 Year Plan – Maximizing Space at Licensing Service Offices

Budget Period: 2017-2019

Budget Level: Policy Level

Agency Recommendation Summary Text:

Funding is requested to reconfigure twelve driver licensing offices and relocate six licensing offices to meet the operational and strategic facility needs identified in the 2017-2023 Six-Year Facilities Plan that is required by the Office of Financial Management. This request responds to population changes, workload volumes, inefficient facilities and demand for driver licensing services. (Highway Safety Fund-State)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for four years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 106-1	112,000	2,306,000	267,000	267,000
Total Cost	112,000	2,306,000	267,000	267,000
Staffing				
FTEs	0.0	0.0	0.0	0.0
Revenue				
Fund 106-1	0.0	0.0	0.0	0.0
Object of Expenditure				
Obj. E	112,000	2,306,000	267,000	267,000

Package Description:

This \$2,418,000 request (2017-2019) includes funding for reconfigurations, applicable incremental lease costs for relocations and tenant improvements. Fundamentally, it will:

- Support the business needs of customers, the agency and state.
- Provide a workplace that is healthy, safe, and sustainable.
- Use office space more efficiently to enhance the ability of licensing offices to serve customers and keep up with higher customer volumes.

Breakout of activity:

- One-time tenant improvement total of \$2,037,000 (Relocate \$711,955 and Reconfiguration \$1,324,845)

- Ongoing annual lease and utilities total of \$267,000 (This amount reflects incremental lease cost changes)

Background

At current funding levels, the department is unable to pay for the relocations and major reconfigurations necessary to allow customers to receive service within acceptable wait times. Acceptable wait time is defined by the current performance measure that tracks the percent of customers with lobby wait times under 30 minutes.

Factors contributing to proposed reconfigurations and relocations include:

In 2015, Department of Licensing (DOL) processed over 1.9 million driver licenses, identification cards, Enhanced Drivers Licenses (EDL) and Enhanced Identification Cards (EID). Seventy-four percent of these transactions were performed at one of DOL's offices throughout the state. In addition, over 53,000 driver knowledge and drive tests were performed.

Population Growth and in-migration/out-migration. Over the past two years, Washington's population and in-migration has increased. A June 25, 2015 press release titled "Washington's population tops 7 million" issued by the Office of Financial Management (OFM) notes a 1.25 percent increase in 2014 and 1.34 percent increase in 2015. Source: <http://www.ofm.wa.gov/news/release/2015/150625.asp>

Equally as significant, DOL's Washington State Drivers Report supports this trend. The 2015 report noted that driver in-migration (population moving to Washington from other states) was up 10.2 percent over the previous year, while the 2016 report indicated continued in-migration of 10 percent over the 2015 report. Source: <http://www.dol.wa.gov/about/docs/driver-reports/2016-06-WDL-report.pdf>; and <http://www.dol.wa.gov/about/docs/driver-reports/2015-06-WDL-report.pdf>

Enforcement of Federal Identification Requirements. In 2005, Congress passed the REAL ID Act which expanded federal document verification requirements for state-issued driver's licenses and identification cards. The Department of Homeland Security has announced an additional tier of enforcement beginning January 22, 2018 at commercial airports. Currently, standard Washington driver licenses and ID cards are not valid for federal purposes. As a result of the enforcement of the REAL ID Act, a higher demand for Enhanced Driver Licenses has been seen since November of 2015. It is estimated that 80 percent of the 7 million Washington residents will need to visit a Licensing Services Office (LSO) between this date and 2023 (5.6 million over five years). EDL transactions take longer to complete – and first-time EDL transactions and every other [renewal](#) must be done in person at an LSO per RCW 46.20.202 and federal law. The 2016 supplemental budget included a funding proviso for additional staff resources to keep up with this demand during the fiscal year 2017.

Proposed Solution

To meet operational and facility needs consistent with OFM's six-year plan goals, DOL will reconfigure and expand customer service counters in twelve LSOs and relocate six LSOs that have a business need to relocate due to changes in population density, parking limitations, accessibility issues, and general office space restrictions that will not allow DOL to expand in place.

Relocation:

LSOs listed in Table 1 have business needs to relocate due to changes in population density, parking

limitations, accessibility issues, and general space restrictions that will not allow on-site expansion. In addition, health and safety, ADA and staff ergonomic issues cannot be mitigated at existing locations.

Current space cannot accommodate the number of customer service counters needed for the available staff. Customer lobbies and service counter areas have been redesigned multiple times over the years to maximize space, yet lobbies often reach capacity and customers are forced to stand in overcrowded lobbies and even forced to wait outside.

DOL is implementing a new driver license Central Issuance System (CIS) in 2017, followed by a new Driver Field System (DRIVES) in 2018. Both of these systems will add equipment to LSO staff work counters. With CIS, the way customers flow through the transaction process changes to increase the integrity of the documents issued and better accommodate the federal EDL/CDL two staff per transaction requirement. We are moving from a workflow sequence of a combined application/transaction followed by photo, to application to photo to transaction. This sequence change also provides the benefits of reducing the wait time for a percentage of our customers by screening them out earlier in the process; provides dual controls for the majority of transactions to ensure accuracy/compliance with license eligibility requirements; and captures the photo before finalizing the transaction which reduces the opportunity for fraud. These important changes are challenging to accomplish within the current office footprint.

A current staff workstation measures 48” x 24” with a raised 12” wide counter surface for the customer’s use. Current equipment on the customer counter surface includes a PC monitor, vision screener, and electronic signature pad. Equipment on the staff work counter includes two PC monitors, keyboard, vision screener control panel, receipt printer, credit card reader, telephone, bank check stamp, and document punch. A cash drawer is located under the counter service off to one side. The work counters are lined up end to end with a shared printer inserted in every third or fourth work counter. In addition, each office has one to three scanner workstations containing two document scanners, one is flatbed for non-standard size documents. The scanner workstations are used by staff during transactions, and are located on a surface in the line of staff workstations or on a surface behind the counters, dependent on where there is room.

CIS implementation in 2017 will add a second camera station in medium-size and larger offices; a barcode reader on each staff work counter; and additional printers inserted into the line of work counters. DRIVES implementation in 2018 will add document scanners on each workstation and shared printers between every two work counters.

Issues specific to each location are addressed after Table 1.

Table 1

Record No.	UFI	City	Action Type	Date of Action	Fiscal Year	Tenant Improvement	Incremental - Annual Ongoing Cost (Lease/Utilities)
DOL-22	A01526	Kennewick	Relocate	7/1/2018	FY19	130,590	78,091
DOL-24	A06055	Lacey	Relocate	7/1/2018	FY19	131,340	51,939
DOL-28	A07796	Mt Vernon	Relocate	11/1/2018	FY19	119,570	62,049
DOL-45	A01719	Renton	Relocate	4/1/2019	FY19	132,340	27,260
DOL-47 & 48	A05741	Seattle Downtown EDL	Relocate	10/31/2017	FY18	72,770	52,287
DOL-49 & 52	A07472	Greenwood/Shoreline	Relocate	5/1/2019	FY19	125,345	(4,667)
Total						711,955	266,959

Kennewick – Since January 2014, average monthly customer volumes increased 11 percent and EDLs issued increased 219 percent, contributing to a 9 percent increase in customer wait time.

A lack of responsiveness from the landlord has resulted in unsafe and unsanitary conditions; HVAC, plumbing and lighting issues; insect infestation and most recently rodent issues. The parking lot surface is broken and weeds are growing within the customer parking and walking areas, putting customers at risk.

This office services customers from a large geographic area where other state agencies are located providing co-location opportunities.

Lacey – Since January 2014, average monthly customer volumes increased 8 percent and EDLs issued increased 287 percent, contributing to a 341 percent increase in customer wait time.

This office serves an increasing Thurston County population and military service members from the closely located Joint Base Lewis McChord (JBLM).

The parking lot is not adequate for our customer volume, and the restrictions to ingress and egress has resulted in many fender/benders among customers. As a result of parking lot issues, DOL pays for additional parking spaces each month. Even though DOL pays for additional security to patrol the area there has still been vandalism to state motor pool vehicles and to the building including bullet holes in the windows on the front and back sides of the office.

The landlord's unresponsiveness creates unsafe and unsanitary conditions for staff and customers including public and employee restrooms that continually backup and overflow; leaks in the roof creating water spots on tile floors in the customer and employee areas; and lizards, rodents, and insects finding their way into the building. In the winter the parking lot floods reducing parking capacity by 50 percent. HVAC system issues prevent adequate room temperature adjustments as customer volumes increase in the lobby.

Mt Vernon - Since January 2014, average monthly customer volumes increased 4 percent and EDLs issued increased 150 percent, contributing to a 220 percent increase in customer wait time.

It is an older building, experiencing service problems with the roof and HVAC system. Customers have difficulty locating the office which is situated between the back of an apartment building and a railroad track. The landlord lack of responsiveness results in unsafe and unsanitary conditions including leaks in the roof and an inadequate HVAC system. The parking lot is shared with the neighboring apartment building and is not maintained, consisting of a mix of asphalt and gravel with pot holes putting our customers and their vehicles at risk.

Renton – Since January 2014, average monthly customer volumes increased 10 percent and EDLs issued increased 222 percent, contributing to a 270 percent increase in customer wait time.

Congested customer and employee parking areas result in confrontations between customers and staff at nearby businesses. The office was broken into once in the last three years. Employee vehicles have been broken into during business hours. The building has been vandalized with graffiti multiple times on the outside and inside within the public restrooms.

Seattle Downtown offices – Since January 2014, average monthly customer volumes increased 2 percent and EDL issuances increased by 633 percent, contributing to a 214 percent increase in

customer wait time.

The Seattle Downtown LSO currently occupies two spaces on different street levels in the same building, and each with a separate lease. They are located on an extremely steep street. Ingress and egress is difficult for customers with accessibility challenges. The second location was originally obtained strictly for issuing EDLs by appointments and is challenging to place adequate staffing in both locations. As the demand for EDLs grew this past year, DOL addressed the challenges of splitting the staff between the two locations by assigning all staff to the primary office where EDLs are now issued on a walk-in basis. Relocating the offices allows for consolidation of two offices and leases into one, more efficient location.

Seattle Downtown is consistently in the top ten highest wait times and customer volume offices in the state serving a densely populated area including Capitol Hill, First Hill, Sodo, Belltown, Uptown (Queen Anne/Fremont), West Edge, South Lake Union, Denny Triangle, Chinatown International District, Pioneer Seattle University, and the Arts Academy. In addition to the general public, this office serves students from the University of Washington and Seattle Central Community College. It is the contact point for the Japanese, Mexican, Russian, and Korean consulates, all of which are located downtown.

The lobby is too small to handle current customer volumes in the office and customers often sit on the floor and are forced to wait outside. The line of customers waiting to get into the office frequently extends out the entryway and onto the street. There are no public restrooms in the current space.

The attached document titled Seattle LSO provides a heat map showing that the Seattle Downtown office is centrally located in close proximity to where customers live. The map displays by zip code where Seattle Downtown customers resided in fiscal year 2016. Zip codes are colored to show the highest concentration of customers in red down to the lowest in dark green.

Population growth in the downtown Seattle area has been significant in the last several years, both from business and residential perspectives. Residential growth is evident by new apartments, condos that support the addition of new large scale businesses such as Amazon and Facebook. Without a DOL presence in the Seattle downtown area, there would be no office to serve customers between our Seattle West and Shoreline LSOs. This would have a negative impact on customers and neighboring DOL offices.

The majority of the customers in this area access the office by local transit or as a pedestrian. Light rail access stretches from the U-District to the Airport via the Sound Transit Light rail system. Soon the Eastside (Bellevue, Issaquah) will also be connected via light rail.

Street level access would be the best option because of it offers the best visibility and ease of access for customers (especially those with accessibility issues), it also minimizes the impact on other building tenants and businesses.

Greenwood/Shoreline – Since January 2014, average monthly customer volumes increased 6 percent and customer wait times increased 91 percent. Shoreline expanded to add EDL services July 1, 2016 and issued 361 Enhanced documents the first month.

Relocate and combine two existing offices into one new space. Greenwood consists of administrative support offices with areas of underutilized or vacant space. The Shoreline LSO has

constant parking lot issues. The lot has an irregular shape, steep grade at the entry, and narrow internal mobility points. The office shares the parking lot with other businesses occupying three floors of the building. This has led to fist fights between DOL customers and employees of those businesses. Customers can only access our office by traveling southbound on Aurora Avenue after construction placed a median directly in front of the office.

The attached document titled Shoreline LSO is a heat map showing the Shoreline office is located in the northern range of its customer base. The map displays by zip code where Shoreline office customers resided in fiscal year 2016. Zip codes are colored to show the highest concentration of customers in red down to the lowest in dark green. Locating the office closer to its customer base will be more convenient for customers – and potentially result in lower lease costs.

Reconfigurations in current footprints:

LSOs listed in Table 2 have substantial design challenges and need to be reconfigured within current footprints to meet growth in staff, equipment, and changing business practices. Existing usable space does not support the number of workstations to staff the offices at the level needed to serve customer volumes within acceptable wait times.

The privatization of driver license testing to commercial driver training schools in 2012 resulted in vacant testing areas within LSO lobbies. Testing areas are separated from the customer lobby by partial walls or are located in alcoves. There are not enough work counters for current staff, with no room to add on to the current work counter configuration. Reconfigurations will convert existing space within these offices from lower value to higher value uses.

DOL is implementing a new driver license Central Issuance System (CIS) in 2017, followed by a new Driver Field System (DRIVES) in 2018. Both of these systems will add equipment to the LSO staff work counters. With CIS, the way in which customers flow through the transaction process changes to increase the integrity of the documents issued and better accommodate current federal EDL/CDL two staff per transaction requirements. We are moving from a workflow sequence of a combined application/transaction followed by photo, to application to photo to transaction. This sequence change also provides the benefits of reducing the wait time for a percentage of our customers by screening them out earlier in the process; provides dual controls for the majority of transactions to ensure accuracy/compliance with license eligibility requirements; and captures the photo before finalizing the transaction which reduces the opportunity for fraud. These changes are challenging to accomplish within the current office configurations.

Equipment has overcrowded customer counter workstations resulting in staff injuries reported to Labor and Industries (L&I). A current staff workstation measures 48” x 24” with a raised 12” wide counter surface for the customer’s use. Current equipment on the customer counter surface includes a PC monitor, vision screener, and electronic signature pad. Equipment on the staff work counter includes two PC monitors, keyboard, vision screener control panel, receipt printer, credit card reader, telephone, bank check stamp, and document punch. A cash drawer is located under the counter service off to one side. The work counters are lined up end to end with a shared printer inserted in every third or fourth work counter. In addition, each office has one to three scanner workstations containing two document scanners, one is flatbed for non-standard size documents. The scanner workstations are used by staff during transactions, and are located on a surface in the line of staff workstations or on a surface behind the counters, dependent on where there is room.

CIS implementation in 2017 will add a second camera station in medium-size and larger offices; a barcode reader on each staff work counter; and additional printers inserted into the line of work counters. DRIVES implementation in 2018 will add document scanners on each workstation and shared printers between every two work counters.

Issues specific to each location are addressed after Table 2.

Table 2

Record No.	UFI	City	Action Type	Date of Action	Fiscal Year	Tenant Improvement Costs
DOL-2	A08616	Arlington	Reconfiguration	7/1/2018	FY19	107,955
DOL-4	A00825	Bellingham	Reconfiguration	7/1/2018	FY19	137,340
DOL-5	A01132	Bremerton	Reconfiguration	7/1/2018	FY19	137,340
DOL-14	A06658	Everett	Reconfiguration	7/1/2018	FY19	137,340
DOL-15	A07992	Federal Way	Reconfiguration	7/1/2018	FY19	137,340
DOL-39	A20304	Parkland	Reconfiguration	7/1/2018	FY19	137,340
DOL-40	A05151	Port Angeles	Reconfiguration	7/1/2018	FY19	137,340
DOL-42	A01598	Poulsbo	Reconfiguration	7/1/2018	FY19	78,570
DOL-50	A06649	Seattle West	Reconfiguration	7/1/2018	FY19	78,570
DOL-57	A10530	Sunnyside	Reconfiguration	7/1/2018	FY19	78,570
DOL-60	A08766	Union Gap	Reconfiguration	7/1/2018	FY19	78,570
DOL-64	A06264	Wenatchee	Reconfiguration	7/1/2018	FY19	78,570
					Total	1,324,845

Arlington – Since January 2014, average monthly customer volumes increased 19 percent and EDLs issued increased 161 percent, contributing to a 298 percent increase in customer wait time.

The lobby waiting area is long and narrow which compounds the wait time impacts of customers walking to the counter. This will be further emphasized upon implementation of the new driver license Central Issuance System in spring 2017.

Bellingham - Since January 2014, average monthly customer volumes increased 5 percent and EDL issued increased 82 percent contributing to a 141 percent increase in customer wait time.

This office is in close proximity to the Canadian border, driving a higher demand for enhanced documents which take longer to process.

Bremerton - Since January 2014, average monthly customer volumes increased 15 percent and EDL issued increased 275 percent contributing to a 263 percent increase in customer wait time.

This office is located near the Naval Base Kitsap so the demand for enhanced documents is high. This location is also in close proximity to CDL training schools so the demand for CDL documents is high. Both CDL and EDL transactions take longer to process.

Everett – Since January 2014, average monthly customer volumes increased 1 percent and customer wait time increased 68 percent. Everett expanded to add EDL services July 1, 2016 and issued 293 Enhanced documents the first month.

This office began issuing EDL/CDL documents July 1, 2016 and demand is high due to proximity to Naval Station Everett. It is the only facility in Snohomish County open on Monday drawing a large customer volume leading to unacceptable wait times.

Federal Way - Since January 2014, average monthly customer volumes decreased 13 percent and customer wait time increased 126 percent. Federal Way expanded to add EDL services July 1, 2016 and issued 260 Enhanced documents the first month.

This office began issuing EDL/CDL documents July 1, 2016 and demand is high due to proximity to SeaTac airport. It is the only facility in south King County open on Monday drawing a large customer volume leading to unacceptable wait times.

Parkland – Since January 2014, average monthly customer volumes increased 14 percent and EDLs issued increased 411 percent, contributing to a 187 percent increase in customer wait time.

This office is co-located in a Washington State Patrol owned facility. The office serves an increasing Thurston County population and military service members from nearby Joint Base Lewis-McChord (JBLM). It is the only facility in Pierce and Thurston counties open on Monday drawing a large customer volume leading to unacceptable wait times.

Port Angeles – Since January 2014, average monthly customer volumes increased 7 percent and EDLs issued increased 139 percent, contributing to a 12 percent increase in customer wait time.

This is a full testing LSO, conducting both knowledge and driving test, resulting in a high volume of original issuances, and is the only office issuing EDLs on the Olympic Peninsula north of Poulsbo and Hoquiam. Building constraints in the photo area create ADA concerns for customer accessibility.

Poulsbo – Since January 2014, average monthly customer volumes increased 10 percent and customer wait time increased 43 percent. Poulsbo expanded to add EDL services July 1, 2016 and issued 108 Enhanced documents the first month.

This is a full testing LSO, conducting both knowledge and driving tests, resulting in a high volume of original issuances. As a new EDL/CDL issuing office on July 1, 2016, demand is high due to proximity to the Naval Base Kitsap.

Seattle West – Since January 2014, average monthly customer volumes increased 6 percent and EDLs issued increased 191 percent, contributing to a 146 percent increase in customer wait time.

This office has five empty back offices that could be reconfigured to allow us to expand in place.

Sunnyside – Since January 2014, average monthly customer volumes decreased 3 percent and customer wait time decreased 17 percent. Sunnyside expanded to add EDL services July 1, 2016 and issued 32 Enhanced documents the first month.

This office is demographically central between Union Gap and Kennewick.

Union Gap – Since January 2014, average monthly customer volumes increased 6 percent and EDLs issued increased 191 percent, contributing to a 146 percent increase in customer wait time.

This office is constricted in the front lobby and work counter area, while spacious in the back. In order to maximize the front lobby space we need to redistribute the entire available space.

Wenatchee – Since January 2014, average monthly customer volumes increased 3 percent and EDLs issued increased 153 percent, contributing to a 71 percent increase in customer wait time.

This is the largest customer volume office in North Central Washington.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

Relocation Table:

Record No.	UFI	Address	City	FY1	FY2
DOL-22	A01526	3311 W Clearwater Ste B140	Kennewick	146,000	146,000
DOL-24	A06055	645 Woodland Sq Lp SE	Lacey	130,000	130,000
DOL-28	A07796	1920 S 3rd St	Mt Vernon	93,876	93,876
DOL-45	A01719	1314 Union Ave NE Suite 4	Renton	114,000	114,000
DOL-47 & 48	A05741	1000 Second Ave, Ste 105	Seattle Downtown EDL	108,774	108,774
DOL-49 & 52	A07472	320 N 85th St	Greenwood/Shoreline	238,713	238,713
Total				831,363	831,363

Reconfiguration Table:

Record No.	UFI	Address	City	FY1	FY2
DOL-2	A08616	3704 172nd St NE, Space K1	Arlington	109,724	109,724
DOL-4	A00825	4180 Cordata Parkway Ste A	Bellingham	110,826	110,826
DOL-5	A01132	1550 NE Riddell Road	Bremerton	120,960	120,960
DOL-14	A06658	5313 Evergreen Way	Everett	147,816	147,816
DOL-15	A07992	1617 S 324th St	Federal Way	99,820	99,820
DOL-39	A20304	2502 112th Street E Suite 200	Parkland	21,000	21,000
DOL-40	A05151	228 W 1st Street Ste M	Port Angeles	38,407	38,407
DOL-42	A01598	19045 State Hwy 305 NE Ste 140	Poulsbo	61,218	61,218
DOL-50	A06649	8830 25th Ave SW	Seattle West	209,367	209,367
DOL-57	A10530	2010 Yakima Valley Hwy, Ste 15	Sunnyside	60,924	60,924
DOL-60	A08766	2725 Rudkin Road	Union Gap (State Own)	0	0
DOL-64	A06264	325 N Chelan Ave Ste B	Wenatchee	77,846	77,846
Total				1,057,908	1,057,908

Base funds are Highway Safety Account-State (106) and activity code A031 Driver Licensing, Regulation and Records.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Decision Package Justification and Impacts

Record No.	UFI	City	Action Type	Date of Action	FY18	FY19	FY20	FY21
DOL-22	A01526	Kennewick	Relocate	7/1/2018	0	208,681	78,091	78,091
DOL-24	A06055	Lacey	Relocate	7/1/2018	0	183,279	51,939	51,939
DOL-28	A07796	Mt Vernon	Relocate	11/1/2018	0	160,938	62,049	62,049
DOL-45	A01719	Renton	Relocate	4/1/2019	0	139,156	27,260	27,260
DOL-47 & 48	A05741	Seattle Downtown EDL	Relocate	10/31/2017	111,983	52,287	52,287	52,287
DOL-49 & 52	A07472	Greenwood/Shoreline	Relocate	5/1/2019	0	124,567	(4,667)	(4,667)
Total					111,983	868,908	266,959	266,959

Record No.	UFI	City	Action Type	Date of Action	Fiscal Year	Tenant Improvement Costs
DOL-2	A08616	Arlington	Reconfiguration	7/1/2018	FY19	107,955
DOL-4	A00825	Bellingham	Reconfiguration	7/1/2018	FY19	137,340
DOL-5	A01132	Bremerton	Reconfiguration	7/1/2018	FY19	137,340
DOL-14	A06658	Everett	Reconfiguration	7/1/2018	FY19	137,340
DOL-15	A07992	Federal Way	Reconfiguration	7/1/2018	FY19	137,340
DOL-39	A20304	Parkland	Reconfiguration	7/1/2018	FY19	137,340
DOL-40	A05151	Port Angeles	Reconfiguration	7/1/2018	FY19	137,340
DOL-42	A01598	Poulsbo	Reconfiguration	7/1/2018	FY19	78,570
DOL-50	A06649	Seattle West	Reconfiguration	7/1/2018	FY19	78,570
DOL-57	A10530	Sunnyside	Reconfiguration	7/1/2018	FY19	78,570
DOL-60	A08766	Union Gap	Reconfiguration	7/1/2018	FY19	78,570
DOL-64	A06264	Wenatchee	Reconfiguration	7/1/2018	FY19	78,570
Total						1,324,845

Requested funding will:

1. Support implementation of DOL’s 2017-20 Strategic Plan initiatives 3 and 7 to use input from employees and customers to advance employee engagement and meet customer expectations
2. Solve inefficient use of existing space, or “expand in place” by reducing back office space to:
 - o increase lobby space, to prevent customers having to wait outside increase the number of service counters, to reduce customers waiting
 - o improve customer flow, to reduce customer waiting
 - o install new equipment required for implementing the new license issuance system
 - o support Lean process improvements generated by licensing office staff

3. Solve deferred facility growth and maintenance needed from years of growth in population and recent growth in transactions like EDLs and CDLs that involve longer counter time
4. Prepare space for projected growth within the most fiscally conservative footprints
5. Solve current health and safety risks impacting hundreds of employees and thousands of customers every day
6. Support the Results Washington goal of efficient, effective and accountable government, subtopics of customer satisfaction, workplace culture and fiscal responsibility
 - DOL must respond responsibly to the increasing complaints from employees and customers regarding unsafe and unsanitary offices

If funding is not received, or if partial funding is received, we expect wait times to increase, customer satisfaction to decrease, and employee engagement to decrease. In some instances we will be prolonging or increasing health and safety risks to customers and employees.

Performance Measure detail:

DOL will measure our facility project performance by analyzing drill down data within these Results DOL measures:

- Percent of facility projects completed timely (SP2b)
- Percent of leases executed timely (SP2a)
- Percent of budget variance (SP5a)

DOL will measure project outcomes after implementing projects by analyzing office-specific data within these Results DOL measures:

- Percent of customers with lobby wait times under 30 minutes (OM3a)
- Percent of customers who say we met or exceeded their ideal expectations (OM2a)
- Percent of employees who say they have opportunities to give input on decisions affecting their work (SM3)

DOL will also report lobby wait times in OFM’s RPM system as measure #002823 under activity A031.

Fully describe and quantify expected impacts on state residents and specific populations served.

Over 94,000 state residents were impacted in June 2016 alone by the problems described in this request for improving 18 offices. Based on the customer growth rates stated above for each of these offices, we can expect well over 100,000 customers to be impacted each month at some point during the 2017-19 biennium.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	Yes	Reconfigurations are need to make existing facilities more efficient.
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	Yes	DOL processes a high number of transactions in LSO facilities.

Please provide a detailed discussion of connections/impacts identified above.

Reconfigured space and counters will be more ergonomic for LSO staff and promote more efficient workflow.

In 2015, DOL processed over 1.9 million driver licenses, identification cards, Enhanced Drivers Licenses (EDL) and Enhanced Identification Cards (EID). Seventy-four percent of these transactions were performed at one of DOL's offices throughout the state.

What alternatives were explored by the agency and why was this option chosen?

Carrying out DOL's mission requires adequate facilities that:

- Support the business needs of the agency and state.
- Provide a workplace that is healthy, safe, and sustainable.
- Use space efficiently.
- Use state funds effectively.

Options:

1. Do nothing. This option does not maintain the agency's ability to serve customers.
2. Preferred option. Invest in strategic relocations and reconfigurations of existing facilities. The option aligns with the six-year facilities planning goals mentioned above and proactively responds to DOL's strategic and operational needs by addressing the following: population changes and density, parking limitations, efficient workflow, office ergonomics, health and safety, accessibility issues, and general office space restrictions and wasted space.

The decision to complete reconfigurations of existing LSOs was weighed against the cost of relocating LSOs. Based on available information, the most economical path is to complete reconfigurations of existing facilities.

What are the consequences of not funding this request?

If this request is not funded, LSOs will continue to operate below capacity and current facilities will continue to be underutilized. This will result in inefficient staff utilization, higher customer wait times, and unsatisfied customers. Funding this request will allow DOL to maximize current footprints which lessens the financial obligation to the state.

How has or can the agency address the issue or need in its current appropriation level?

At current funding levels, DOL does not have funding for incremental relocation costs and the major reconfigurations necessary to allow customers to receive service within acceptable wait times.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

This package requests relocations in two high-cost locations: downtown Seattle and Shoreline.

The attached document titled Seattle LSO is a heat map showing that the Seattle Downtown office is centrally located in close proximity to where customers live. The map displays by zip code where Seattle Downtown customers resided in fiscal year 2016. Zip codes are colored to show the highest concentration of customers in red down to the lowest in dark green.

The attached document titled Shoreline LSO is a heat map showing the Shoreline office is located in

the northern range of its customer base. The map displays by zip code where Shoreline office customers resided in fiscal year 2016. Zip codes are colored to show the highest concentration of customers in red down to the lowest in dark green. Locating the office closer to its customer base will be more convenient for customers – and potentially result in lower lease costs.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: P7 Data entry backlog mitigation-firearms system

Budget Period: 2017-19 Biennium

Budget Level: Policy Level

Agency Recommendation Summary Text: Funding is requested for the Department of Licensing (DOL) to contract data entry services to eliminate a backlog of firearm pistol transfer or sale records required under current law. (General Fund – State)

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	382,250	0	0	0
Total Cost	382,250	0	0	0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	0.0	0.0	0.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1	0.0	0.0	0.0	0.0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. C	382,250	0	0	0

Package Description

Summary

Funding is requested to enable DOL to solicit Request for Proposals (RFP) for data entry services to eliminate an estimated backlog of about 360,000 pistol transfer or sale records. This activity is required under RCW 9.41.

A risk to law enforcement officer and public safety has been identified by the Department of Licensing (DOL) related to the Firearms System (FA System) that the agency maintains. DOL is responsible for the FA System, which keeps information related to firearm licenses to include dealer, alien, and concealed pistol licenses (CPL) and pistol transfers or sales. When a Law Enforcement Agency (LEA) receives notification from DOL of a Concealed Pistol License holder who is Ineligible to Possess a Firearm (ITPF), law enforcement is required under RCW 9.41.075 (2)(b) to

check the FA System to determine if a person purchased a pistol while in possession of the license, under RCW 9.41.075(2)(b). By June 2017, DOL estimates there will be a backlog of about 364,000 pistol records (PTAs). The records are two years old from the date of sale or transfer of the pistol and are not electronically accessible to LEAs when completing a firearm records search. An LEA requesting search of a pistol or an individual who may have purchased a pistol could receive inaccurate information from the system. The backlog creates the potential risk of misinforming, delaying, or impeding LEAs as they complete public safety work. DOL intends to eliminate the backlog to ensure LEAs have real-time access to firearm records accessible under current law.

Background

Maintaining the state's firearm records in an electronic form is the statutory responsibility of DOL. Law enforcement agencies access DOL's FA System over 2 million times per year using the Washington State Patrol (WSP) ACCESS portal. LEAs' access to information in the FA System provides a tool for investigating if a crime has occurred, and helps ensure the safety of Washington residents.

The risk to public safety identified by DOL is directly related to the PTA backlog. When LEAs are informed by DOL of a CPL holder who is ineligible to possess a firearm under current law, they complete a search of the FA System to determine if a person purchased a pistol while in possession of the license. If a record is found, the LEA is required to take action to ensure the pistol is legally transferred to another person, revoke the CPL and notify DOL to record the revocation. Currently, if a LEA completes a FA System check to determine if a CPL holder purchased a pistol while licensed, law enforcement would likely receive the response "no record found." This may not be accurate because a record of a pistol sale may exist in the PTA backlog. By June 2017, the backlog is estimated to be about 364,000 records inaccessible to law enforcement agencies.

Current Status

DOL receives approximately 240,000 firearm records and licenses per year and 85 percent of these records are submitted in a paper format requiring manual review and data entry into the FA System. FA System records include pistol transfers/sales (PTA), Concealed Pistol Licenses, Firearm Dealer Licenses, and Alien Firearm Licenses. In addition, when DOL is notified by the courts of an ITPF, staff are required to check the FA System for a CPL and, if applicable, notify the issuing LEA of the ITPF for further action.

Since 2014, FA unit staff resources have remained the same. To manage the limited staff and funding resources with the additional workload, staff have completed business process improvement projects. These efforts have resulted in a reduction of printing costs by eliminating three-part carbon forms, creating of a web-based PTA form to eliminate rework by firearm dealers due to unreadable handwriting, and streamlining the review of PTAs to reduce the need to contact firearm dealers. In addition, DOL dedicated Information Services (IS) staff time to work on minor system enhancements to improve data integrity and data entry efficiencies for dealers who voluntarily use an electronic option for PTA submittal through DOL's web-based system, referred to as Firearms Online (FAO). These enhancements will be implemented by the end of November 2016.

Allotted staff resources are able to remain current with review and entry of the specific firearm records received, within seven days from receipt — except PTAs, which is resulting in a backlog. DOL has raised this issue in 2014 and 2015. In 2014 the PTA backlog was 144,000 records and by June 2017 the backlog is estimated to more than double, resulting in about 360,000 records that are electronically inaccessible to LEAs. This represents a two-year backlog of records. If there are no

changes to current processes and staff resources, the PTA backlog is estimated to increase by about 76,000 records each year.

To ensure the continued efficient use of limited Firearm Program resources, in June 2016 the program has implemented process improvement and reorganization efforts scheduled to be completed by June 2017. These efficiencies are expected to stop the PTA backlog from increasing by 76,000 records each year to only 3,600 records each year. The estimated 95 percent reduction in PTA records added to the backlog will be the result of reallocating an existing Customer Service Specialist 3 (CSS3), previously a supervisor in the unit, to an Office Assistant 3 (OA3) who spends 100 percent of their time on PTA data entry workload. Also, the FA program will implement changes to workflow and data entry quotas estimated to result in overall unit increase in data entry of PTAs equivalent to 0.5 of an OA3's annual production.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

Current Annual Expenditures

FY	Activity	Fund	FTE	Expenditure
2016	Firearms A012	001-1	5.85	\$994,737
Estimate 2017	Firearms A012	001-1	6.18	\$1,196,374

Note: FY 2016 amount is prior to the final June 30, 2016 Fiscal Year Close. The expenditure amount includes DOL Agency and Program Administrative Overhead.

DOL is requesting funding to initiate a competitive procurement to determine the most effective vendor to award a contract to for temporary data entry services to eliminate the PTA backlog.

The FA program is funded by General Fund-State. No direct program revenue is generated to support the program.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

DOL is requesting funding to initiate a competitive procurement to determine the best vendor to award a contract to for temporary data entry services to eliminate the PTA backlog. The estimated cost for this contracted work is \$382,250 and is to be completed within six months of the award date. The workload impact for the Firearms Program will be minimal, limited to contract and performance management. This workload will be absorbed within existing resources.

- This request is for one-time General Fund-State funding in Fiscal Year 2018.

Workload and Policy Assumptions: September 2016 - The PTA backlog is over 328,000 records. The records are over two years old.

By June 2017 – With no changes to the current FA program, the PTA backlog is estimated to be over 390,000 records. This estimate is based on an average annual backlog increase of 76,000 records.

June 2016 - DOL completed an analysis of staff resources necessary to remain current with review and data entry of all Firearms licenses and pistol transfers. The analysis was based on the following assumptions:

- Approach elimination of the PTA backlog by hiring 9.0 temporary staff completing the data entry – at an estimated cost of \$571,000 for salary, benefits and basic office equipment.
- Elimination of the backlog was estimated to take one year.
- The PTA backlog grows annually by over 76,000 records.
- No changes to current processes for review and data entry of all Firearms records.
- Total Firearm records received by DOL would remain consistent with the recent past.

Based on this analysis the Firearms Program will need an additional 1.5 full-time, permanent staff to remain current in all Firearms records.

Late June 2016 - As a result of the analysis and in an effort to ensure good stewardship of the limited General Fund resources, the Firearms Program developed a plan to manage the 1.5 permanent staff resource need within existing Firearm Program allotments. Implementation of the plan began June 2016 and will be completed June 2017.

The plan will result in:

- Reallocation a vacant Customer Services Specialist 3 to an Office Assistant 3 who spends 100 percent of their time on PTA data entry workload. The CSS3 was a unit supervisor position, supervision responsibilities will move to the FA Manager.
- Continued lean and process improvements efforts resulting in an estimated increase in the PTA entry averages by unit staff equivalent to 0.50 an Office Assistant 3's workload.
- An estimated 95 percent reduction in PTAs added to the backlog annually, approximate decrease of 60,000 records.
- If firearm records received by DOL remain consistent with the recent past, existing FA Program's staff resources will remain current with review and entry of all firearms records.
- By June 2017 an estimated PTA backlog of 364,000 to be eliminated by out-sourcing of data entry services.

September 2016 - DOL completed a Request for Information (RFI) for data entry services to eliminate the estimated PTA backlog of 360,000 records. RFI results provided an average estimated length of time to complete the project of six months or less. The average cost estimate to complete data entry of the PTA records is \$382,250. If funding is appropriated, DOL will complete a competitive procurement to determine the best vendor to award a contract for data entry services to

eliminate the PTA backlog in July 2017 with a project completion date no later than December 31, 2017.

Decision Package Justification and Impacts

DOL's current staffing levels are inadequate to remain current with all firearms records received for review and data entry into the Firearms System and elimination of the PTA backlog growing annually by over 76,000 records. The planned efficiencies to the FA Program by June 2016 will result in a 95 percent decrease in records added to the PTA backlog annually and allotted staff resources will remain current with data entry and review of all Firearms licenses and PTAs. However, these estimates are based on the elimination of the PTA backlog of 360,000 records by contracted vendor resources. If funding is not allocated, the Firearms Program will continue to average a two year backlog of PTA records inaccessible to LEAs.

What specific performance outcomes does the agency expect? Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

Expected Results

- Mitigate risks to public safety and ensure accurate information to law enforcement officers.
- Eliminate the estimated PTA backlog of 364,000 records by December 2017.
- Upon elimination of the backlog, Firearms Program staff resources will remain current with review and data entry of all Firearms records. This will be achieved as a result of multiple FA program changes in FY 2017.
- Stakeholder confidence in the FA System's data integrity with 100 percent timely entry of records and accurate responses to aggregate firearms data queries (e.g., pistols purchased by CPL holder for a date range).

Performance Measure detail

DOL currently measures timely entry of firearms licenses and pistol transfers. This measure shows progress preventing backlog growth. DOL will measure the PTA backlog reduction on a monthly basis to ensure the contracted vendor is on target for elimination by December 2017.

DOL's strategic plan includes an initiative to "Provide law enforcement agencies real-time electronic access to accurate firearm records".

Supporting strategic outcome measures include:

- Number of records in backlog and date of backlog
- Percentage of law enforcement agencies and firearms dealers submitting records electronically

Fully describe and quantify expected impacts on state residents and specific populations served.

Law enforcement officers' inability to electronically access pistol sale and transfer information on a CPL holder deemed by the courts to be ineligible to possess a firearm presents a risk to public

safety. By June 2017, LEAs will not have electronic access to over 364,000 PTA records as these records are backlogged in a non-searchable format.

Access to current pistol sale and transfer information is critical to LEAs' enforcement of a court order of ITPF for a CPL holder. If an LEA is unaware of a recent pistol purchase they cannot ensure the legal transfer of the pistol from a person who is ITPF to a person eligible to legally possess a firearm, which is an extreme risk to public safety. DOL has informed LEAs of the PTA backlog and the inability to electronically access these records. As a result, DOL engaged with and received support for this funding request by the Washington Association of Sheriffs and Police Chiefs (WASPC). WASPC indicated inaccessible records poses a risk to officer and public safety, and encourages the state to fundamentally address the backlog challenges in a sustainable way going forward.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: Washington State Counties Law Enforcement
Other local gov't impacts?	Yes	Identify: Federal, State and Local Law Enforcement
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Law enforcement agencies
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	Maybe	Identify: Possible, if outside vendor is selected to eliminate PTA's backlog.
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:

Is change required to existing statutes, rules or contracts?	Maybe	Identify: This option is being explored.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

Law enforcement will have real time access to all firearms records to complete a CPL revocation based on an ITPF. This will result in increased public safety and comply with current statutory requirements.

The Governor's Executive Order 16-02 tasks state agencies with 'Reducing and preventing gun-related violence, crime, fatalities, and injuries, and implementing the Statewide Suicide Prevention Plan.' The ITPF system is an important part of this effort.

What alternatives were explored by the agency and why was this option chosen?

DOL is requesting funding to eliminate the firearms record backlog to ensure LEAs have real-time access of all firearm records 24/7. Without changes to current FA Program, PTAs added to the backlog are estimated to be over 76,000 for a total backlog by end of June 2017 of 385,000.

Technology Solution – Not Recommended

Build a technology solution to search PTA images - paper records are imaged upon arrival to DOL's mailroom and stored in a non-searchable format. DOL evaluated the development of an indexing option and/or electronic solution to enable a searchable format for imaged PTAs. This solution was determined to be cost prohibitive, because it requires Information Service (IS) resources that exceed current internal capacity and would be an unfunded upgrade to the FA System. In addition, any enhancements to DOL's image system would be "lost/wasted" IS effort given DOL's future plans to request funding to modernize the FA System and eliminate the need for imaged documents entirely.

Request funding for Temporary Staff to Eliminate the PTA Backlog – Not Recommended

Request funding to hire 9.0 temporary OA3s and 1.0 CSS3 for 12 months to eliminate the backlog. FA Program changes in FY 2017 will ensure, once the PTA backlog is eliminated and presuming the number of firearm records received by DOL remains stable, staff remain current with review and entry of all firearms records. This solution is estimated to cost \$571,000. This solution is not recommended based results from the recent RFI to outsource the data entry services to eliminate

the PTA backlog. Contracted vendor services for data entry of PTA records is estimated to be less expensive and will result in PTA records being available to LEAs in less than six months. An estimated time savings of 50 percent over the more costly solution to hire temporary staff.

Future Solutions

Modernization of the Firearms System – Though DOL estimates the FA Program will remain current with all FA records received, upon elimination of the PTA backlog, more efficiencies and a user-friendly submission option is possible.

Reduce Inefficiencies and Increase Electronic Submission - DOL continues to receive 85 percent of firearm licenses and pistol sale records submitted via paper even though an electronic submission option, Firearms Online (FAO) has been available to FA Dealers and LEAs since 2012. The lack of use by dealers and LEAs of the FAO is the result of an outdated and inefficient system. Stakeholder complaints or reasons for non-usage of FAO include: the system is unreliable, non-user friendly, and does not meet business needs. It also may require duplicate entry of information by Dealers and LEAs into an internal or vendor supported system and then again into DOL's FAO. Stakeholders with internal or vendor systems want the ability to submit data computer-to-computer (C2C) to DOL. This C2C option would dramatically reduce data entry for stakeholders and workload for FA staff to review and manually enter PTA and CPL records. Once a C2C option is available, high volume Dealers will be required to submit PTAs in an electronic format only. In addition, LEAs will continue to receive delayed or incomplete information, estimated at three to seven days, due to manual entry of all paper FA records.

FA System Issues Continue - DOL will continue to have FA system data integrity and security issues due to outdated technology and limited functionality. The FA System's current technology has extremely limited expansion capabilities, this would prevent future firearms initiatives from adding new data or new queries for aggregate data searches of the FA system (e.g., Initiatives resulting from the Governor's Executive Order 16-02- Firearm Fatality Prevention).

Part of DOL's mission is for a safer Washington. DOL will partner with stakeholders to determine the most cost effective and efficient modernization of the FA System to provide electronic access to accurate and "real-time" firearm records by LEAs today and in the future. To achieve this, DOL proposes the following:

February 2017 - DOL will convene a FA System Workgroup with representation from the WSP, LEAs, Firearm Dealers, Department of Social and Health Services, Administrative Office of the Courts, Judges Association, and the Prosecuting Attorney Association.

February through May 1, 2017 - The FA System Workgroup will be tasked to:

- Assess current and future needs for a FA System (e.g. access, records, record retention)
- Analyze processes and recommend best practices related to a FA System (e.g., background checks, forms and submission)
- Establish requirements for a new or revised FA System.

DOL will, based on the FA System Workgroup results:

By July 2017 - Complete a Request for Information (RFI) to determine if Commercial-Off-The-Shelf (COTS) technology or system(s) exists, the estimated costs for electronic retention of firearm licenses and pistol transfer information, and web-based access and electronic submission of firearms records by LEAs and Firearms Dealers.

By July 2017 – Complete an internal analysis of IS resources and costs to modernize the current Firearms System, (e.g., upgrades to server, DOT-net, website, and business rules engine).

By August 2017 - The FA System Workgroup will, upon completion of the RFI and DOL Analysis of FA System:

- Recommend the most efficient and cost effective approach to modernization and funding options (e.g., allotment, fees).

Fall 2017 – DOL will review recommendations and options for funding modernization of the Firearms System. DOL will ensure the modernization or replacement of the FA System will provide a stakeholder centered solution to significantly reduce the high volume paper submittals of firearms records to DOL and provide “real-time” electronic access to LEAs.

What are the consequences of not funding this request?

LEA’s inability to electronically access pistol sale and transfer information on a CPL holder deemed by the courts to be ITPF may be a risk to public safety. By June 2017, LEAs will not have electronic access to and estimated 364,000 PTA records as these records are backlogged in a non-searchable format.

How has or can the agency address the issue or need in its current appropriation level?

DOL should eliminate this backlog to ensure LEAs have real-time access of all firearm records. The Firearms program needs this additional funding to eliminate the backlog.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No
- Yes. Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

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2017-19 Biennium Budget Decision Package

Agency: 240 Department of Licensing

Decision Package Code/Title: P8-New Driver Requirements

Budget Period: 2017-19

Budget Level: Policy Level

Agency Recommendation Summary Text:

The Department of Licensing requests funding for two FTEs for the Driver Training School Program (a curriculum specialist and an auditor) to improve traffic safety education throughout the state as part of a comprehensive Young Driver Target Zero agency request bill. This request supports the state's goal to reach zero traffic deaths and serious injuries by 2030. (Highway Safety Fund –State)

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-1	86,000	282,000	220,000	220,000
Total Cost by Fund	86,000	282,000	220,000	220,000
Staffing				
FTEs	0.7	2.3	2.3	2.3
Revenue				
106-1	0	-4,119,000	330,000	385,000
Total Revenue	0	(4,119,000)	330,000	385,000
Object of Expenditure				
A	45,000	142,000	142,000	142,000
B	16,000	53,000	53,000	53,000
E	6,000	79,000	17,000	17,000
G	2,000	8,000	8,000	8,000
J	17,000	0	0	0
Total Cost by Object	86,000	282,000	220,000	220,000

Package Description

Department of Licensing (DOL) is the lead agency for the Target Zero Strategic Highway Safety Plan as it relates to young drivers age 16-25. The Department of Licensing (DOL), in partnership with the Washington State Patrol (WSP) and Washington Traffic Safety Commission (WTSC) is proposing a comprehensive Young Driver Target Zero agency request bill for the 2017 session. This policy legislation supports the state's goal to reach zero traffic deaths and serious injuries by 2030 through improved education, training and enforcement.

DOL requests \$368,000 to support the Target Zero Strategic Highway Safety Plan. The comprehensive plan includes increasing driving requirements for intermediate young drivers, improving curriculum and enforcement of curriculum. The legislative package, which as written takes effect January 1, 2019, will delay fiscal year 2019 revenue due to increased permit and driver education requirements that delay license issuance.

Background

Motor vehicle crashes are the leading cause of death for 16 to 25 year olds in Washington. Drivers of this age group have the highest rates of crashes, speeding, impairment and distraction of any driver age group in the state. Drivers age 16 to 25 made up only 14 percent of Washington licensed drivers between 2009 and 2011 but were involved in 35 percent of fatalities and 38 percent of serious injuries.

Despite coordinated Target Zero efforts, young driver fatalities are increasing. Young driver involved fatalities in Washington went up 20 percent between 2014 and 2015. Serious injuries also went up by 10 percent during that same time period. That's why DOL, Washington Traffic Safety Commission (WTSC) and Washington State Patrol (WSP) are proposing a research-backed legislative package that:

1. Expands the driver permit requirement from 6 months to 1 year;
2. Requires newly licensed young adults under 21 to hold a permit for at least 1 year;
3. Requires all newly licensed drivers regardless of age to have held a permit for at least 30 days;
4. Extends the nighttime driving restriction for teen drivers from 1am-5am to 9pm-5am;
5. Extends the no passenger restriction from 6 months to 1 year and reduces the number of passengers allowed in the car from 3 to 1 until the driver reaches age 18;
6. Increases the number of behind-the-wheel practice hours from 50 to 100;
7. Extends the driver training requirement to include young adult drivers between 18-21 years old; and
8. Authorizes DOL to establish rules around instructor effectiveness and curriculum quality.

While the focus of this decision package is on funding for additional FTEs in the DOL Driver Training School program to improve instructor effectiveness and curriculum quality, here's a summary of each of the key policy changes in the legislation:

Extending the Permit Requirement from 6 Months to 1 Year for Drivers Under 18

Under current law, drivers under 18 must hold a permit for at least 6 months prior to obtaining a driver's license. Research shows a correlation between practice time and collision risk. By extending the permit requirement, young drivers under 18 will have the opportunity to practice more and hone their skills before driving alone. DOL also expects a decline in both collision and injury rates in the second 6 month period following licensure.

Young Adult Permit Requirement

Washington currently has no permit requirement for new drivers age 18 and older. Newly licensed drivers 18-20 are the most dangerous on the road with high collision and citation rates. Expanding the permit to the 18-20 age group aligns with the policy change in this legislation that expands driver training requirements to this age group. 60 percent of 18-20 year old new license applicants already voluntarily get a permit to practice prior to testing and the data shows that makes a difference in relatively fewer violations, collisions and injuries while in their permit period compared to the first year following licensure.

Minimum 30 Day Permit Requirement

Any driver age 18 and older can take a drive test and obtain a license without ever holding a permit. Establishing a minimum 30 day permit requirement for drivers age 21 and older ensures all new drivers, regardless of age, understand the seriousness of driving and take some time to practice in a supervised setting. Approximately 11,000 drivers a year in Washington would be required to obtain a permit due to this change. Connecticut and Maryland both require new adult drivers to have permits for at least 45 days.

Nighttime Driving Restriction Changes

The current nighttime driving restriction of 1am-5am is inadequate to reduce fatal and serious injury collisions involving 16-17 year old drivers. There is a low collision rate during this timeframe, even for drivers not subject to the restriction, due to less driving during these hours among all drivers. 36 collisions occurred involving young drivers subject to the current nighttime restriction in 2014. 378 collisions occurred involving young drivers occurred during the proposed restriction timeframe in 2014.

Expanding Passenger Restrictions

Under current law, a driver under age 18 cannot drive with passengers who are under 20 years old during their first 6 months of driving and they cannot drive with more than 3 passengers who are under 20 years old during the next 6 months of driving. A 2012 study by the AAA Foundation found that young passengers in the car with a young driver is a significant risk factor in crashes. That study found that just one passenger under age 21 increases a 16 or 17 year old driver's risk per mile driven of being killed by 44 percent. In light of the heightened risk associated with passengers, this legislation would restrict passengers for a full year and impose a one passenger limit on non-family members until age 18.

Increasing Behind-the-Wheel Practice Time from 50 to 100 Hours

Drivers under age 18 must currently log 50 behind-the-wheel practice hours with a parent or other licensed adult. Behind-the-wheel practice is recognized as an effective way to ensure that inexperienced drivers become familiar with the skills necessary to safely operate a motor vehicle. The Insurance Institute for Highway Safety reports that increasing practice time from 50 to only 70 hours would reduce collision claims by 5 percent and fatal crashes by 1 percent. Extending the practice time for drivers under 18 and establishing the requirement for new drivers 18-20 supports the other policy changes in this legislation around driver training and permit requirements.

Extending Driver Training to Young Adults 18-20

Under current law in Washington, teens can bypass the current driver education requirements by simply waiting until age 18 to obtain a license. This is problematic because the data shows that 18 year olds who did not take driver training have a higher collision rate as compared to 16 and 17 year olds within their first 6 months of licensure. Other states now require driver training for young adults, including Connecticut, Louisiana, Maryland, Texas, Utah and Virginia.

Improving Instructor Effectiveness and Curriculum Quality

Over the last 15 years, the traffic safety education and driver examining landscape in Washington has changed significantly. Due to general fund education funding reductions, most public school traffic safety education programs have been disbanded. This has led to a significant increase in the number of commercial driver training schools, where most students take traffic safety education. And with the passage of HB 1635 in 2011, which authorized DOL to contract out driver license examinations to driver training schools, more than 80 percent of all examining is now conducted by those schools under contract.

Every year nearly 60,000 students in Washington complete traffic safety education – a prerequisite for all newly licensed drivers under 18 years of age. DOL's Driver Training School (DTS) Program licenses, audits and regulates 325 commercial driver training schools across the state, and is responsible for regulating auditing the driver license testing conducted at 349 commercial and public schools.

In May 2016, DOL and WTSC jointly invited the National Highway Traffic Safety Administration (NHTSA) to conduct an independent assessment of our state's driver training program relative to national standards and best practices. Over several days, a panel of leading traffic safety experts from around the country met in closed session with law enforcement, driver training school owners, public school teachers, DOL auditors, DOL program staff, Office of Superintendent of Public Instruction (OSPI) staff, students, and parents. These interviews and a thorough technical review by the panel of all driver training processes, regulations and statutes culminated in a final report. Among several recommendations, the report identified the need for auditing of our driver training schools around instructional quality, and a curriculum specialist to help the agency and driver training schools review and develop effective, standards-based curriculum.

Current Status

With regard to curriculum and school licensing, DOL's DTS Program reviews all driver training curriculum that commercial driver training schools use to ensure compliance with minimum content standards. These reviews, however, are conducted by customer service specialists in the program – not by staff with specific expertise in curriculum development or teaching and learning. Since DOL does not currently conduct any audits around instructor quality, DOL has very little visibility into instructor quality issues that may exist in the classroom or in behind-the-wheel training sessions.

Proposed Solution

In addition to the other policy changes outlined above, this legislative package includes statutory changes that explicitly authorize DOL to address instructor auditing and curriculum development and compliance. In order to implement this change, funding is requested to provide 2 additional FTEs to our DTS Program, including a WMS curriculum specialist and an Auditor 3. These 2 FTEs are the minimum resources necessary to improve instructor and curriculum quality and delivery. Effective instructors using quality standards-based curriculum are national best practices and are critical components of any successful driver training school program.

Expected Results

With these additional resources, DOL's DTS Program will begin working with stakeholders and traffic safety partners to establish a plan to identify, audit and address instructor quality. The Program will also conduct a thorough review of its existing curriculum standards and work closely with stakeholders to make necessary improvements. DOL expects to see significant quality improvements as a result of this funding – improvements that will ultimately help to reduce traffic fatalities and serious injury collisions around the state.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

DOL's 2015-17 allotment for the DTS Program is \$2.096 million (Highway Safety Account-State); Activity A031-Driver Licensing, Regulation and Records). This includes funding for the following FTEs:

- 1 WMS Program Manager
- 5 BPD Auditor 3s
- 2 BPD Auditor 2s
- 1 Management Analyst 3
- 1 Customer Service Specialist 3
- 2 Customer Service Specialist 2s
- ½ Investigator 4

- ½ Audit and Investigator Manager

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

Expenditure and FTE Calculations and Assumptions

Resources/staff required to implement the legislative package are as follows:

- 1.0 WMS Ongoing: Curriculum content knowledge specialist. Duties will include:
 - Periodic content and delivery reviews to ensure that curriculum materials, content and deliver remain current and complete
 - Establish a single curriculum review and approval process for all approved curricula for the Department of Licensing
 - Develop standardized instructor training that applies to instructors and teachers in all public and private driver education and training programs
 - Develop instructor evaluations using various delivery modalities.
 - Develop a reliable testing instrument that measures driver knowledge and instructional methods (Instructor training)
 - Maintain the existing instructor knowledge and skills exam for licensing.
- 1.0 Auditor 3 Ongoing: Instructor trainer oversight/Auditor. Duties will include:
 - Audit instructor trainer-of-trainer in the delivery of instruction to new instructors.
 - Audit instructors in the delivery of the curriculum to the students enrolled in a traffic safety education course.
 - Audit and evaluate instructors using various delivery modalities.
 - Audit for ensuring curriculum reflects multicultural education principles;
- \$61,285 for one-time contract costs related to Information Service (IS) related configuration and integration of new driver requirements, FY 2019.
- Standard staff related expenditures are based on FTE. This includes: rent, printing, supplies, training, travel, and phone expenditures.
- Workstation equipment will be needed for new FTEs.
- Indirect of 12 percent to provide back office support functions such as help desk, budget, accounting, human resource, procurement and facility to support direct FTEs.

FTE	FY 2018	FY 2019	FY 2020	FY 2021
WMS1	0.30	1.00	1.00	1.00
Auditor 3	0.30	1.00	1.00	1.00
Indirect	0.10	0.30	0.30	0.30
Total	0.70	2.30	2.30	2.30

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
106-1	86,000	282,000	220,000	220,000
Total Cost by Fund	86,000	282,000	220,000	220,000
Object of Expenditure				
A	45,000	142,000	142,000	142,000
B	16,000	53,000	53,000	53,000
E	6,000	79,000	17,000	17,000
G	2,000	8,000	8,000	8,000
J	17,000	0	0	0
Total Cost by Object	86,000	282,000	220,000	220,000

Revenue Calculations and Assumptions

The legislation will delay FY 2019 personal driver's license (PDL) and intermediate permit (IP) revenue due to the provisions that extend the permit period from six months to one year for all newly licensed drivers under 21 years of age and establish the 30 day permit requirement for all newly licensed drivers 21 years of age and older.

The specific workloads impacted by the proposed legislation are:

- The current population of those applying for instruction permits,
- Previously unlicensed applicants for a PDL under the age of 21, and
- Those previously unlicensed over the age of 21.

The forecasts of IP application fees from the June 2016 Transportation Revenue Forecast were used to estimate the revenue impact of the legislation to the current forecast. Based upon the age when a PDL was first issued, original IPs are estimated to be 72.9 percent of issuances (FY 2013 thru FY 2016 data) and 27.1 percent are renewals.

Calendar year 2015 IP and PDL activity and potential impacts to future activity is as follows:

- IP holders under 21 made up 94.7 percent of the issuances. IP holders over 21 made up 5.3 percent of the issuances. DOL assumes that due to the additional IP requirements, up to 25 percent of this population will delay in converting an IP to a PDL to the following fiscal year.
- 2.1 percent of original PDLs were issued to those under 21 who did not have an IP. This population under the legislation would be required to have an IP for one year, which delays the issuance of the PDL until the next fiscal year.
- 3.9 percent of PDLs were issued to those 21 or older not previously licensed and without an IP. This population under the legislation would be required to obtain and hold an IP for at least 30 days.

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
106-1 Highway Safety Account	0	(4,119,000)	330,000	385,000
Total	0	(4,119,000)	330,000	385,000

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Funding the auditor and curriculum specialist will improve agency performance in the following mission-critical functions.

- Our performance as a regulatory agency will improve. Currently we regulate driver training schools and driver examiners through auditing for compliance with their business and professional license requirements. But we do not audit the instructors. Instructors have the longer more direct impact on student/driver safety, perform in the middle of the driver training process, and may be the weakest link.
- Our performance as an educating agency will improve. Currently we oversee the curriculum used by schools and instructors, but we do not have a curriculum specialist to improve the effectiveness of the curriculum or the person delivering it.
- Consumer protection will be improved when driver training instructors are audited and held to a high standard of performance as educators.
- Ultimately, public safety will be improved when driver training students receive better curriculum from better instructors.

Outputs expected from these two FTE include:

- Developing a pre-audit checklist and audit compliance manual to assist driver training schools;
- Ensuring instructor preparation programs are included in the auditing process;
- Creating a curriculum renewal process to ensure curriculum is current and attainable for teen learners;
- Ensuring curriculum reflects multicultural education principles;
- Creating a curriculum review and approval process (to be shared with OSPI);
- Developing a standardized instructor training (to be shared with OSPI).

Quantitative results expected include:

- An increase in the number of DTS instructors audited, from the current zero to an increasing number each year. The first year's number will be small as the protocol is developed and piloted. Each following year's number will increase as the work becomes standardized, continuously improved for efficiency, and ideally impacted by additional FTE. (Once enough information is gained to set an appropriate target for audits per FTE, more FTE may be justified and requested).
- An increase in the number of curricula audited, incremental as described above.
- More parent-oriented sessions in the curriculum (can be shared with OSPI).
- An increase in the percent of students passing the knowledge test (as compared to the drop in percentage seen immediately following the release of the 40 question test, a drop that should be resolved as instructors learn how to improve their delivery of the curriculum reflecting the new test).

The impacts of audit and curriculum FTE, coupled with the impacts expected from the research-based legislation are essential to Washington’s Target Zero Plan, and DOL’s strategic initiative 13 and the Results Washington goal to reduce traffic fatalities and injuries involving young drivers to zero by 2030. This decision package is also essential for implementing DOL’s strategic initiative 14 to develop the long term plan to provide world class driver training.

Performance measure detail

Using our Results DOL performance management system, DOL will measure early outputs through long-term impacts of the two or more FTE, including:

- Percent of driver training program improvement plan actions implemented timely
- Number of audits conducted timely (OP4a)
- Number of audit findings responded to with action plans submitted within 30 days (SP3b)
- Audit findings resolved compared to open (SP3b)
- Percent of parents satisfied with parent-oriented sessions in the curriculum (strategic initiative 7 measure)
- Number of fatalities and serious injuries involving young drivers

The Driver Training School program would also develop and implement a protocol to measure the quality of instructors’ skills in the following areas:

- Motivation
- Presentation
- Application
- Evaluation

Fully describe and quantify expected impacts on state residents and specific populations served.

DOL expects to significantly improve the quality of traffic safety education in the coming years with these additional resources. With nearly 60,000 students completing driver education in Washington annually, there is a significant opportunity to reach drivers early before they adopt bad habits or engage in risky behavior. This is especially important as distracted driving and impairment involved crashes continue to increase.

DOL’s DTS Program will work with stakeholders and traffic safety partners to develop and update rules and policies around curriculum and instructors to align with national standards and best practices. DOL will also stand up a comprehensive instructor quality auditing program to ensure standards are being met.

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

Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov’t impacts?	No	

Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	Yes	Addresses specific gaps identified by the independent panel that conducted the NHTSA Driver Education Assessment in May 2016.
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	Yes	This decision package supports agency request legislation that proposes more specific language in RCW 46.82.290 around DOL's authority to adopt rules pertaining to driver training school audits and curriculum development.
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	Yes	Supports Results Washington Goal 4, Healthy & Safe Communities.

Please provide a detailed discussion of connections/impacts identified above.

This decision package and related agency request legislation are directly connected to Results Washington goal 4 (2.4.c) to promote healthy and safe communities by decreasing the number of young drivers, age 16-25, involved in traffic fatalities. These initiatives support [Target Zero](#), the state's goal to reduce traffic related deaths and serious injuries to zero by 2030.

What alternatives were explored by the agency and why was this option chosen?

Alternatives considered included:

- Not implementing recommendations – this option puts progress towards the young driver goals of Results Washington and Target Zero at risk. Under current efforts, young driver related fatalities are rising, not declining.
- Implementing without new staff – this option is not feasible given that DOL does not currently have a staff specializing in the development and review of curriculum. DOL auditors are also at capacity and will continue to audit examiners and schools.
- Seek legislative approval for Driver Training Schools fee increases and direct those revenues to program needs – it is not likely the schools would approve of paying for additional FTEs to the DTS Program in this manner.

What are the consequences of not funding this request?

It would be very difficult for DOL to implement the specific NHTSA Assessment recommendations that call for developing greater curriculum expertise and auditing of driver training school instructors without funding for additional staff. Over the last several years, DOL has already found efficiencies and used internal vacancy savings and other one-time funds to meet existing program needs.

How has or can the agency address the issue or need in its current appropriation level?

Internal resources are insufficient to expand DTS Program staffing at this time.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

DOL's proposed agency request legislation and the final NHTSA Assessment are attached.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information	Cost/Month	FY 2018	FY 2019	FY 2020	FY 2021
TESTER	\$ 18,444	\$ -	\$ 9,222	\$ -	\$ -
BUSINESS ANALYST	\$ 26,448	\$ -	\$ 5,290	\$ -	\$ -
PROJECT MANAGER	\$ 27,492	\$ -	\$ 5,498	\$ -	\$ -
QUALITY ASSURANCE	\$ 31,668	\$ -	\$ 9,500	\$ -	\$ -
INFRASTRUCTURE SERVICES (includes security and architect resources)	\$ 17,144	\$ -	\$ 2,714	\$ -	\$ -
DRIVES	\$ 39,150	\$ -	\$ 23,490	\$ -	\$ -
Contingency	10%	\$ -	\$ 5,571	\$ -	\$ -
Total Purchased		\$ -	\$ 61,285	\$ -	\$ -

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

- Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
- Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
- Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to *any* of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

STATE OF WASHINGTON

TECHNICAL ASSESSMENT of the DRIVER EDUCATION PROGRAM



May 2 – 6, 2016

**National Highway Traffic Safety Administration
Technical Assistance Team**

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The Washington Traffic Safety Commission (WTSC), which serves as the State's designated Highway Safety Office, provided the funding for this assessment. It is with great appreciation that the Team acknowledges Mr. Darrin Grondel, Director, Governor's Highway Safety Representative and WTSC for the support they have offered throughout the planning process. Special thanks again to Ms. Angie Ward, Young Driver Program Manager, WTSC and Mr. Brady Horenstein, Special Projects Manager, Washington State Department of Licensing for their leadership.

Ms. Michelle Atwell, National Highway Traffic Safety Administration (NHTSA) Headquarters, Mr. John Moffat, NHTSA Regional Administrator Region 10, and Ms. Gina Beretta, Regional Program Manager, Region 10 assisted with the facilitation of the assessment process. The Team would like to thank NHTSA for helping to give a national and regional perspective to the assessment.

The Team would also like to recognize Ms. Tracy Krugh, Highway Safety Services, LLC (HSS) for her assistance and facilitation during the assessment process. She played a major role during the on-site meeting facilitation.

The Team also would like to thank all those individuals who invested time and energy throughout the review process as well as preparation and delivery of their presentations. The participants' candor and thoroughness in discussing the status of the driver education program in the State of Washington greatly assisted the Team in conducting a comprehensive review.

The Team believes this report will contribute to the State's efforts to enhance the effectiveness of its Driver Education program in preventing injuries, saving lives, and reducing economic costs of young novice driver motor vehicle crashes on Washington's roadways.

The Team recognizes the assessment is a review of all driver education activities and commends all who are involved in the day-to-day efforts to improve highway safety and driver education, referred to as Traffic Safety Education, in Washington.

INTRODUCTION

Mission

The Washington Traffic Safety Commission (WTSC) is the State's designated highway safety office. Washington's Traffic Safety Commission leads statewide efforts and builds partnerships to aid in the decrease of injuries and fatalities on Washington's roadways for the health, safety and benefit of American public.

The Washington Department of Driver Licensing (DOL) is charged with improving public safety, specifically improving driver training programs, curriculum, guides and tests that reflect updated national standards and "Target Zero". DOL is responsible for developing and implementing the Target Zero Action Plan which focuses on reducing fatalities and serious injuries involving 16 to 25 year olds. The DOL is committed to a strong customer service, advancing public safety and consumer protection through licensing, regulation and education. The revenue that is collected through DOL services assists in supporting the State's transportation system.

Demographics

Washington is located in the Northwest region of the United States. The state is bordered by Canada to the North, Oregon to the South and Idaho to the East. The Pacific Ocean forms Washington's western border. Washington covers 71,303 square miles and is 240 miles long by 360 miles wide.

Washington's landscape can be divided into six geographic land areas. In the Northwest corner are the Olympic Mountains. The Coast Range is positioned to the South of the Olympic Mountains with the Puget Sound Lowlands to the East. Seventy-five percent of the state's population resides in the Puget Sound Lowlands. The Cascade Mountains lie to the East of the Puget Sound Lowlands and contain the highest point of the state, Mount Rainier. Located in the Central Southern part of Washington is the Columbia Plateau. It lies to the Southeast of the great bend in the Columbia River. Lastly are the Rocky Mountains which consist of ridges and valleys cut by the Columbia River.

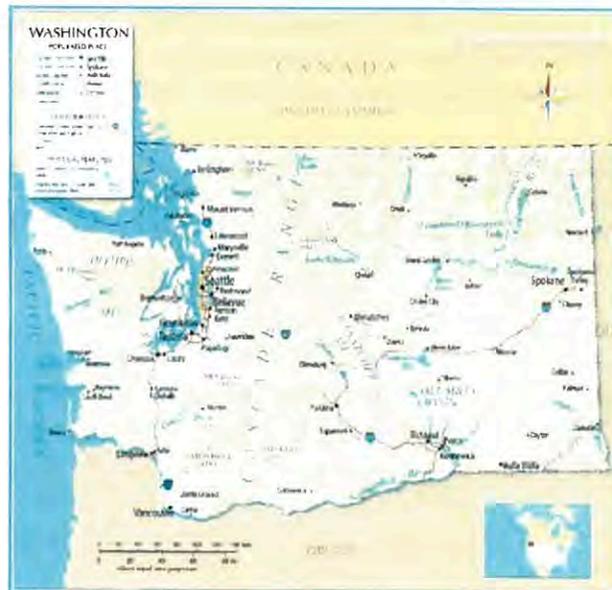


FIGURE 1

Population

According to 2014 census estimates, Washington has a population of about 7,061,530 persons and ranked 13th in the United States. The state's population has increased 5 percent since 2010. Washington consists of 39 counties and 12 municipalities with populations of more than 100,000.

Washington's largest cities include Seattle (population 668,342), Spokane (212,052), Tacoma (205,159), Vancouver (169,294), Bellevue (136,426), Kent (125,560), Everett (106,736) and Renton (98,404). The median age in Washington is 37.5 years. Fourteen percent (14 percent) of the state's population is age 65 or older; 23 percent is under age 18. Statewide in 2014, White or Caucasians make up 70 percent of the population, Hispanic or Latino make up 12 percent, Asians make up 8 percent, Black or African American make up 3 percent, American Indian and Alaska Natives make up 2 percent. The median income in Washington is \$61,366.

Economy

Some of the key industries that are thriving in Washington include agriculture, manufacturing, mining, fishing and services. The largest industry within the state is comprised of trade, transportation and utilities. More recently, computer software, electronics and biotechnology have become important to the economy.

The State's unemployment rate is 5.8 percent which is close to the national unemployment rate of 5.5 percent. Washington is the 28th richest state in the United States.

Transportation

Annual Vehicle Miles Traveled (AVMT) is the number of miles traveled on a given portion of the road network. Washington's transportation system includes 20,000 lane-miles of roadway, 3,000 vehicular bridges and 524 other structures. The Washington State Department of Transportation (WSDOT or WashDOT) is the lead agency responsible for the lane-miles of roadway, vehicular bridges and other structures. Of the total lane-miles of roadway the overall number of AVMT in 2013 was 31,648,818.7.

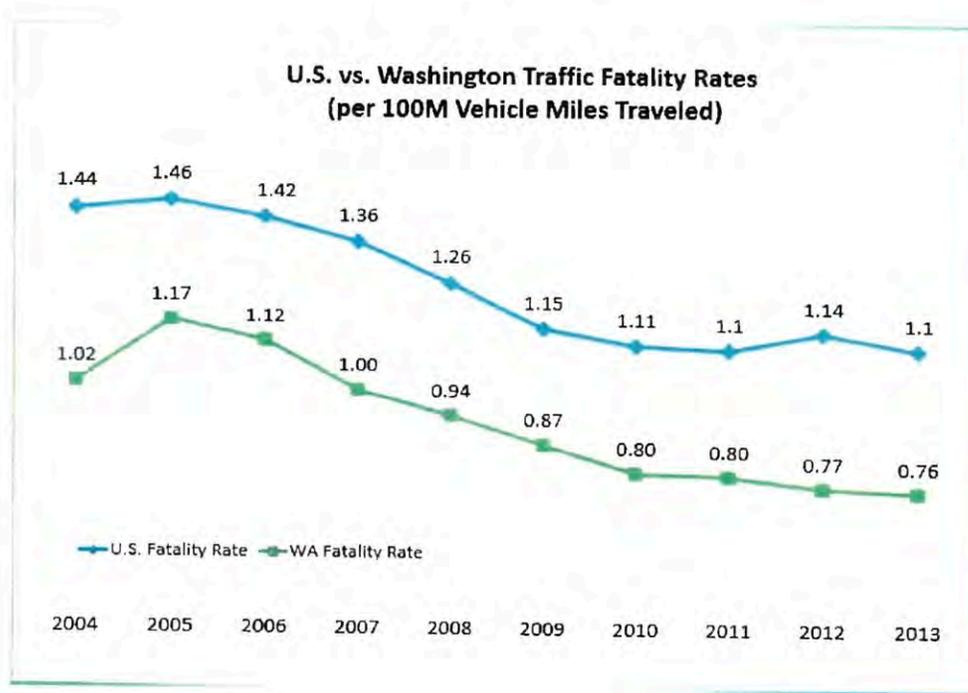
Highway Safety

An examination of the State's Traffic Crash Statistics files reveals the following data for Washington:

From 2006 to 2013, Washington had a significant decrease in the number of fatalities per 100 million vehicle miles traveled (MVMT), as presented below in Figure 2. The 2013 fatality rate is under .80 fatalities per 100 MVMT¹. The national fatality rate has also declined during the same time period.

¹ Washington's 2013 Annual Collision Summary

FIGURE 2



During 2013, the State had a total of 99,709 collisions on all of Washington’s roadways; 401 fatal collisions and 1,601 serious injury collisions as shown in Figure 3¹ below.

FIGURE 3

	MOST SEVERE INJURY per COLLISION					
	TOTAL COLLISIONS	FATAL COLLISIONS	SERIOUS INJURY COLLISIONS	MINOR INJURY COLLISIONS	PROPERTY DAMAGE ONLY COLLISIONS	UNKNOWN INJURY COLLISIONS
STATEWIDE ALL ROADS	99,709	401	1,601	30,398	65,426	1,883
State Routes	43,759	180	618	13,057	29,443	461
City Streets	42,831	97	594	12,958	28,325	857
County Roads	12,768	120	364	4,287	7,447	550
Other Roads	351	4	25	96	211	15

Young drivers between the ages of 15-18 with instructional permits accounted for 284 of the total collisions and drivers, ages 16-18 with a license accounted for 6,670 collisions in 2013² (Figure 4).

² Washington Data Elements

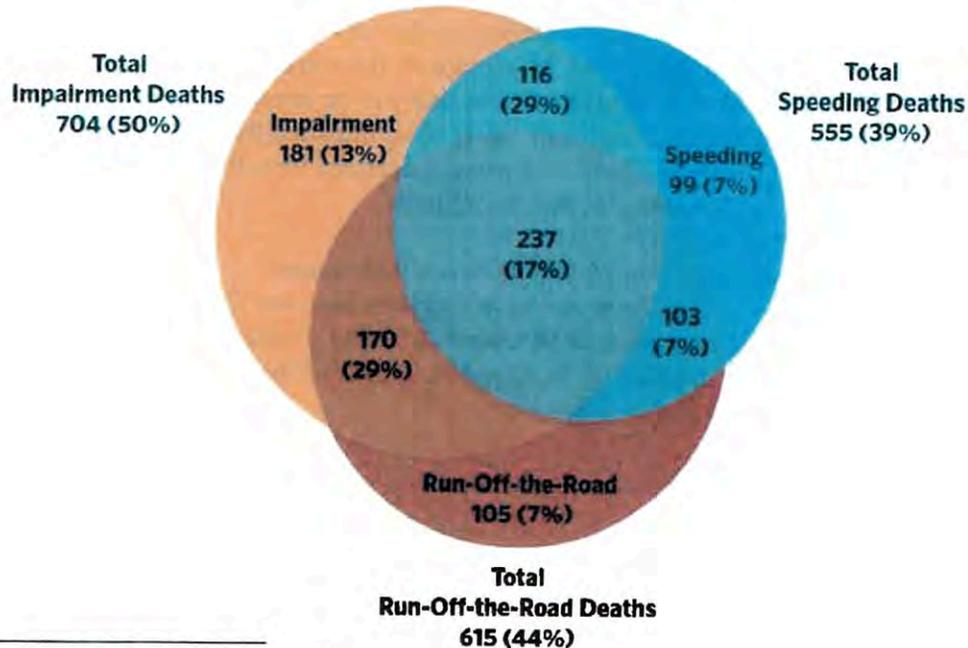
FIGURE 4

Total Number of Collisions by Document Type, by Age		
	CY 2012	CY 2013
Drivers with Permits	283	284
15 Year Olds	112	123
16 Year Olds	73	68
17 Year Olds	42	40
18 Year Olds	56	53
Drivers with Licenses	6,046	6,670
16 Year Olds	3,274	3,766
17 Year Olds	1,156	1,158
18 Year Olds	1,616	1,746

An average of 469 people died and 2,421 were seriously injured each year from 2009-2011 on Washington’s roadways. Impaired drivers consistently contributed to around 50 percent of the total traffic fatalities during this time; young drivers constituted 30 percent. Speeding was involved in 39 percent of the total traffic fatalities and running off the road was indicated in 44 percent of fatalities. Overall, 72 percent of the total traffic fatalities involved at least one of these contributors and 17 percent involved all three. Additionally, 35 percent of fatalities and 38 percent of collisions with serious injuries involved young drivers ages 16-25³ (Figure 5).

FIGURE 5

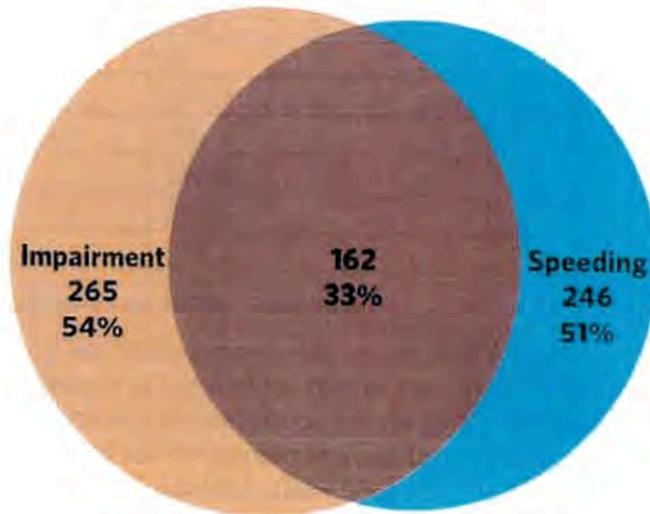
Most Common Factors Involved in 1,407 Washington Fatalities (2009-2011)



³ Target Zero: Washington’s State Strategic Highway Safety Plan 2013

FIGURE 6

**Young Driver 16-25 Involved Fatalities
Total = 487**



Motor vehicle crashes are the leading cause of death for young people ages 16-25 in Washington. Drivers in this group have the highest rates of speeding, impaired driving and distracted driving of any driver age group in the state, but only make up 14 percent of Washington's licensed drivers³.

Fatal crash data from 2009-2011 indicates that young drivers constituted 30 percent of impaired drivers, 40 percent of speeding drivers and 27 percent of distracted drivers. During this time period, young drivers (16-25) were almost twice as likely to be speeding, three times more likely to be passing improperly and 20 percent more likely to be impaired than their older counterparts. Compared to earlier years, there has been a 26 percent decrease in traffic fatalities involving young drivers and 15 percent decrease in serious injuries³.

Permitted/Licensed Drivers and Completion of Driver Education

In 2014, there were a total of 130,286 potential teen drivers between the ages of 15-17. Teens, ages 15-17, who held permits in 2014 totaled at 52,943. Further, there were a total of 5,469,598 licensed drivers in the state of Washington; 77,343 of those licensed drivers were teens, ages 16-17, as shown in Figure 8 below².

FIGURE 8

	CY 2014
Instruction Permit	52,943
15 Year Olds	22,715
Female	11,658
Male	11,057
16 Year Olds	19,171
Female	9,219
Male	9,952
17 Year Olds	11,057
Female	5,265
Male	5,792
Driver License	77,343
16 Year Olds	30,672
Female	15,822
Male	14,850
17 Year Olds	46,671
Female	23,528
Male	23,143

In 2014, 57,616 young drivers took a driver education course. While the majority of eligible teens took their driver training at a private facility (49,711 students), there were some students who had the ability to take it at a public driver training school (7,905 students).

In 2015, there were 6,039 teens (age 15-17) that completed a driver education course in a public school and 48,024 through a private driver education provider. Over 89 percent completed driver education through a private provider and about 11 percent completed driver education through the public school system (Figure 7)².

FIGURE 7

Number of Public vs. Private Driver Training School Students Each Year, Age 15-17									
Year	2013			2014			2015		
Type of School	Private	Public	Total	Private	Public	Total	Private	Public	Total
Total	47,343	7,766	55,978	49,711	7,905	57,616	48,024	6,039	54,063

Female young drivers who took the driver's education knowledge test at any age, between the ages of 15-17, were more likely to pass the test than their male counterparts. However, male young drivers who took the driving test, in the same age group, were more likely to pass than females².

Tests Taken and Passing Rate Each Year by Public vs. Private Driver Training Schools by Gender, By Age, By Test Type									
	2013			2014			2015		
	Private	Public	Total	Private	Public	Total	Private	Public	Total
Female									
15 Year Olds									
Knowledge Tests	17,815	2,857	20,672	19,023	3,002	22,025	15,292	1,951	17,243
Knowledge Tests - Passing Rate	88%	86%	88%	84%	82%	84%	78%	73%	77%
Drive Tests	17,094	2,775	19,869	17,697	2,725	20,422	8,908	1,137	10,045
Drive Test - Passing Rate	88%	89%	88%	87%	87%	87%	88%	87%	88%
16 Year Olds									
Knowledge Tests	6,198	879	7,077	6,736	931	7,667	6,144	671	6,815
Knowledge Tests - Passing Rate	85%	85%	85%	82%	81%	82%	76%	72%	75%
Drive Tests	6,809	927	7,736	6,306	862	7,168	4,350	405	4,755
Drive Test - Passing Rate	86%	87%	86%	86%	84%	86%	86%	88%	86%
17 Year Olds									
Knowledge Tests	1,753	203	1,956	2,082	213	2,295	1,911	185	2,096
Knowledge Tests - Passing Rate	84%	89%	84%	82%	80%	82%	74%	71%	73%
Drive Tests	1,952	251	2,203	1,990	189	2,179	1,328	101	1,429
Drive Test - Passing Rate	85%	85%	85%	84%	85%	84%	85%	87%	85%
Male									
15 Year Olds									
Knowledge Tests	16,836	2,740	19,576	18,387	2,899	21,286	14,814	1,886	16,700
Knowledge Tests - Passing Rate	87%	85%	87%	83%	80%	82%	76%	73%	76%
Drive Tests	15,956	2,607	18,563	16,630	2,542	19,172	8,849	1,054	9,903
Drive Test - Passing Rate	89%	89%	89%	88%	89%	88%	88%	88%	88%
16 Year Olds									
Knowledge Tests	6,835	943	7,778	7,928	1,009	8,937	6,868	732	7,600
Knowledge Tests - Passing Rate	84%	80%	84%	81%	79%	81%	73%	70%	72%
Drive Tests	7,146	916	8,062	7,086	886	7,972	4,666	450	5,116
Drive Test - Passing Rate	87%	88%	87%	87%	86%	87%	88%	88%	88%
17 Year Olds									
Knowledge Tests	1,967	257	2,224	2,360	285	2,645	2,374	248	2,622
Knowledge Tests - Passing Rate	84%	81%	84%	80%	75%	79%	72%	65%	72%
Drive Tests	2,224	283	2,507	2,210	250	2,460	1,641	135	1,776
Drive Test - Passing Rate	87%	88%	87%	86%	84%	85%	86%	86%	86%

Source: DriverDM – Driver, DriverFlag, Testscore tables

Major Accomplishments in Traffic Safety and Education Outreach

The Washington Traffic Safety Commission (WTSC) is designated as the State's highway safety office. WTSC's mission is to lead the statewide effort in the reduction of crashes, injuries and fatalities and support in building stakeholder partnerships.

In an endeavor to assist in reduction of crashes, injuries and fatalities, the State of Washington ensures that all novice drivers under the age of 18 must complete a Traffic Safety Education Program. Providing outreach, education and additional training to the motoring public is both important and essential.

Each state must have a Strategic Highway Safety Plan (SHSP) and Washington's is called Target Zero. The SHSP is a statewide-coordinated safety plan that provides a comprehensive framework for reducing highway fatalities and serious injuries on all public roads. An SHSP identifies a State's key safety needs and guides investment decisions towards strategies and countermeasures with the most potential to save lives and prevent injuries. WTSC has identified Young Drivers Age 16-25 as one of the primary focus areas and have committed to devoting time, attention and funding to the Young Driver area.

The WTSC in coordination with the Washington State Department of Licensing (DOL), has established an advisory group named the Action Council on Young Drivers to advise the Washington Traffic Safety Commission and coordinate statewide young driver safety efforts. The Action Council includes representatives from the Washington Traffic Safety Commission member agencies, local government, public health and law enforcement agencies, and other traffic safety stakeholders.

ASSESSMENT BACKGROUND

Motor vehicle crashes are the leading cause of unintentional injury and death in the United States. Nationwide, the economic cost of motor vehicle traffic crashes exceeds \$230 billion annually. Motor vehicle crashes are the leading cause of teen (age 15-20) deaths in the United States.

The mission of the National Highway Traffic Safety Administration (NHTSA) is to reduce deaths, injuries, and economic and property losses resulting from motor vehicle crashes. In its ongoing efforts to reduce teen traffic crashes and subsequent fatalities and injuries, NHTSA continues its program of providing technical program assessments including Driver Education to the States upon request.

NHTSA acts as a facilitator by assembling an outside team of subject matter expertise composed of individuals who have expertise in driver education program administration, program development and evaluation, curriculum and instruction, and teen driving advocacy, outreach and education. Specific areas of expertise that the Team members will focus on for the Technical Assessment includes: Program Administration, Driver Licensing, Education and Training, Instructor Qualification, and Parental Involvement.

The purpose of the assessment is to assist in the review of the driver education program in the State of Washington, identify the program's strengths and accomplishments, and identify areas of opportunity that can be strengthened and lastly offer suggestions for improvement. The assessment can be used as a tool for future strategic planning purposes and for making decisions about how to best use available resources. This assessment tool follows the format of the *Novice Teen Driver Education and Training Administrative Standards (NTDETAS)*. The Advisory that precedes each section of this report is taken from this document. The assessment process provides an organized approach for measuring program status.

In August of 2010, the initial Driver Education Program Assessment was conducted in the State of Maryland. The Maryland Assessment Team and the State of Maryland developed the assessment tools and processes with the assistance of NHTSA and independently conducted the technical assessment in 2010. Following the success of the Maryland driver education assessment, NHTSA assumed the role of coordinator and facilitator of future assessments. Washington is the eleventh State to undertake a driver education assessment since the inception of the assessments in 2010.

NHTSA utilized the newly developed *Novice Teen Driver Education and Training Administration Standards* as the assessment framework. These standards were developed by representatives from the driver education professional community, with assistance from NHTSA. The five major topic areas in the standards are:

- Program Administration
- Education/Training
- Instructor Qualifications
- Parent Involvement
- Coordination with Driver Licensing

The topic areas identified in the standards became the foundation for this assessment as well as key factors in identifying the panel of experts for the technical assistance team. NHTSA developed a list of national experts in the five areas above and used that list to determine the assessment team. Team members were also provided with a “briefing book” by the Washington Department of Licensing (DOL).

Assessment Process

NHTSA Headquarters and NHTSA Region 10 Office staff facilitated the Driver Education Program Assessment which was conducted at the Governor, A Coast Hotel in Olympia, Washington from May 2 - 6, 2016. The coordination of the assessment was a joint effort between the Washington Traffic Safety Commission (WTSC) and the Washington Department of Licensing (DOL). Working with the WTSC, NHTSA recommended a team of six individuals with demonstrated expertise in the topic areas of the National Administrative Standards. Efforts were made to select a team that reflected the needs and interests expressed by the DOL and WTSC during pre-assessment conference calls. The assessment consisted of interviews with WTSC and DOL staff, State and community level driver education program managers, trainers, public and commercial (private) instructors, law enforcement, researchers, parents and students. The conclusions drawn by the assessment team are based upon the facts and information provided by the various experts who made presentations to the team as well as the briefing book materials that were provided to the team during the assessment planning phase.

Following the completion of the presentations, the team convened to review, analyze and discuss the information presented and developed recommendations. The report is a consensus report by the Team. The recommendations are based on the unique characteristics of the State and what the Team members believed the State and its political subdivisions and partners can do to improve the effectiveness and comprehensiveness of the program.

The assessment Team noted that there are a variety of education and outreach initiatives conducted throughout Washington in the area of driver education and traffic safety. It is not the intent of this report to thoroughly document all of these successes, nor credit the large number of individuals at all levels who are dedicated to driver education. By its very nature, the report tends to focus on the areas that need improvement based on the *Novice Teen Driver Education and Training Administrative Standards*. The report is an attempt to provide assistance throughout all areas of the Washington driver education program for enhancement, which is consistent with the overall goals of these types of NHTSA program assessments.

On the final day of the assessment, the Team briefed representatives from the State of Washington and the driver education community on the results of the assessment and discussed major points and the priority recommendations. This report is an assessment Team report; it is not a NHTSA document. Washington may use the assessment report as the basis for future planning of driver education program enhancements, assessing legislative priorities, providing for additional training, identifying areas of opportunity and evaluating funding priorities. On behalf of the Assessment Team, NHTSA provides the final report to the Washington Traffic Safety Commission (WTSC), and Washington Department of Driver Licensing (DOL).

PRIORITY RECOMMENDATIONS

1.1.1

- **Establish a single agency or coordinated agencies charged with overseeing all Traffic Safety Education programs.**
- **Establish a stakeholder's group specific to Traffic Safety Education programs to inform the agency or agencies charged with overseeing Traffic Safety Education programs.**

1.1.8; 1.1.11; 1.1.18; and 1.1.20

- **Evaluate all practicing Traffic Safety Education instructors within their license cycle.**
- **Extend the audit process to include evaluation of instructor preparation programs.**

2.1.1 & 2.1.2

- **Review, revise and approve all curricula by an instructional and content knowledge specialist.**

3.1.2

- **Develop standardized instructor training that applies to instructors and teachers in all public and private driver education and training programs.**

3.1.3

- **Standardize and require training in best practices for all licensed instructors in both public and private driver education and training programs.**

4.1.1

- **Require parents, guardians or employers of students attending both public and private Traffic Safety Education classes to attend a parent seminar, a pre-course session, or the initial session of the Traffic Safety Education program.**

5.1.1

- **Provide a forum, on a regular basis, for open communication between and among all "Stakeholder" groups, to help ensure uniform administration of curriculum content and the administration of knowledge and skill tests at both public and private schools.**
- **Establish a formal system of regular communication and meetings between all applicable state agencies and departments dealing with Traffic Safety Education and driver licensing.**

5.1.4

- **Encourage and prioritize aggressive enforcement of the Intermediate Driver Licensing law across the State.**

5.1.7

- **Revise and improve initial and refresher examiner training across the State to effectively administer valid, reliable and uniform tests.**

ASSESSMENT FINDINGS

1.0 Program Administration

All entities delivering driver education and training should be treated fairly and equitably, meet the same quality standards, and have equitable access to State driver education and training resources.

Most States may have a multitude of public and private novice teen driver education and training programs. Each State may have different administrative and provisional structures. Alternative delivery (e.g., online, parent-taught, and correspondence) programs can be either public or private, may not have a physical location, and are subject to varying requirements set forth by the State.

1.1 Management, Leadership, and Administration

Advisory

Each State should:

1.1.1 have a single agency, or coordinated agencies, informed by an advisory board of stakeholders and charged with overseeing all novice teen driver education and training programs. That agency should have authority and responsibility for the implementation, monitoring, evaluation, and enforcement of these standards. This agency should also be charged with developing and executing communication strategies to inform parents and the public about driver education and training issues. In addition, the agency should inform providers in a timely fashion about changes to laws, regulations, and procedures.

1.1.2 carefully choose a State agency that is best suited and ideally not a direct provider of driver education to administer a statewide education and training program that can provide needed and appropriate regulatory environment, oversight, monitoring, evaluation, review and approval processes, professional development, and all other administrative actions that make available a quality driver education and training program to all age-eligible residents.

1.1.3 have a full-time, funded State administrator for driver education and training. This individual should meet or exceed the qualifications and training required by the State for a novice teen driver education and training instructor and/or school owner or possesses equivalent experience or qualifications. This administrator should be an employee of the agency that has oversight of driver education and training.

1.1.4 have standardized monitoring, evaluation/auditing, and oversight procedures to ensure that every driver education and training program uses a curriculum with written goals and objectives.

1.1.5 have a program renewal process to ensure that curriculum material and procedures are current.

1.1.6 adopt an instructor certification renewal process.

1.1.7 approve driver education and training programs that conform to applicable State and national standards.

1.1.8 deny or revoke approval of driver education and training programs that do not conform to applicable State and national standards.

1.1.9 ensure that programs reflect multicultural education principles and are free of bias.

1.1.10 administer applications for licensing of driver education and training instructors, including owner/operators of public and private providers.

1.1.11 develop and execute monitoring, evaluation, and auditing procedures to ensure standards are met by public and private providers.

1.1.12 adopt goals, objectives, and outcomes for learning.

1.1.13 develop criteria to assess and approve programs, curricula, and provider effectiveness. Financial and/or administrative sanctions for non-compliance with the State application and approval processes and/or standards should be provided to all applicants and provide remediation opportunities to driver education and training programs when sanctions are issued.

1.1.14 establish and maintain a conflict resolution system for disputes between the State agency and local driver education and training programs.

1.1.15 require, provide, or ensure the availability of ongoing professional development for instructors to include updates in best education and training methods and material.

1.1.16 require all public and private driver education and training providers to report program data to the designated State agency so that periodic evaluations of the State's driver education and training programs can be completed and made available to the public.

1.1.17 ensure that student information submitted to the agency or used by the agency remains confidential, as required by applicable State and Federal regulations.

1.1.18 ensure that all novice teen driver education and training programs, instructors, and associated staff possess necessary operating licenses and credentials required by the State.

1.1.19 ensure that each driver education and training provider has an identified person to administer day-to-day operations, including responsibility for the maintenance of student records and filing of reports with the State in accordance with State regulations.

1.1.20 ensure that all materials, equipment, and vehicles are safe and in proper condition to conduct quality, effective driver education and training.

1.1.21 refer to a general standard for online education such as those established by the North American Council for Online Learning in the absence of national standards specific to the delivery of online driver education or online teacher preparation.

1.1.22 ensure that the instruction of novice teen drivers is completed using concurrent and integrated classroom and in-car instruction where the bulk of the classroom instruction occurs close in time to the in-car instruction to ensure the maximum transfer of skills.

Status and Recommendations

Standard 1.1.1

1.1.1 have a single agency, or coordinated agencies, informed by an advisory board of stakeholders and charged with overseeing all novice teen driver education and training programs. That agency should have authority and responsibility for the implementation, monitoring, evaluation, and enforcement of these standards.

Status

1.1.1

- Washington does not have a single agency, or coordinated agencies, informed by an advisory board of stakeholders and charged with overseeing all novice teen driver education and training programs.
 - The Office of Superintendent of Public Instruction (OSPI) and the Department of Licensing (DOL) coordinate driver education activities informally.
 - There is no formal interagency agreement or interagency working group to coordinate the State's Traffic Safety Education (TSE) program.
 - There is a positive working relationship between the two agencies that also involves the Washington Traffic Safety Commission (WTSC).
 - There is a strong feeling in Washington that TSE should be administered by a single agency or coordinated agencies.
- Washington State law authorizes the DOL to license and regulate commercial driver training schools (Chapter 46.82 Revised Code of Washington (RCW)). OSPI oversees public school TSE programs (Chapter 28A-220 RCW). The Washington TSE program is governed through the RCW and the Washington Administrative Code (WAC).
- Prior to 2002, OSPI set curriculum standards and annually approved all driver education programs. In 2002, the Washington Legislature moved private driver training school oversight from OSPI to DOL. Around this same time, the Legislature de-funded the OSPI Traffic Safety Education program which led to a significant decline in public school TSE program offerings. Today, nearly 90 percent of all young drivers enrolled in Traffic Safety Education do so through commercial school providers. Over the last 15 years, DOL's role in driver education has grown significantly.
- Washington does not currently utilize a driver education advisory board or have a formal group of stakeholders whose purpose is to address issues and improvements in the administration of driver education. The Driver Instructors' Advisory Committee was disbanded by the Legislature in 2010. The WTSC established the Action Council on Young Drivers (Action Council) in 2016. The mission is to lead a statewide effort focused on young drivers to build partnerships that save lives and prevent injuries on Washington's roadways for the health, safety and benefit of Washington's communities.
 - The membership includes leaders of governmental organizations and agencies with roles in public health and safety, including the Washington State Patrol,

Department of Transportation, Department of Licensing, Department of Health, Courts, Department of Social and Health Services, Office of Superintendent of Public Instruction, Washington State Association of Counties, and the Association of Washington Cities.

- The Action Council is jointly led by the WTSC and the DOL and focuses on overall young-driver road safety-related issues. The State's Strategic Highway Safety Plan, known as "Target Zero," outlines priority issues, opportunities and strategies to reduce fatal and serious injury collisions in Washington. As an identified priority issue, young drivers ages 16-25 are included due to the number of fatal and serious injury collisions involving this age group. Despite an overall reduction in the number of young driver-involved fatalities over the last decade, the State has begun to lose ground on this progress, with fatalities increasing in 2014 and 2015.
- The State identified a renewed interest among parents, students, public health professionals, law enforcement, educators, elected officials, and agency leaders to participate in a bold effort to increase awareness and build support for a comprehensive legislative package to reduce this trend.
- There is no forum for TSE providers and instructors to routinely interact with the DOL and OSPI in a proactive fashion.
- Both the OSPI and DOL have the authority and responsibility, through State law, for the implementation, monitoring, evaluation, and enforcement of their respective standards.
 - OSPI and DOL are responsible for implementing standards: monitoring providers; conducting program evaluations; and enforcing the standards.
 - However, OSPI has only one position to oversee all public schools and is therefore limited in its capacity for monitoring, evaluating and enforcing the standards.
 - DOL is currently updating their WACs. Once updated, the OSPI will update their WACs to mirror the DOLs.
- The WTSC takes the primary lead in developing and executing communication strategies to inform parents and the public about young driver concerns, including driver licensing, education and training issues.
 - The WTSC provides this service through media-buys, Public Service Announcements (PSAs), social media and through its website. WTSC and DOL have partnered on teen driving safety week. Parents have not been engaged through organizations such as parent associations, parent booster clubs and athletic governance organizations.
 - Parents, teens and law enforcement felt there is very little communication on driver licensing and driver education requirements from the DOL.
 - Neither the DOL nor OSPI have a formal communication strategy to inform parents and the general public about driver education and training issues.
- The DOL takes the primary lead to inform TSE providers in a timely fashion about changes to laws, regulations and procedures. There is no formal strategy to inform providers. Notification is conducted primarily through the DOL Listserv and email notifications to registered owners of driving schools.
 - OSPI encourages teachers to be registered on the DOL traffic safety Listserv.
 - Providers indicated that communications and interaction between the DOL and providers needs to be improved. Other observations include:

- There is no mechanism for providers to provide input to the DOL.
- Most communications center on the WACs and often notifications are retracted creating confusion among the providers.

Recommendations

1.1.1

- **Establish a single agency or coordinated agencies charged with overseeing all Traffic Safety Education programs.**
- **Establish a stakeholder's group specific to Traffic Safety Education programs to inform the agency or agencies charged with overseeing Traffic Safety Education programs.**
- Increase the ability of the Office of Superintendent of Public Instruction to monitor, evaluate and enforce driver education standards.
- Ensure that the Washington Administrative Code outlines the authority of the Department of Licensing and the Office of Superintendent of Public Instruction for all aspects of implementing, monitoring, evaluating and enforcing driver education standards.
- Develop and execute formal communication strategies to better inform parents and the public about driver licensing, education and training issues.
- Increase communications and interactions with Traffic Safety Education providers and instructors.

Standard 1.1.2

1.1.2 carefully choose a State agency that is best suited and ideally not a direct provider of driver education to administer a statewide education and training program that can provide needed and appropriate regulatory environment, oversight, monitoring, evaluation, review and approval processes, professional development, and all other administrative actions that make available a quality driver education and training program to all age-eligible residents.

Status

1.1.2

- The Washington TSE program is administered by both the OSPI and the DOL.
- There is no single agency charged to administer a statewide education and training program.
- DOL has demonstrated an ability to assume this role.
- There is a strong feeling in Washington that TSE should be overseen by a dedicated agency.
- OSPI currently does not receive funding for Traffic Safety Education. DOL receives funding through the state's Transportation Budget.

Recommendation

1.1.2

- **Designate a State agency that is best suited to administer the statewide Traffic Safety Education program.**

Standard 1.1.3

1.1.3 have a full-time, funded State administrator for driver education and training. This individual should meet or exceed the qualifications and training required by the State for a novice teen driver education and training instructor and/or school owner or possesses equivalent experience or qualifications. This administrator should be an employee of the agency that has oversight of driver education and training.

Status

1.1.3

- The DOL has a full-time funded Driver Training Schools Program Manager. The OSPI has a Traffic Safety Program Manager, of which driver education is a minor portion of the position's responsibility.
- The DOL program consists of 12 full-time and two half-time employees to oversee both commercial TSE programs and driver testing activities.
 - Positions include the Program Manager, investigators, auditors, analysts and customer service representatives.
 - The staff conducts audits of commercial TSE providers and driver license examiners. Audits of TSE instructors are not conducted.
 - Current DOL staff does not possess driver education experience and recognize this as a shortcoming for curriculum review and provider audits.
- The OSPI has one position, of which driver education is a small portion of the position's responsibility. The major responsibility of this position includes student transportation. Audits of public school programs and teachers are not conducted.

Recommendations

1.1.3

- If the state maintains the Office of Superintendent of Public Instruction's role in Traffic Safety Education, it should increase the ability of the Office of Superintendent of Public Instruction to effectively administer the Traffic Safety Education program within the public school system.
- Utilize an instructional and content knowledge specialist within the Department of Licensing to assist with curriculum reviews and audits.

Standard 1.1.4

1.1.4 have standardized monitoring, evaluation/auditing, and oversight procedures to ensure that every driver education and training program uses a curriculum with written goals and objectives.

Status

1.1.4

- The OSPI does not conduct audits of public school TSE providers.
- DOL utilizes standardized monitoring, evaluation/auditing, and oversight procedures.
 - The DOL has dedicated staff to conduct audits of TSE providers.
 - DOL does not audit the TSE instructors.
 - The Audit Management System provides a driving record check of each instructor.
- The DOL audits all commercial driver training schools annually. DOL is authorized to conduct audits under RCW 46.82.360(10).
 - These are comprehensive audits that include a pre-audit review of internal records and files, verification of the status of all licenses and credentials required for instruction and testing, vehicle inspections, premises inspections, records inspections, a check-ride for license examiners and security procedures.
 - WAC 308-108-130 also provides that DOL may conduct an inspection or review at any time during regular business hours.
- Complaints or audit findings may lead to an investigation. Following an investigation, DOL may exercise its authority to take action against a licensed provider. The program uses progressive discipline with all licensees. All forms of education or discipline provide the licensee an opportunity to comply with the law/rules as a means of issue resolution. DOL has broad disciplinary authority under the Uniform Regulation of Business and Professions Act (Chapter 18.235 RCW).
- New auditors shadow a current auditor for about one month. Auditors utilize an audit checklist and a standardized audit report form. DOL has developed audit thresholds based on risk assessments.
 - Schools were provided with pre-audit checklists in the past but are not currently. An exit interview covering the findings and recommendations of the audit is conducted. The period of time to correct the audit finding depends on the risk level assigned. Follow up audits may be conducted about three months later.
 - There are no policies or an audit compliance manual for the providers to use and refer to.
 - The new WACs will assist with providing policies for audit compliance.
- The DOL identified the need for more auditors to conduct specific audits for instructors and that additional funding would be required.
- Providers indicated that audits tend to focus on minor administrative issues such as driver logs and contiguous learning rather than safety-related issues.
- Providers also felt that there should be more consistency in how audits are conducted; that all providers should be treated fairly and equally; and there should be more communication between the DOL and providers.

Recommendations

1.1.4

- Increase the ability of the Office of Superintendent of Public Instruction to conduct standardized monitoring, evaluation/auditing and oversight procedures to ensure that every Traffic Safety Education program in the public school system uses a curriculum with written goals and objectives.
- Develop, implement and distribute audit policies, including an audit compliance manual and pre-audit check list for use by the Department of Licensing and Traffic Safety Education providers.

Standard 1.1.5

1.1.5 have a program renewal process to ensure that curriculum material and procedures are current.

Status

1.1.5

- Neither OSPI nor DOL have a program renewal process to ensure that curriculum materials and procedures are current.
 - Commercial TSE providers are required to submit their curriculum only when there are changes in the materials.
 - There is no requirement for a regular review process.
 - Some curricula have not been reviewed since 2008.
 - Teens felt that curriculums, visuals and videos were outdated and that the programs need to better engage the learner.

Recommendation

1.1.5

- Establish a program renewal process to ensure that curriculum material and procedures are current and reflect delivery methods designed for teen learners.

Standard 1.1.6 and 1.15

1.1.6 adopt an instructor certification renewal process.

1.1.15 require, provide, or ensure the availability of ongoing professional development for instructors to include updates in best education and training methods and material.

Status

1.1.6 and 1.1.15

- WAC 392-153-020 states that the OSPI requires instructors to complete the course work requirement of forty clock hours every five years to maintain a TSE endorsement or letter of approval.
- WAC 392-153-021(3) states that a behind the wheel or classroom conditional certificate is valid for two years. OSPI may reissue the conditional certificate if an instructor provides verification that they continue to meet all requirements of this chapter, including having completed sixty hours of course work within the previous two years. However, for the purpose of reissue, the employing school district superintendent (or designee) may approve up to forty-eight of the sixty hours, including approving credit for professional development courses or TSE related projects.
- RCW 46.82.330 states that the DOL instructor license is valid for two years. An instructor seeking to renew a license must pay licensing fees, and provide proof of eight hours of continuing professional development. The DOL will review driver abstract records and conduct a background check, if necessary.
 - The current language is ambiguous concerning the number of continuing professional development hours a DOL school instructor must have per year. It can be misconstrued as requiring only eight hours every two years.
- Both public and private school instructors are required to provide evidence of continuing professional development and instructors are required to submit evidence of professional development at the time of their license renewal. The requirement for professional development is found in the WAC and RCW.
- Ongoing professional development is provided by the Washington Traffic Safety Education Association (WTSEA) and by the Professional Driving Schools Association (PDSA) in Washington and by the regional Pac Northwest conference in Oregon. There was also some evidence of collaboration between the associations in providing professional development to driver education instructors.

1.1.6 and 1.1.15

Recommendation

- No Recommendation.

Standard 1.1.7

1.1.7 approve driver education and training programs that conform to applicable State and national standards.

Status

1.1.7

See Standard 2.1.2 – Approve curricula that are based on nationally based and recognized standards such as ADTSEA and DSAA.

Recommendation

1.1.7

- No Recommendation.

Standards 1.1.8; 1.1.11; 1.1.18; and 1.1.20

1.1.8 deny or revoke approval of driver education and training programs that do not conform to applicable State and national standards.

1.1.11 develop and execute monitoring, evaluation, and auditing procedures to ensure standards are met by public and private providers.

1.1.18 ensure that all novice teen driver education and training programs, instructors, and associated staff possess necessary operating licenses and credentials required by the State.

1.1.20 ensure that all materials, equipment, and vehicles are safe and in proper condition to conduct quality, effective driver education and training.

Status

1.1.8; 1.1.11; 1.1.18; and 1.1.20

- The DOL may deny or revoke approval of driver education and training programs through RCW 46.82.350 – Suspension, revocation, or denial of licenses. The director may suspend, revoke, deny, or refuse to renew an instructor's license or a driver training school license, or impose such other disciplinary action authorized under RCW 18.235.110, upon determination that the applicant, licensee, or owner has engaged in unprofessional conduct as defined by RCW 18.235.130.
- There is little oversight at the State level by OSPI. It is up to the local school districts to evaluate their programs and submit certificate of compliance to the office of OSPI but there is little follow up unless a complaint has been filed and needs the attention of OSPI. There are multiple references to RCW and WAC that give authority to the DOL to monitor, evaluate and audit programs to ensure standards are met by private providers.
 - The DOL Program audits all commercial driver training schools annually. DOL is authorized to conduct audits under RCW 46.82.360(10). These are comprehensive audits that include a pre-audit review of internal records and files, verification of the status of all licenses and credentials required for instruction and testing, vehicle inspections, premises inspections, records inspections, a check-ride, and security procedures. WAC 308-108-130 also provides that DOL may conduct an inspection or review at any time during regular business hours. Complaints or audit findings may lead to an investigation. Following an investigation, DOL may exercise its authority to take action against a licensed provider. The DOL uses progressive discipline with all licensees. All forms of education or discipline provide the licensee with an opportunity to become compliant with the law/rules as a means of issue

resolution. Driver Training Schools (DTS) may receive one or more of the following according to audit findings:

- Letter of education – This is a formal letter from the program that notifies the DTS of discrepancies found in audits. This letter outlines the performance areas that need correction.
- Follow up audit – Depending on the nature of the findings from an audit, the program may elect to revisit the DTS to see if the citations have been corrected and are no longer taking place.
- Investigation – complaint intake, analyze complaints for issue resolution or determine if an investigation is needed. An investigation can result in the investigation being closed due to insufficient evidence, no jurisdiction or it may progress to administrative action resulting in statement of charges.
- Statements of charges – these charges are a result of progressive discipline. Charges may be issued prior to a letters of education depending on aggravating or mitigating circumstance. All Licensees have the right to due process that may include a settlement conference, withdrawal of charges, administrative hearing, or an agreed order.
- DOL has broad disciplinary authority under the Uniform Regulation of Business and Professions Act (Chapter 18.235 RCW).
- Statements offered during the presentations mentioned several concerns about the audit process and the consequences of a finding. It was mentioned that the process left some of the providers with the feeling that there were inconsistencies between auditors and that when a finding was noted, it was a real fear that a business license would be suspended for what they felt was a minor infraction.
- There was also a concern that the audit process focused on clerical issues rather than issues that are pertinent to operating a traffic safety school such as evaluating instructors in the classroom and behind-the-wheel.
- DOL ensures that all training programs, instructors and associated staff possess necessary operating licenses and credentials required by the State.
 - RCW 46.82.310 – School licenses – Insurance states that no person shall engage in the business of conducting a driver training school without a license issued by the director for that purpose.
 - RCW 46.82.320 – Instructor’s license states that no person affiliated with a driver training school shall give instruction in the operation of an automobile for a fee without a license issued by the director for that purpose.
 - RCW 46.82.330 specifies: Instructor’s license – Application – Requirement. The application for an instructor's license shall document the applicant's fitness, knowledge, skills and abilities to teach the classroom and behind-the-wheel phases of a driver training education program in a commercial driver training school.
 - RCW 46.82.325 – Background checks for school personnel states that Instructors, owners, and other persons affiliated with a school who have regularly scheduled, unsupervised contact with students are required to have a background check through the Washington state patrol criminal identification system and through the federal bureau of investigation.
- Training programs, instructors and associated staff must also meet other established

requirements. The DOL has various requirements relating to the condition of materials, equipment, and vehicles.

- WAC 308-108-110 – Traffic safety education vehicles. This section states that all vehicles used for student instruction by a commercial driver training school shall:
 - Carry a minimum twenty-piece approved first aid kit, fire extinguisher safely secured in the vehicle and fully charged, and an emergency strobe light, reflective triangle, or two eighteen-inch traffic cones;
 - Maintain an annual vehicle inspection form meeting minimum equipment and safety criteria established by the department that it has been conducted by or for the school owner; and
 - Be used exclusively for driver training purposes at all times when student instruction is being given.
- Records of all TSE vehicles used by a commercial driver training school shall:
 - Be maintained at the school's primary place of business; and
 - Include the original insurance policy or policies covering the vehicles and copies of the current vehicle registrations and annual vehicle safety inspection report.

Recommendations

1.1.8; 1.1.11; 1.1.18; and 1.1.20

- **Evaluate all practicing Traffic Safety Education instructors within their license cycle.**
- **Extend the audit process to include evaluation of instructor preparation programs.**
- Develop an audit program that evaluates public school Traffic Safety Education programs.
- Extend the audit process to include evaluation of classroom teachers and behind-the-wheel instructors.

Standard 1.1.9

1.1.9 ensure that programs reflect multicultural education principles and are free of bias.

Status

1.1.9

- Neither OSPI nor DOL ensure that programs reflect multicultural education principles and are free of bias.
 - Both agencies regulate only the content of curriculum and do not specify how the content is delivered.
 - OSPI mandates that teachers are familiar with multicultural education principles but do not specifically audit programs for compliance.
- DOL provides the Washington Risk Prevention Curriculum as a resource. It is not clear if this curriculum meets multicultural education principles. Since 2005, about 90 percent of schools have chosen to use the Washington Risk Prevention Curriculum that consists of 29 foundational concepts.

Recommendation

1.1.9

- Establish requirements to ensure that Traffic Safety Education programs reflect multicultural education principles and are free of bias.

Standard 1.1.10

1.1.10 administer applications for licensing of driver education and training instructors, including owner/operators of public and private providers.

Status

1.1.10

Commercial Driver Training School Instructor Licensing Process

- Becoming a commercial driver training school instructor requires a license issued by the DOL. This is a separate license than the program/business license. In order to qualify, the instructor must submit an application, pay the following fees and meet the following requirements:
 1. Proof of 100 hours training log of secondary school training
 2. Possess a High School Diploma or equivalent
 3. Background check - fingerprint cards
 4. \$150 application fee (\$125 application fee and \$25 testing fee)
 5. \$34.75 print processing fee
 6. Driving abstract that reflects a minimum of 5 years driving experience

Once the application is submitted, the DOL conducts the following process:

1. Upon receiving an application in the Driver Training School Program (DTS), staff begins processing the application packets, making sure all documents are provided
2. If all documents are received, DTS will issue a "testing letter" to the applicant to take the instructor 100 question knowledge and skills exams at the Licensing Service Office of their choice
3. If all documents are NOT received, DTS does not process the application; DTS will notify the applicant of the missing items and cc the DTS they are employed by
4. DTS will only allow the applicant one failure per exam on their instructor's examination; if there is a failure, DTS requests an additional fee for another testing letter; this process can possibly happen various times
5. Once the applicant completes their exam(s), the Licensing Service Office transmits the results to the DTS program
6. During this waiting period, DTS also waits for the fingerprint/background results from WSP & FBI; if results are received, proceed; if rejected due to light or insufficient print pads, request new prints
7. When all successful results are received, DTS reviews the applicant's record once more for accuracy to make sure they have completed all the requirements
8. At this time the applicant will be issued a Washington State DTS Instructor

license identification number

9. DTS will notify applicant and school of their new license via email

Public School Traffic Safety Education Instructors

- Certificated teachers can qualify for a traffic safety endorsement or a letter of authorization issued by OSPI if they meet the following requirements:
 - a. Possess a valid Washington State driver's license (or a valid license issued by another state provided you are a legal resident of that state).
 - b. Provide a current satisfactory driving record to the employing school district on an annual basis.
 - c. Complete twelve quarter hours (or eight semester hours) of approved course work.
 - d. Provide verification to OSPI that the employing school district has determined that you comply with all of the requirements set forth in this chapter.
- Maintaining the endorsement or authorization requires 40 clock hours every 5 years. See WAC 392-153-020.
- The OSPI also issues conditional TSE certificates to individuals who are not certificated teachers. In order to qualify for a conditional certificate to teach the driving/laboratory phase of driver training, the individual must:
 - a. Complete a behind the wheel conditional certificate course, consisting of at least sixty clock hours of instruction, approved by OSPI that includes supervised practice in instructing and demonstration of instructional competencies within two years prior to application. You must also pass practical and knowledge examinations administered by an agent approved by OSPI.
 - b. Possess a valid Washington State driver's license (or a valid license from another state provided you are a resident of that state).
 - c. Hold a high school diploma or its equivalent.
 - d. Have at least five years of licensed driving experience.
 - e. Provide a current satisfactory driving record to the employing school district on an annual basis.
 - f. Provide verification to OSPI that the employing school district has determined that all of the requirements set forth in this chapter are in compliance.
 - g. To teach using a simulator or on a multiple car driving range, you must provide evidence of having completed an additional thirty hours of course work which includes supervised practice in instructing using the designated method.
- In order for the individual to teach the classroom phase of driver training, they must:
 - a. Possess a valid Washington State driver's license (or a valid license from another state provided you are a resident of that state).
 - b. Provide a current satisfactory driving record to the employing school district on an annual basis.
 - c. Complete at least one thousand hours of behind the wheel teaching experience within the last five years.
 - d. Complete an eighty clock hour classroom instructor training course approved by OSPI.
 - e. Provide verification to OSPI that the employing school district has determined that all of the requirements set forth in this chapter are in compliance.
- A behind the wheel or classroom conditional certificate is valid for two years. OSPI

may reissue the conditional certificate if a candidate provides verification that they to continue to meet all requirements in WAC 392-153-021, including having completed sixty hours of course work within the previous two years. However, for the purpose of reissue, the employing school district superintendent (or designee) may approve up to forty-eight of the sixty hours, including approving credit for professional development courses or TSE related projects. See WAC 392-153-021.

- While the State meets the standard for teacher licensing, it does have two agencies that license teachers to teach driver education. There are minor inconsistencies between requirements of each agency.

Recommendation

1.1.10

- No Recommendation.

Standard 1.1.12

1.1.12 adopt goals, objectives, and outcomes for learning.

Status

1.1.12

- DOL has adopted the Washington Risk Prevention Curriculum as the model. Each school's curriculum is approved by the DOL and must meet or exceed the standards within this curriculum. Specific requirements are established in RCW 46.82.420 and WAC 308-108-150.
- Washington Risk Prevention Curriculum is reviewed periodically and is updated based on feedback from stakeholders. DOL recently conducted a gap analysis of its curriculum relative to Washington's Strategic Highway Safety Plan (Target Zero). Based on this analysis, DOL bolstered content around the leading causal factors in young driver-related fatal and serious injury collisions.

Recommendation

1.1.12

- No Recommendation.

Standard 1.1.13

1.1.13 develop criteria to assess and approve programs, curricula, and provider effectiveness. Financial and/or administrative sanctions for non-compliance with the State application and approval processes and/or standards should be provided to all applicants and provide remediation opportunities to driver education and training programs when sanctions are issued.

Status

1.1.13

- OSPI has not developed criteria to assess and approve programs, curricula and provider effectiveness as addressed in other standards within this section.
- DOL has developed criteria to assess and approve programs as addressed in other standards within this section.

Recommendation

1.1.13

- No Recommendation (see other standards within this section).

Standard 1.1.14

1.1.14 establish and maintain a conflict resolution system for disputes between the State agency and local driver education and training programs.

Status

1.1.14

- The DOL does not have a well-defined conflict resolution system for disputes between the DOL and TSE providers. Providers are unclear about the process to dispute findings of an audit and indicated that pursuing such resolution is difficult at best.

Recommendation

1.1.14

- Establish or refine a conflict resolution process for disputes between the Department of Licensing and Traffic Safety Education providers. Clearly define the procedures for providers to follow.

Standard 1.1.16 and 1.1.17

1.1.16 require all public and private driver education and training providers to report program data to the designated State agency so that periodic evaluations of the State's driver education and training programs can be completed and made available to the public.

1.1.17 ensure that student information submitted to the agency or used by the agency remains confidential, as required by applicable State and Federal regulations.

Status

1.1.16 and 1.1.17

- Reporting requirements are established through WAC 308-108-140. All driver training school owners shall:
 - Report to the DOL within ten days any driving or traffic-related incidents involving an instructor employed by the school, including but not limited to:
 - (a) Conviction for a traffic violation;
 - (b) Finding that a traffic infraction has been committed;
 - (c) Entry into a deferred prosecution agreement; or
 - (d) Suspension, revocation, cancellation, or denial of driving privileges.
 - Report to the DOL within twenty-four hours following any TSE vehicle involved in a traffic collision for which an accident report must be or has been made under the provisions of RCW 46.52.030. Prior to the return to service of any Traffic Safety Education vehicle that has been involved in a collision, the school owner must forward a vehicle inspection report to the department.
 - Forward to the department by the seventh day of each month, a report of student enrollment in TSE courses provided by the school, including but not limited to:
 - (a) The start date and end date of any courses provided by the school that are initiated during the reporting period, including the total number of students enrolled in each course;
 - (b) The names and certificate numbers of all instructors providing classroom and/or behind the wheel instruction for each course;
 - (c) The names and instruction permit or driver's license numbers or dates of birth of all students enrolled in each course, along with the identifying number of the TSE certificate reserved for each student for issuance upon successful completion of the course.
 - Not less than annually, have completed and have on file at the main school location a vehicle inspection report as required under WAC 308-108-110 (1)(b) for all TSE vehicles in use by the school.
 - Report to the DOL within ten days any new vehicles used by the school for instructional purposes or any vehicles taken out of service.
- Secure Access Washington is the name of the portal for transmitting information. To use the portal an individual must be a licensed instructor or designated staff member. Student records are housed by the provider. All other communications are conducted through email or fax. DOL could not verify that the information transmitted remains confidential and that emails and faxes do, in fact, contain personal information which may put this information at risk.

Recommendations

1.1.16 and 1.1.17

- Establish a secure electronic system to report all program data from providers to the designated State agency.
- Implement standards and practices to ensure that student information submitted to the agency or used by the agency remains confidential, as required by applicable State and Federal regulations.

Standard 1.1.19

1.1.19 ensure that each driver education and training provider has an identified person to administer day-to-day operations, including responsibility for the maintenance of student records and filing of reports with the State in accordance with State regulations.

Status

1.1.19

- OSPI requires that the public school must designate a local coordinator and that the designee must be renewed every year. School districts that offer an approved TSE program must meet specific requirements in WAC 392-153-040: including appointing a person to be responsible for ensuring the program's continuing compliance with program requirements.
- DOL has established that the owners for commercial schools are the designated point of contact.

Recommendation

1.1.19

- No Recommendation.

Standard 1.1.21

1.1.21 refer to a general standard for online education such as those established by the North American Council for Online Learning in the absence of national standards specific to the delivery of online driver education or online teacher preparation.

Status

1.1.21

- In 2014, the Legislature directed the Washington Joint Transportation Committee to convene a work group made up of legislators and representatives from commercial driver training schools, public school driver education programs, Department of Licensing, Traffic Safety Commission, Washington State Patrol, Superintendent of Public Instruction, AAA and Farmers Insurance to develop parameters for and make recommendations regarding an on-line drivers' education program. The work group did not reach consensus for online driver's education standards.

Recommendation

1.1.21

- No Recommendation.

Standard 1.1.22

1.1.22 ensure that the instruction of novice teen drivers is completed using concurrent and integrated classroom and in-car instruction where the bulk of the classroom instruction occurs close in time to the in-car instruction to ensure the maximum transfer of skills.

Status

1.1.22

- The driving and classroom time must be integrated and contiguous. All curricula must demonstrate how the Behind-the-Wheel lessons are integrated, and a course must be scheduled in contiguous weeks. Open enrollment or self-paced instruction is not permitted.
- Classroom and Behind-the-Wheel instruction in a course that is scheduled for not less than thirty days in which lessons must be in contiguous weeks.

Recommendation

1.1.22

- No Recommendation.

2.0 Education/Training

Advisory

2.1 Each State should:

2.1.1 have driver education and training that meets or exceeds current nationally accepted content standards and benchmarks.

2.1.2 approve curricula that are based on nationally recognized standards such as ADTSEA and DSAA – Attachments E and F. Each State retains authority in determining what curricula meet its State standards. Other resources include AAA and NIDB.

2.1.3 regulate the use of simulation and driving ranges.

2.1.4 require an approved end-of-course knowledge and skill assessment examination based on the stated goals and objectives to graduate from the driver education and training program.

2.1.5 require a course provider to conduct valid post-course evaluations of driver education and training programs to be completed by the students and/or parent for the purpose of improving the effectiveness of the program (a resource for help in conducting these evaluations is the AAA Foundation for Traffic Safety).

2.1.6 require core driver educational hours that focus on the driving task and safe driving practices sufficient to meet the criteria established by the end-of-course examination. To enable States to select the appropriate guidelines for contact hours to meet the desired outcomes, the following instructional time should be:

First stage education:

- Minimum of 45 hours of classroom/theory;
- Minimum of 10 hours of behind the wheel instruction;
- 10 hours in-car observation; Second stage education;
- Minimum of 10 hours; and

The in-car instruction can be enhanced with simulation or driving range instruction.

2.1.7 require distributive learning.

Status and Recommendations

Standards 2.1.1 and 2.1.2

2.1.1 have driver education and training that meets or exceeds current nationally accepted content standards and benchmarks.

2.1.2 approve curricula that are based on nationally recognized standards such as ADTSEA and DSAA – Attachments E and F. Each State retains authority in determining what curricula meet its State standards. Other resources include AAA and NIDB.

Status

2.1.1 and 2.1.2

- Washington has a comprehensive set of statutes and administrative rules that govern the delivery and accountability of novice traffic safety education.
- However, with bifurcated responsibility for the delivery of novice traffic safety education programs, there is no standardized state-wide process for curriculum review, revision and approval or a mechanism to track and monitor all curricula in use.
- Washington law authorizes the Department of Licensing (DOL) to license and regulate private driver training schools and the Office of Superintendent of Public Instruction (OSPI) to oversee public school Traffic Safety Education (TSE) programs. Chapter 46.82 RCW (commercial schools); Chapter 28A-220 RCW (public school programs).
- Washington does not have generic or universal curriculum content standards but does specify Basic Minimum Required Curriculum requirements RCW 46.82.420 (private schools); WAC 392-153-032 (public school programs).
- The most prevalent curriculum in use is the Washington Risk Prevention Curriculum (Model Curriculum). This curriculum appears to meet or exceed current nationally accepted content standards and benchmarks.
- The Model Curriculum and its related documents and resources were created through a partnership between the Oregon Department of Transportation (ODOT) and Western Oregon University (WOU). This curriculum was revised to comply with the Washington DOL Driver Training School Program rules and regulations. It is a local representation of a TSE curriculum that brings together resources and materials gleaned from the WOU-ODOT Trainer of Trainers Curriculum, National Driver Training Credentialing Program of the American Driver and Traffic Safety Education Association (ADTSEA) and the National Institute for Driver Behavior (NIDB) Driver Risk Prevention Curriculum. It follows the NIDB Risk Prevention Curriculum and its behavioral delivery sequences. It is designed to meet the minimum standards of driver behavior risk prevention as set forth by the NIDB and ADTSEA.
- In addition to the Model Curriculum, there are also a number of other approved curricula in use by private driving schools under DOL.
- The various curricula used by public school TSE programs operating under OSPI are undocumented.
- The curriculum used by public school TSE programs must be approved by the local school district, but no criteria for this approval process were made available.
- Prior to the issuance of a Driver Training School (DTS) license by DOL, the school must submit its curriculum with the initial school application to DOL. A school may use the Model Curriculum or develop its own that meets or exceeds the Model Curriculum. A license is not issued prior to the curriculum being approved. The DOL program staff review all driver education curricula by using state law and rules as the minimum guidelines along with comparison against the Model Curriculum. However, DOL does not currently utilize a reviewer with instructional and content knowledge expertise.
- Any time a licensed DTS makes modifications to its approved curriculum it must submit the changes to the program for approval prior to use, and it may not use the revised curriculum until it is approved. The program staff date stamps each approved modification with his/her initials. Each form is required to have a revision date for audit review and program approval. The Audit team reviews the approved curriculum at the

- DTS annual audit to ensure it is up to date.
- DOL reviews its curriculum content periodically and issues updated requirements to all private driver training schools when it makes changes to the Model Curriculum.

Recommendations

2.1.1 and 2.1.2

- **Review, revise and approve all curricula by an instructional and content knowledge specialist.**
- Establish a single curriculum review and approval process for all approved curricula for both Department of Licensing and the Office of Superintendent Public Instruction.
- Schedule periodic content and delivery reviews to ensure that curriculum materials, content and delivery remain current and complete.

Standard 2.1.3

2.1.3 regulate the use of simulation and driving ranges.

Status

2.1.3

- There are no active driving ranges in use for novice traffic safety education in Washington.
- No driving simulators are currently in use for novice traffic safety education in Washington and driving simulators are not currently approved for credit against any required classroom or in-car hours by either DOL or OSPI.
- However, the American Automobile Association's (AAA's) Driver-ZED computer-based training (CBT) program is accepted under the term of "simulation" for credit against one in-vehicle hour on a 4:1 ratio by both DOL (WAC 308-108-120) and OSPI (WAC 392-153-040).⁴

Recommendation

2.1.3

- Adopt or develop criteria and standards for the use of driving simulators for credit against hours in both the classroom and in-car phases of the novice traffic safety education program.
- Recognize the Driver-ZED program only for substitution of classroom hours and when delivered under the direct supervision of the classroom instructor.

⁴ The Team does not believe that the Driver-ZED program qualifies as a driving simulator acceptable for substitution for behind-the-wheel instruction.

Standard 2.1.4

2.1.4 require an approved end-of-course knowledge and skill assessment examination based on the stated goals and objectives to graduate from the driver education and training program.

Status

2.1.4

- Both DOL and OSPI require knowledge testing and an end-of-course skills assessment. However, there are no standardized procedures or criteria to ensure that assessments are based on the stated program goals, objectives and learning outcomes.
- There is no centralized process at the State level to collect, analyze or summarize evidence from multiple sources of data related to the end-of-course performance.
- The Model Curriculum provides guidance on student assessments which informs teachers and others with regard to driving-related concepts and skills students have learned and how well they have learned them. This information can be used to determine if adjustments need to be made to the curriculum and or the instructional process.

Recommendations

2.1.4

- Develop and implement a standardized end-of-course knowledge test and skills assessment to inform teachers, parents and others about the driving-related concepts and skills students have learned and how well they have learned them.
- Utilize end of course assessments to determine if adjustments need to be made to the curriculum and/or the instructional process.

Standard 2.1.5

2.1.5 require a course provider to conduct valid post-course evaluations of driver education and training programs to be completed by the students and/or parent for the purpose of improving the effectiveness of the program (a resource for help in conducting these evaluations is the AAA Foundation for Traffic Safety).

Status

2.1.5

- There is no required post-course student and/or parent evaluation of novice traffic safety education and training programs by DOL or OSPI. The lack of student and/or parent feedback does not allow DOL or OSPI to improve program delivery and outcomes.

Recommendations

2.1.5

- Require that all approved course providers have students and/or parents complete a valid, evidence-based post-course evaluation that comments on the effectiveness of the program.
- Utilize the information collected from post-course evaluations to analyze and improve program delivery and outcomes.

Standard 2.1.6

2.1.6 require core driver educational hours that focus on the driving task and safe driving practices sufficient to meet the criteria established by the end-of-course examination. To enable States to select the appropriate guidelines for contact hours to meet the desired outcomes, the following instructional time should be:

First stage education:

- Minimum of 45 hours of classroom/theory;
- Minimum of 10 hours of behind the wheel instruction;
- 10 hours in-car observation; Second stage education;
- Minimum of 10 hours; and

The in-car instruction can be enhanced with simulation or driving range instruction.

Status

2.1.6

- Washington requires a minimum of: 30 hours of classroom/theory, six hours of behind-the-wheel (BTW) instruction, one hour in-car observation (DOL), and four hours in-car observation (OSPI). There is no Second Stage education with either DOL or OSPI, but an opportunity for second stage learning can occur through modifications to the Intermediate Driver Licensing (IDL) law, self-identification through infractions and/or voluntary enrolment.
- Due to the predominately rural nature of Washington, the current one hour per day, BTW limitation WAC 308-108-150 causes a hardship on some providers to ensure that students receive exposure to the widest possible variety of driving environments.
- The most commonly cited obstacle to expanding from 30 to 45 hours of classroom instruction and from six to ten hours of BTW instruction is cost. There is a high level of interest in improving existing course content, delivery and resources that includes: increasing the education and training hours, embracing alternative delivery methods and adopting a hybrid program model. Examples include simulation, CBT, computer-mediated or self-directed study components and accommodating a combination of both synchronous and asynchronous learning environments.

Recommendations

2.1.6

- Adopt or develop criteria and standards for augmenting the current curricula with additional and/or alternative educational delivery systems.
- Provide the opportunity for second stage learning through modifications to the Intermediate Driver Licensing law, self-identification through infractions and/or voluntary enrolment.
- Increase: classroom hours from 30 hours to 45, behind-the-wheel instruction from six hours to 10 and in-car observation from one or two hours to 10.
- Require second stage education of at least 10 hours.
- Allow for a single behind-the-wheel session of one and a half hours in a 24-hour period, where justifiable.

Standard 2.1.7

2.1.7 require distributive learning.

Status

2.1.7

- Both DOL and OSPI require distributive learning in the delivery of novice traffic safety education and training programs (WAC 308-108-150).

Recommendation

2.1.7

- No Recommendation.

3.0 Instructor Qualifications

Advisory

3.1 Each State should:

3.1.1 require the following prerequisites for instructors receiving certification and recertification:

- a) possession of a valid driver's license, as recognized by the State.
- b) have an acceptable driving record as determined by the State.
- c) pass a Federal and State criminal background check.
- d) meet health or physical requirements as determined by the State.
- e) achieve a minimum academic education requirement as determined by the State.
- f) meet a minimum age requirement as determined by the State.

3.1.2 require instructors to complete approved standardized instructor training that applies to instructors and teachers in all public and private driver education and training programs. This preparation should include a course of study that is no less than 120 hours of preparatory time. (See Attachment B, Instructor Qualifications Statement)

3.1.3 require instructors to receive training in accepted best practices in course delivery and evaluations using various delivery modalities.

3.1.4 require that an instructor pass a State-approved practical and/or written exam (e.g., Praxis II, National Teacher Certification Program [available at www.ADTSEA.org]).

3.1.5 require annual continuing education and professional development hours for instructors.

3.1.6 require an annual driving record review for instructors.

Status and Recommendations

Standard 3.1.1

3.1.1 require the following prerequisites for instructors receiving certification and recertification:

- a) possession of a valid driver's license, as recognized by the State.
- b) have an acceptable driving record as determined by the State.
- c) pass a Federal and State criminal background check.
- d) meet health or physical requirements as determined by the State.
- e) achieve a minimum academic education requirement as determined by the State.
- f) meet a minimum age requirement as determined by the State.

Status

3.1.1

Washington meets these requirements for licensing and recertification, with a few exceptions. Washington has two agencies that license driver education teachers and each office is governed by their respective Revised Code of Washington (RCW) and Washington Administrative Code

(WAC). Department of Licensing (DOL) and the Office of Superintendent of Public Instruction (OSPI) regulate their instructor qualifications and licensing of teachers. Each agency's requirements is as follows:

- a) Possession of a valid driver's license, as recognized by the State.
 - RCW 46.82.330, DOL and WAC 392-153-020, 021, OSPI applicants must possess a valid Washington driver's license (or a valid license issued by another state provided you are a legal resident of that state) and have 5 years of driving experience.
- b) Have an acceptable driving record as determined by the State
 - RCW 46.82.330 states that the applicant possesses a current and valid license issued by such jurisdiction, and does not have on his or her driving record any of the violations or penalties set forth in (a) (i), (ii), or (iii) of this subsection. The director shall have the right to examine the driving record of the applicant from the department of licensing and from other jurisdictions and from these records determine if the applicant has had:
 - (i) Not more than one moving traffic violation within the preceding twelve months or more than two moving traffic violations in the preceding twenty-four months;
 - (ii) No drug or alcohol-related traffic violation or incident within the preceding three years. If there are two or more drug or alcohol-related traffic violations in the applicant's driving history, the applicant is no longer eligible to be a driving instructor; and
 - (iii) No driver's license suspension, cancellation, revocation, or denial within the preceding two years, or no more than two of these occurrences in the preceding five years;
 - WAC 392-153-020(1)(b) and WAC 392-153-021(1)(e) states that a certified public school teacher and a teacher applying for a Conditional Traffic Safety Certificate must provide a current satisfactory driving record to the employing school district on an annual basis.
- c) Pass a Federal and State criminal background check.
 - RCW 46.82.325 – Background checks for school personnel instructors, owners and other persons affiliated with a school who have regularly scheduled, unsupervised contact with students are required through the Washington State Patrol criminal identification system and through the Federal Bureau of Investigation.
 - RCW 28A.410.010 rules require that the initial application for certification shall require a record check of the applicant through the Washington State Patrol criminal identification system and through the Federal Bureau of Investigation at the applicant's expense. The record check shall include a fingerprint check using a complete Washington State criminal identification fingerprint card. An individual who holds a valid portable background check clearance card issued by the Department of Early Learning consistent with RCW 43.215.215 is exempt from the OSPI fingerprint background check if the individual provides a true and accurate copy of his or her Washington State Patrol and Federal Bureau of Investigation background report results to the OSPI.
- d) Meet health or physical requirements as determined by the State.
 - Currently there are no health or physical requirements statements in the RCW and the WAC for providers of driver education in the State.
- e) Achieve a minimum academic education requirement as determined by the State.
 - a) RCW 46.82.330 states that applicants for DOL instructors are required to have a high

school diploma or equivalent. OSPI applicants must complete 12 college quarter hours (eight semester hours) from a college or university. It also allows the OSPI to issue conditional Traffic Safety Education (TSE) certificates to individuals who are not certificated teachers. In order to qualify for a conditional certificate to teach the driving/laboratory phase of driver training, the individual must hold a high school diploma or its equivalent.

f) Meet a minimum age requirement as determined by the State.

- RCW 46.82.330 applicants for DOL instructors must be 21 years of age.

Recommendations

3.1.1

- Create health and physical standards for driver education teachers.

Standard 3.1.2

3.1.2 require instructors to complete approved standardized instructor training that applies to instructors and teachers in all public and private driver education and training programs. This preparation should include a course of study that is no less than 120 hours of preparatory time. (See Attachment B, Instructor Qualifications Statement)

Status

3.1.2

- All instructors, whether they are public school instructors or private school instructors, are required to complete training before they can teach teen driver education. This standard requires that training be approved and standardized. The standard applies to instructors and teachers in all public and private driver education and training programs. According to the briefing document and statements made during two days of presentations, the “[Private school] instructor training is neither standardized nor consistent from one provider to the next,” and differs from public school teacher training.
 - According to WAC 392-153-020, public school instructors must complete 12 credit hours (eight semester hours) of approved course work currently provided by Central Washington University.
 - According to RCW 46-82-330, the applicant must satisfactorily complete a course of instruction in the training of drivers acceptable to the director that is no less than sixty hours in length and includes instruction in classroom and behind-the-wheel teaching methods and supervised practice behind-the-wheel (BTW) teaching of driving techniques by approved trainers.
 - Private providers are authorized to teach other instructors under WAC 308-108-090 upon approval by the DOL. The following topics are guidelines to be used in developing a training program.
 - **Classroom Instructional Methods**
The Instructor Training Course will prepare the instructor-candidate to teach using teacher-directed discussions, interactive PowerPoint presentations, teacher-directed and student-centered demonstrations and activities.
 - **Behind-the-wheel Instructional Methods**

The Instructor Training Course will prepare the instructor-candidate to teach low-risk driving values, knowledge for development of safe habits, and accurate perceptions and mental readiness for correct in-vehicle performance. It will further prepare the candidate to involve all vehicle occupants at all times while in the vehicle, while preparing each student to conduct a drive lesson once sufficiently experienced.

o **Integrated Classroom and Behind-the-wheel Instruction**

The course outlines teaching techniques for a 3-phase program: Classroom, BTW, and Home-practice in the family vehicle. A key element will be preparing the instructor to not only encourage parent involvement at all levels, but to require it for successful completion of the student program.

- The DOL must approve an instructor training course curriculum before use by an instructor-trainer. Any revision to an approved instructor training course curriculum used by an instructor-trainer must be submitted for review and approval by the DOL no less than thirty days prior to its use. The DOL may consider other instructional methods, instruction providers, or academic instruction in lieu of these requirements. Before an instructor training course is given, the instructor-trainer or owner must submit a list of the dates, times and locations for the training, the names of the persons to be trained and the name of the instructor-trainer who will provide the training.
- The DOL may monitor instructor education courses at any time to ensure that the instructor training requirements are being satisfied.
- During assessment presentations, several individuals stated that there was little or no monitoring or evaluation of teacher training conducted by private training providers.
- According to WAC 392-153-020, public school instructors must complete 12 credit hours (eight semester hours) of approved course work currently provided by Central Washington University.
- Central Washington University has submitted an Endorsement of Program Approval to the OSPI. It identifies the competencies to be mastered by a candidate teacher and the strategies that will be used to assess candidate capacity/performance related to the competencies. Respondents stated that neither of these strategies had been recently reviewed or compared to other national standards.
- Due to a lack of OSPI staff, the ability to monitor public school teacher preparation and review of program outcomes is non-existent. Central Washington University staff provide teacher training and update course content without oversight from OSPI.
- Statements made during presentations suggest that teacher preparation is not standardized and consistent from provider to provider or between public and private teacher training programs.

Recommendation

3.1.2

- **Develop standardized instructor training that applies to instructors and teachers in all public and private driver education and training programs.**

Standard 3.1.3

3.1.3 require instructors to receive training in accepted best practices in course delivery and evaluations using various delivery modalities.

Status

3.1.3

- Due to the brevity of DOL-authorized teacher training programs, it is not apparent that training is provided effectively and consistently from program to program using accepted best practices in course delivery and evaluations using various delivery modalities. The sample instructor training outline for DOL schools recommends that instructors receive training in the following:
 - Classroom Theory and Facilitation (40 Hours)
 - Education Theory. Education theory will cover the following four areas in development of the novice student concepts
 1. Education or special education;
 2. Driver education teacher skills training;
 3. Classroom teaching techniques; and
 4. Communication skills
 - An individual wishing to teach at a public school with an endorsement in traffic safety must take four courses in the following areas: the driving task, classroom instructional methods, in-vehicle methods of instruction with a teaching lab and a final course in administrative practices. Two competencies identified from the Endorsement Program Approval for Traffic Safety are:
 - Use of current methodologies for providing classroom instruction in driver education including organization, classroom management and technologies.
 - Use of current methodologies for providing in-car instruction in driver education including route development, giving directions, positive evaluation feedback and evaluating driver performance.

Recommendations

3.1.3

- **Standardize and require training in best practices for all licensed instructors in both public and private driver education and training programs.**
- Identify accepted best practices in course delivery and evaluation using various delivery modalities.

Standard 3.1.4

3.1.4 require that an instructor pass a State-approved practical and/or written exam (e.g., Praxis II, National Teacher Certification Program [available at www.ADTSEA.org]).

Status

3.1.4

- Currently, Washington does not require a Praxis II or National Teacher Certification Program test to receive an instructor license. The State does require that private school providers pass a 100 question driver knowledge test that is not specific to instructional methods.
- There is no testing requirement for public school teachers.

Recommendation

3.1.4

- Develop and implement a reliable testing instrument that measures driver knowledge and instructional methods.

Standard 3.1.5

3.1.5 require annual continuing education and professional development hours for instructors.

Status

3.1.5

- Both public and private school instructors are required to provide evidence of continuing education and instructors are required to submit evidence of professional development at the time of their license renewal. The requirement for professional development is found in WAC and RCW.
- WAC 392-153-020 states that OSPI requires instructors to complete the course work requirement of forty clock hours every five years to maintain a Traffic Safety Education endorsement or letter of approval.
- A behind the wheel or classroom conditional certificate is valid for two years. OSPI may reissue the conditional certificate if an instructor provides verification that they continue to meet all requirements in WAC 392-153-021, including having completed sixty hours of course work within the previous two years. However, for the purpose of reissue, the employing school district superintendent (or designee) may approve up to forty-eight of the sixty hours, including approving credit for professional development courses or TSE related projects. See WAC 392-153-021.
- RCW 46.82.330 states that the DOL instructor license is valid for 2 years. Instructors seeking to renew their license must pay licensing fees and provide proof of eight hours of continuing professional development.
- Ongoing professional development is provided by the Washington Traffic Safety Education Association (WTSEA) and by the Professional Driving Schools Association (PDSA) in Washington and by the regional Pac Northwest conference in Oregon. Statements made during the presentations suggested there was collaboration between the associations in providing professional development to driver education instructor attendees.

Recommendation

3.1.5

- Make the professional development hours requirement consistent for both public and private instructors.

Standard 3.1.6

3.1.6 require an annual driving record review for instructors.

Status

3.1.6

- WAC 392-153-020(1)(b) and WAC 392-153-021(1)(e) states that public school teachers and teachers applying for a Conditional Traffic Safety Certificate must provide a current satisfactory driving record to the employing school district on an annual basis.
- RCW 46.82.330 states that the director shall have the right to examine the driving record of an applicant from the DOL and from other jurisdictions. From these records, the director will determine if the applicant has had:
 - Not more than one moving traffic violation within the preceding twelve months or more than two moving traffic violations in the preceding 24 months;
 - No drug or alcohol-related traffic violation or incident within the preceding three years. If there are two or more drug or alcohol-related traffic violations in the applicant's driving history, the applicant is no longer eligible to be a driving instructor; and
 - No driver's license suspension, cancellation, revocation, or denial within the preceding two years, or no more than two of these occurrences in the preceding five years.

Recommendation

3.1.6

- No Recommendation.

4.0 Parent Involvement

Advisory

4.1 Each State should:

4.1.1 require the parent of a teen driver education and training student to attend a parent seminar, pre-course, or the initial session of the teen's driver education and training course. This session should outline the parent's responsibility and opportunity to reduce his or her teen's crash risk in several ways, including modeling safe driving behavior. Information conveyed to the parent in this session should include, but not be limited to, the following known best practices of GDL and parental involvement:

- a) Manage the novice driver's learning-to-drive experience to determine the readiness of the teen to begin the process, and supervise the teen's driving so that the parent can better determine the teen's readiness to advance to the next licensing stage and assume broader driving privileges;
- b) Supervise an extended learner permit period of at least six months that provides at least weekly opportunities for the novice driver to accumulate a minimum of 50 hours of supervised practice driving in a wide variety of increasingly challenging circumstances. Hours of supervised practice driving required in GDL should not be reduced by a novice driver's participation in other driver education and training programs, nor should any other activity be considered a substitute;
- c) Supervise an extended intermediate license period that temporarily restricts driving unsupervised with teen passengers and during nighttime hours until the State's GDL requirements have been met and the parent determines the teen's readiness to drive unsupervised in these high risk conditions; and
- d) Negotiate and adopt a written agreement between the teen and parent that reflects the expectations of both teen and parent and clearly defines the restrictions, privileges, rules, and consequences that will serve as the basis for the teen to earn and for the parent to grant progressively broader driving privileges.

4.1.2 require a parent to complete a debriefing with the driver training instructor to inform the parent of the progress and proficiency of the teen driver. This final session should include a reminder that it is the parent who must ultimately determine the teen's readiness to obtain a license with full driving privileges and of the parent's responsibility and important role in helping the teen to become a safe driver.

Status and Recommendations

Standard 4.1.1

4.1.1 require the parent of a teen driver education and training student to attend a parent seminar, pre-course, or the initial session of the teen's driver education and training course. This session

should outline the parent's responsibility and opportunity to reduce his or her teen's crash risk in several ways, including modeling safe driving behavior. Information conveyed to the parent in this session should include, but not be limited to, the following known best practices of GDL and parental involvement:

- e) Manage the novice driver's learning-to-drive experience to determine the readiness of the teen to begin the process, and supervise the teen's driving so that the parent can better determine the teen's readiness to advance to the next licensing stage and assume broader driving privileges;
- f) Supervise an extended learner permit period of at least six months that provides at least weekly opportunities for the novice driver to accumulate a minimum of 50 hours of supervised practice driving in a wide variety of increasingly challenging circumstances. Hours of supervised practice driving required in GDL should not be reduced by a novice driver's participation in other driver education and training programs, nor should any other activity be considered a substitute;
- g) Supervise an extended intermediate license period that temporarily restricts driving unsupervised with teen passengers and during nighttime hours until the State's GDL requirements have been met and the parent determines the teen's readiness to drive unsupervised in these high risk conditions; and
- h) Negotiate and adopt a written agreement between the teen and parent that reflects the expectations of both teen and parent and clearly defines the restrictions, privileges, rules, and consequences that will serve as the basis for the teen to earn and for the parent to grant progressively broader driving privileges.

Status

4.1.1

Parental involvement is key to successful novice driver education. The State of Washington has different parental involvement requirements for students attending private driver education schools and for students receiving driving instruction in public schools; neither policy meets the parental involvement requirement of Standard 4.1.1.

- The Department of Licensing (DOL) oversees the State's private driver education providers and requires that the curricula provide a parent seminar for up to one hour of the required 30 hours of classroom time. Private driver education providers must review Washington's Intermediate Driver License (IDL) law and show a Vision Zero video produced by the Washington Traffic Safety Commission (WTSC) during the required parental involvement offering. While parental attendance is not mandatory in most schools, it is highly recommended.
 - The DOL has developed suggested templates, forms, PowerPoint presentations and other resources to assist private driver education providers in developing effective parent education sessions.
 - Outside of the two required elements discussed above, the DOL does not specify or mandate content for parent education sessions.
 - The DOL does not dictate the timing of the parental involvement element in the

Standard 4.1.2

4.1.2 require a parent to complete a debriefing with the driver training instructor to inform the parent of the progress and proficiency of the teen driver. This final session should include a reminder that it is the parent who must ultimately determine the teen's readiness to obtain a license with full driving privileges and of the parent's responsibility and important role in helping the teen to become a safe driver.

Status

4.1.2

- Driver education providers in Washington reported that it is a common practice for parents to be informed of students' progress throughout their learning to drive experience. However, neither the provision of feedback during the driver education course nor a final parental debriefing with a student's driver training instructor is required by the State.

Recommendations

4.1.2

- Require instructors to provide ongoing feedback to parents on their teens' in-car driving skills using a proficiency-based grading system to measure student achievement.
- Require the driver training instructor to complete a debriefing with the parent once the student's training has been completed.

5.0 Coordination with Driver Licensing

Advisory

5.1 Each State should:

5.1.1 have a formal system for communication and collaboration between the State driver education and training agency and the State driver licensing authority. This system should allow sharing of information between driver education and training program/course administrators and the State's driver licensing authority.

5.1.2 have a GDL system that includes, incorporates, or integrates driver education and training. Completion of driver education and training should not reduce the time requirements in the GDL process.

5.1.3 provide information and education on novice teen driving requirements and restrictions to judges, courts, and law enforcement officials charged with adjudicating or enforcing GDL laws.

5.1.4 ensure that sanctions for noncompliance with GDL requirements by novice teen drivers are developed and enforced uniformly.

5.1.5 require a parent to submit State-specified documentation that certifies completion of required supervised hours in a manner that reduces the possibility of fraudulent entries.

5.1.6 ensure that State licensing tests are empirically based and reflect performance competencies of the standards-based driver education and training program outlined in the previous sections of this document.

5.1.7 develop and implement a valid and reliable driver's knowledge and skills test that assesses factors associated with the novice teen driver's ability to reduce driving risks.

Status and Recommendations

Standard 5.1.1

5.1.1 Have a formal system for communication and collaboration between the State driver education and training agency and the State driver licensing authority. This system should allow sharing of information between driver education and training program/course administrators and the State's driver licensing authority.

Status

5.1.1

- Washington State law authorizes the Department of Licensing (DOL) to license and regulate private driver training schools and the Office of Superintendent of Public Instruction (OSPI) to oversee public school Traffic Safety Education (TSE) programs.

- The DOL licenses and regulates businesses and professions and is responsible for driver licensing in the State of Washington. The agency is organized into several divisions, including Customer Relations (CR), Programs and Services (PSD) and Business and Professions (BPD). Driver license issuance and the DOL licensing office operations fall under CR. The Driver Training School (DTS) Program is under BPD.
- The OSPI is the K-12 education regulatory agency in Washington, sometimes referred to as the Department of Education in other states.
- The State's Public Safety Agency is part of the Washington State Patrol. The State's Highway Safety Office is the Washington Traffic Safety Commission (WTSC).
- In 2011, the Washington State Legislature enacted ESHB 1635 which allowed both knowledge and skills driver licensing exams to be conducted by both public and private driver training schools. As a result, DOL now only provides driver testing at 11 of its licensing offices throughout the State. As of 2013, eighty-eight percent of all young drivers enrolled in TSE courses do so through private schools with twelve percent enrolled in public school programs.
- DOL contracts with more than 300 public and private schools to provide driver testing. The DOL Driver Training School Program, administers the contract testing program, issues licenses to the schools, enters into contracts with testing sites and conducts routine audits under Chapter 308-110 WAC.
- Upon exam completion at a contract testing location, examiners enter test scores through a DOL Driver Training School Portal, which integrates with the DOL Driver Licensing System. When an applicant passes the exam(s), they may complete their licensing transaction at a DOL office or online.
- There are no driver education advisory boards in operation at this time. An Action Council on Young Drivers (The Council) formed under the leadership of the WTSC and the DOL provides a forum for stakeholders and agency program staff to formally communicate, share ideas and coordinate statewide outreach on efforts related to young drivers.
- There is currently no formal process in place for DOL, OSPI, WTSC and driver education industry representatives to meet and exchange driver education information on a regular basis, outside of the Council. The Council is primarily made up of "Partners of the WTSC". The Council meets once a month.

Recommendations

5.1.1

- **Provide a forum, on a regular basis, for open communication between and among all "Stakeholder" groups, to help ensure uniform administration of curriculum content and the administration of knowledge and skill tests at both public and private schools.**
- **Establish a formal system of regular communication and meetings between all applicable state agencies and departments dealing with Traffic Safety Education and driver licensing.**
- Establish a formal process of regular communication and outreach between the Department of Licensing and those schools that have contracts with Department of Licensing to conduct driver licensing tests both in public and private school settings.

Standard 5.1.2

5.1.2 Have a GDL system that includes, incorporates, or integrates driver education and training. Completion of driver education and training should not reduce the time requirements in the GDL process.

Status

5.1.2

- Washington's Intermediate Driver Licensing (IDL) law includes, incorporates and requires successful completion of a TSE course (30 hours Classroom (CR), 6 hours BTW and 1 hour BTW observation).
- Successful completion of a TSE course does not reduce the time requirements of the IDL process. In order to satisfactorily complete a schools' course of instruction, all students under the age of 18 must complete all portions of the course of instruction included in the student curriculum as well as pass a comprehensive driving knowledge and skills test or tests that deals with all or many of the relevant details of the course curriculum that meets the standards established by DOL.
- All drivers under 18 years of age are subject to the IDL in the State of Washington RCW 46.20.070. Individuals under 18 must meet the following requirements to get a driver license:
 - Have an instruction permit (applicants can get a permit at age 15 if enrolled in a driver training course, otherwise they must be 15.5).
 - Complete at least 50 hours of driving practice, including 10 hours at night, with someone who is at least 21 years of age and who has had a valid driver's license for at least three years.
 - Pass an approved driving and written knowledge test.
 - Be at least 16 years of age at the time the DOL issues the license.
 - Be a Washington State resident.
 - Successfully complete an approved driver training course. (Online and parent taught courses are not approved courses in Washington State. Courses completed in another state must meet Washington State minimum requirements.)
 - Have a Washington State instruction permit for at least 6 months.
 - Not have been convicted of any traffic violations within 6 months of applying for the license.
 - Not have been convicted of any alcohol or drug offense while holding an instruction permit.
- The IDL law also imposes a number of restrictions and penalties, including the following:

Restrictions

- The first six months, no passengers under 20 years of age, except for immediate family members (spouse, child, stepchild or siblings, both by birth and marriage). Next six months, no more than three passengers under 20 years of age who aren't members of the driver's immediate family.
- For the first 12 months, the driver cannot drive between 1 a.m. and 5 a.m. unless they are with a licensed driver 25 years of age or older. Exceptions for agricultural purposes apply as described in RCW 46.20.070.

- Drivers are not permitted to use wireless devices while driving, even with hands free technology. This includes talking on cell phones and sending or receiving text messages. The driver may only use a wireless device to report an emergency.

Penalties

- Passenger and nighttime restrictions will apply until a driver is 18 years of age (other violations will apply until the driver is 18). DOL will send a warning letter to the parent/guardian for a first violation of the following: restriction violations, getting a ticket for violating the rules of the road and being involved in a crash where the driver is at fault.
- License is suspended for six months for a second violation (or until the driver is 18, whichever comes first). DOL notifies the driver and their parent/guardian before DOL takes suspension action.
- License is suspended until driver is 18 years of age for third violation.

Recommendation

5.1.2

- Modify novice driver nighttime driving restrictions to align with current Graduated Driver Licensing best practices.

Standard 5.1.3

5.1.3 Provide information and education on novice teen driving requirements and restrictions to judges, courts, and law enforcement officials charged with adjudicating or enforcing GDL laws.

Status

5.1.3

- The State of Washington has a Law and Justice Liaison within the DOL. There is a formal process for outreach to judges, the courts and law enforcement to help educate them on the IDL requirements, restrictions and sanctions.
- However, the Law and Justice Liaison position is bigger than a one-person job. It is very difficult to perform effective outreach across the entire State of Washington with only one dedicated person.
- There are educational/training materials that have been developed and are being used, but it was evident that they are not reaching all intended audiences.

Recommendation

5.1.3

- Allocate additional resources to the Department of Licensing Law and Justice Liaison to provide education/training, support and information to judges, the courts and law enforcement on Intermediate Driver Licensing requirements, restrictions and sanctions on a regular and consistent basis.

Standard 5.1.4

5.1.4 Ensure that sanctions for noncompliance with GDL requirements by novice teen drivers are developed and enforced uniformly.

Status

5.1.4

- Penalties/sanctions for the violation of IDL restrictions have been developed and are in place within the State of Washington (see “Status” in 5.1.2 above.)
- Enforcement of the IDL law by law enforcement officers may be accomplished only as a secondary action, not primary, with the exception of operating a moving motor vehicle while using a wireless communication device (unless the holder is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property).
- It is quite evident that enforcement of the IDL law is not a top priority or focus with Washington law enforcement. A law enforcement IDL pocket guide developed by DOL to assist officers with interpreting the license issue date and driver’s age, IDL requirements, and restriction information for use during roadside stops is not uniformly distributed.
- It is also clear that other IDL training materials, such as the Law Enforcement IDL video, are not, in all cases, reaching the intended target.
- As a result, the IDL law is not being uniformly enforced across the State.

Recommendations

5.1.4

- **Encourage and prioritize aggressive enforcement of the Intermediate Driver Licensing law across the State.**
- Distribute the Intermediate Driver Licensing law enforcement pocket guide to all officers in the State of Washington.

Standard 5.1.5

5.1.5 Require a parent to submit State-specified documentation that certifies completion of required supervised hours in a manner that reduces the possibility of fraudulent entries.

Status

5.1.5

- A parent, guardian or employer must sign a “Parental Authorization Affidavit” certifying under the penalty of perjury under the laws of the State of Washington that the applicant has completed at least 50 hours of driving experience, ten of which were at night and that the applicant has not been issued any traffic infractions or cited for any traffic violations that are pending at the time of application.

- The DOL partnered with State Farm in 2014 to provide *The Parent's Supervised Driving Program Guide* at all of its licensing offices. The Guide includes the Practice Driving Log, Parent Authorization Affidavit, and a sample Parent/Teen Safe-Driving Agreement.
- Even though it is a requirement for a parent or guardian to sign the "Parental Authorization Affidavit" there is no requirement for DOL to check or see the driving log, effectively discouraging enforcement of the requirement.

Recommendations

5.1.5

- Require the submission of the Practice Driving Log in addition to the signed Parent Authorization Affidavit, while emphasizing to parents the importance of truthfulness in the parental submission of the forms.
- Provide additional education to the parent, guardian or mentor regarding the consequences of falsifying driver log entries.

Standard 5.1.6

5.1.6 Ensure that State licensing tests are empirically based and reflect performance competencies of the standards-based driver education and training program outlined in the previous sections of this document.

Status

5.1.6

- The DOL has adopted the Washington Risk Prevention Curriculum (Model Curriculum). This curriculum and its related documents and resources were created through a partnership between the Oregon Department of Transportation and Western Oregon University (WOU), and revised to comply with DOL Driver Training School (DTS) program rules and regulations.
- The curriculum brings together resources and materials from the WOU-ODOT Trainer of Trainers Curriculum, the National Driver Training Credentialing Program of the American Driver and Traffic Safety Education Association (ADTSEA) and the National Institute for Driver Behavior (NIDB) Driver Risk Prevention Curriculum. It follows the NIDB Risk Prevention Curriculum and its behavioral delivery sequences.
- The curriculum is designed to meet the minimum standards of driver behavior risk prevention set forth by NIDB and ADTSEA.
- Knowledge and skill examinations are, in theory, based upon this curriculum. However, not all schools use the Model Curriculum which makes it nearly impossible to develop and administer empirically based tests that have some semblance of uniformity across the State.

Recommendations

5.1.6

- Implement an empirically based driver testing system that reflects the performance competencies of a standards-based driver education curriculum.
- Require the Department of Licensing and the Office of Superintendent of Public Instruction to ensure that the driver licensing testing standards are reflective of driver education and training standards.

Standard 5.1.7

5.1.7 Develop and implement a valid and reliable driver's knowledge and skills test that assesses factors associated with the novice teen driver's ability to reduce driving risks.

Status

5.1.7

- As stated in Section 2.4, of the Washington Driver License Instructor Examiner's Guidelines and Requirements Document and the Washington knowledge and skills tests have been designed to be valid and reliable when administered in accordance with the standards provided. DOL stated that the tests are comparable to the American Association of Motor Vehicle Administrators (AAMVA) Non-Commercial Model Driver Testing System (NMTDS).
- Presentations indicated that there is inconsistent examiner training across the State. This makes it virtually impossible to administer a valid and reliable test with any semblance of uniformity from school to school (public and private).

Recommendations

5.1.7

- **Revise and improve initial and refresher examiner training across the State to effectively administer valid, reliable and uniform tests.**
- Compare all State knowledge and skills tests to the American Association of Motor Vehicle Administrators Non-Commercial Model Driver Testing System to identify possible enhancements.
- Compare the Washington State Driver Manual to the American Association of Motor Vehicle Administrators Non-Commercial Model Driver Testing System-Model Driver Manual to identify possible enhancements.

APPENDIX 1 – Team Credentials

MICHAEL R. CALVIN

Mr. Calvin is a safety, education and licensing specialist. He earned a B.S. in Psychology from Illinois State University in 1976 and currently is an independent Highway and Traffic Safety Consultant. For the last 29 plus years, Mr. Calvin held various positions within the American Association of Motor Vehicle Administrators (AAMVA) in Arlington, Virginia, including Interim President & CEO, Deputy CEO, Senior Vice President Programs Division and Vice President of Driver and Vehicle Services. He has worked extensively in the “Standards” arena while at AAMVA, including domestically with ANSI and INCITS as well as internationally with ISO. Mr. Calvin was directly responsible for the establishment of the ISO/IEC JTC1 SC17 WG10 Working Group on Driver Licenses.

Prior to joining AAMVA in 1986, Mr. Calvin held positions as the Director of Training for Easy Method Driving Schools, Director of Certification Programs for the Professional Truck Driver Institute of America (PTDIA) and was a Research Associate with the National Public Services Research Institute (NPSRI). All positions were traffic safety, education and standards oriented.

During the last 39 years, he has worked at the international, national, state and community levels on a wide variety of highway and traffic safety, education, licensing, motor vehicle and security programs and projects. His work has involved planning, researching, establishing and maintaining positive and productive relationships, coordinating diverse groups and developing, implementing and then managing programs that ranged in scope from the international to the local levels, with delivery to mass audiences, as well as, to institutions and individuals both public and private.

During the course of his career, he has had extensive experience in working with diverse groups, such as the one hundred jurisdictions and federal districts in the United States, Canada and Mexico (including their chief motor vehicle administrators and safety/education leadership groups), in their handling of common problems and issues, along with the implementation, management and maintenance of international, national and regional programs. In the course of these activities, the whole range of liaison, coordination, negotiation, communication, sales, political and administrative skills have come into play.

He has managed multi-million dollar contracts and grants, been responsible for multiple boards, working groups, subcommittees and committees, as well as, running multiple international conventions/conferences and workshops.

RICH HANSON

Rich Hanson has 32 years of classroom teaching experience in a variety of subjects. His assignments have ranged from all levels of biology, speech, math, philosophy, auto and computer technology, alternative education, and driver education. He teaches both classroom and behind the wheel for Tigard High School and 11 years ago joined the “trainer of trainers” cadre for Western Oregon University. He teaches driver education teacher prep courses for Vermont Higher Education Collaborative and Castleton College, as well.

Mr. Hanson has worked with numerous states, including Oregon, Washington, Montana, North Carolina, Vermont, Virginia, and New Hampshire providing teacher training, curriculum development, and strategies for implementation of their new driver education curriculums. As one of five of Oregon’s lead trainers, Hanson helped revise Oregon’s student curriculum and Western Oregon University teacher prep courses, moving key elements to an online delivery. He was the lead developer for Montana’s teen driver education curriculum revision in 2013-14 and produced driver education teacher online training for Manitoba, Canada. He retired from his regular duties in 2010, but continues to be involved at the local, state, national, and international level in driver education.

Mr. Hanson is the past-president of Oregon Driver and Traffic Safety Education Association and currently serves as the legislative liaison for the Association. He is past chair of the Oregon Department of Transportation Driver Education Advisory Committee. He is involved at the national level as a conference speaker, having made presentations for the national driver education association in Oregon, Hawaii, Michigan, New Hampshire, North Carolina, Washington, Pennsylvania, Virginia, Missouri, and Vermont. He was selected by the Oregon Traffic Safety Education Association as the state driver education teacher of the year in 2005 and by the American Driver Traffic Safety Education Association as the 2006 National Driver Education Teacher of the Year.

TRACY KRUGH

Tracy Krugh is a project specialist with Highway Safety Services, LLC (HSS) located in Indiana, PA.

Ms. Krugh has been involved in the highway traffic safety arena for 9 years. She has assisted with projects in the areas of driver education, driver license test administration, commercial driver licensing, curriculum development, examiner training, teacher training, online training, and many others.

Ms. Krugh is also involved with the project development for both the National Association of State Motorcycle Safety Administrators (SMSA) and the American Driver and Traffic Safety Education Association (ADTSEA). Additionally, she is involved with projects for the Association of National Stakeholders in Traffic Safety Education (ANSTSE) and assists with the Association's secretariat duties.

BRETT ROBINSON

Brett Robinson is the co-founder and Vice President for Highway Safety Services, LLC (HSS) located in Indiana, PA. HSS is a leading company for consulting services in highway traffic safety and driver's license test administration. HSS provides consultation in the development and planning of programs to ensure that agencies, companies, and jurisdictions implement effective highway safety countermeasures.

Mr. Robinson has been involved in the highway traffic safety arena for more than 25 years. Some of his specialties include driver education, driver license test administration, commercial driver licensing, curriculum development, examiner training, teacher training, and many others.

Mr. Robinson also serves as the executive director for both the National Association of State Motorcycle Safety Administrators (SMSA) and the American Driver and Traffic Safety Education Association (ADTSEA). Additionally, he serves as the secretariat for the Association of National Stakeholders in Traffic Safety Education (ANSTSE).

KAREN SPRATTLER

Karen Sprattler is a nationally recognized highway safety professional that has worked in the field for more than twenty-five years. She has experience working in four levels of government, non-profit leadership and private consulting practice. She has evaluated, developed, managed, and advocated for various traffic safety policies, programs and countermeasures in her previous work with the Minnesota Department of Public Safety, the National Highway Traffic Safety Administration, Mothers Against Drunk Driving and the SRF Consulting Group. She formed the Sprattler Group in 2008 to assist government and private sector clients in developing strategic responses to highway safety concerns through program, research and policy solutions. In this role, Sprattler has led projects and provided technical and policy guidance in the areas of impaired driving, distracted driving, occupant protection, high visibility enforcement, traffic safety technology, teen drivers, driver education, speed and other aspects of driver behavior. Sprattler holds a B.S in Sociology from North Dakota State University and a M.A. in Criminal Justice and Corrections from the University of Iowa.

JOHN SVENSSON

John Svensson is President of the Training & Research Institute for Advanced Driver Development and has been actively involved in road safety since 1970. His expertise has been widely sought by organizations throughout North America and abroad, providing training and consulting services to governments, agencies and corporations in Canada, United States of America, Australia, Hong Kong, Japan, United Kingdom and Germany.

John has an impressive list of credentials which encompass virtually all vehicle classifications and instructor qualifications. He is heavily involved in the application of new technologies in driver development and assessment and currently serves on numerous local, national and international committees.

John is an original team member of the Novice Teen Driver Education and Training Administrative Standards Project (NHTSA) as well as the current Teacher Training Working Group. He is a regular attendee and speaker at both national and international road safety conferences and has received numerous awards of recognition.

APPENDIX 2 – Assessment Agenda

NHTSA DRIVER EDUCATION PROGRAM ASSESSMENT Washington State Assessment Dates May 2-6, 2016 The Governor, A Coastal Hotel, Olympia, WA

Day 1: Monday, May 2

- **5:00pm – 7:00pm: Technical Assessment Team Introduction & State Kick-off Meeting**

Day 2: Tuesday, May 3

- **8:30am – 10:00am: State Data Overview & Driver Ed Overview (Sections 1, 2 & 3)**
 - *Angie Ward, Young Driver Program Manager, Washington Traffic Safety Commission*
 - *Bruce Chunn, Research Analyst, Washington State Department of Licensing*
 - *Kendra Latham, Research Analyst, Washington State Department of Licensing*
 - *Brady Horenstein, Special Projects Manager, Washington State Department of Licensing*
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *Vanessa Simpson, Assistant Administrator, Washington State Department of Licensing*
 - *Glenn Gorton, Traffic Safety Program Manager, Office of Superintendent of Public Instruction*
- **10:00am – 10:15am: Break**
- **10:15am – 11:15am: Driver Licensing (Sections 4 &5)**
 - Licensing requirements; GDL/IDL program; course completion/coordination process
 - *Brady Horenstein, Special Projects Manager, Washington State Department of Licensing*
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *Carla Weaver, Law & Justice Liaison, Washington State Department of Licensing*
- **11:15am – 12pm: Curriculum standards (Sections 1 &2)**
 - Overview of current standards; Washington Model Curriculum
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *Glenn Gorton, Traffic Safety Program Manager, Office of Superintendent of Public Instruction*

- **12pm – 1:00pm: Team Debrief and Lunch**
- **1:00pm – 2:30pm: School and Instructor Licensing & Auditing/Compliance Program (Sections 1 & 3)**
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *Lonna Paulsen, Auditor, Driver Training Schools Program, Washington State Department of Licensing*
 - *Glenn Gorton, Traffic Safety Program Manager, Office of Superintendent of Public Instruction*
- **2:30pm – 2:45pm: Break**
- **2:45pm – 3:45pm: DOL Driver Training School Program Manager Q&A (Sections 1 & 2)**
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
- **3:45pm – 4:45pm: OSPI Traffic Safety Program Manager Q&A (Sections 1, 2, 3 & 4)**
 - *Glenn Gorton, Traffic Safety Program Manager, Office of Superintendent of Public Instruction*
- **4:45pm – : Closed Session: Team debrief and report Writing**

Day 3: Wednesday, May 4

- **8:30am – 9:15am: Parent Involvement (Sections 4 & 5)**
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *Glenn Gorton, Traffic Safety Program Manager, Office of Superintendent of Public Instruction*
- **9:15am – 10:00am: Instructor training standards and instructor curriculum (Sections 1, 2 & 3)**
 - *Loni Miller, Driver Training Schools Program Manager, Washington State Department of Licensing*
 - *David Kinnunen, Director of Certification, Office of Superintendent of Public Instruction*
 - *Alex Hanson, Adjunct Professor in Traffic Safety Education, Central Washington University*
- **10:00am – 10:15am: Break**

- **10:15am – 11:15am: Public school education representatives Q&A (Sections 1, 2 & 3)**
 - *Yusuf Quidwal, President, Washington Traffic Safety Education Association*
 - *Gerald Apple, Instructor, Educational Service District #113 and Shelton High School*
 - *Deb Grenier, Instructor, Sedrow-Woolley School District*
- **11:15 – 12:15pm: Private school education representatives Q&A (Sections 1, 2 & 3)**
 - *J.C. Fawcett, President, Professional Driving School Association*
 - *Nicole Bisconer, Owner, Driving 101*
 - *Lynn Rogers, Parkside Driving School*
 - *Joe Giommona, Driver Training Group*
- **12:15 – 1:00pm: Team Debrief and Lunch**
- **1:00pm – 1:45pm: Law enforcement Q&A (Sections 4 & 5)**
 - *Washington State Patrol*
 - *Grant County Sheriff's Office*
 - *Kent Police Department*
 - *Auburn Police Department*
- **1:45pm – 2:00pm: Break**
- **2:00pm – 3:00pm: Parents Q&A (Sections 4 & 5)**
- **3:00pm – 4:00pm: Students Q&A (Sections 4 & 5)**
- **4:00pm – Closed Session: Team debrief and report writing**

Day 4: Thursday, May 5

- **All Day: Closed Session: Team Report Write-up and meeting**

Day 5: Friday, May 6

- **8:00am – 9:00am: Report Out to Washington State**



Friday – May 6, 2015

8:00 am REPORT OUT

**The Governor, A Coastal Hotel
621 Capitol Way S
Olympia, WA 98501**

Open to all interested parties

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2017-19
 Dollars in thousands
 240 - Department of Licensing
 Agency Level
 00 - Agency Budget Submittal 17-19
 Supporting Text Excluded

9/14/2016
 8:24AM

237

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	
106 - Highway Safety Acct							
P8 - New Driver Requirements				(4,119)			
Total - 0254 - Motor Vehicl Op Lic - S				(4,119)		(4,119)	(4,119)
0546 - Federal Revenue - P/L	1,011	282					
9F - Federal Funding Adjustment	472	2,301					
Total - 0546 - Federal Revenue - P/L	1,483	2,583			1,483	2,583	4,066
106 - Highway Safety Acct - State				(4,119)		(4,119)	(4,119)
106 - Highway Safety Acct - Private/Local	1,483	2,583			1,483	2,583	4,066
Total - 106 - Highway Safety Acct	1,483	2,583		(4,119)	1,483	(1,536)	(53)
108 - Motor Vehicle Acct							
9F - Federal Funding Adjustment	165	164					
Total - 0546 - Federal Revenue - P/L	165	164			165	164	329
108 - Motor Vehicle Acct - Private/Local	165	164			165	164	329
Total - 108 - Motor Vehicle Acct	165	164			165	164	329
240 - Department of Licensing - State				(4,119)		(4,119)	(4,119)
240 - Department of Licensing - Private/Local	1,648	2,747			1,648	2,747	4,395
Total - 240 - Department of Licensing	1,648	2,747		(4,119)	1,648	(1,372)	276

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State of Washington
Working Capital Reserve

Budget Period: 2017-19
 Agency: 240 Department of Licensing
 Version: 00 Agency Budget Submittal 17-19

09/13/2016
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 Page: 1

		FUND ADMINISTRATOR AGENCY ONLY	FUND ADMINISTRATOR AGENCY ONLY
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
241 003	Architects' License Account	240,000	240,000
024	Professional Engineers' Account	938,000	938,000
026	Real Estate Commission Account	1,322,000	1,322,000
048	Marine Fuel Tax Refund Account	4,000	4,000
04E	Uniform Commercial Code Account	412,000	412,000
04F	Real Estate Education Program Accou	35,000	35,000
06G	Real Estate Appraiser Commission	225,000	225,000
06L	Business and Professions Account	2,301,000	2,301,000
06R	Real Estate Research Account	52,000	52,000
082	Motorcycle Safety Education Account	563,000	563,000
106	Highway Safety Account	13,562,000	13,562,000

State of Washington
Working Capital Reserve

Budget Period: 2017-19
Agency: 240 Department of Licensing
Version: 00 Agency Budget Submittal 17-19

09/13/2016
 11:58:49AM
 Page: 2

		FUND ADMINISTRATOR AGENCY ONLY	FUND ADMINISTRATOR AGENCY ONLY
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
242 14V	Ignition Interlock Device Revolving	643,000	643,000
15V	Funeral and Cemetery Account	393,000	393,000
16B	Landscape Architects' License Acct	87,000	87,000
16M	Appraisal Management Company Acct	23,000	23,000
201	DOL Services Account	837,000	837,000
298	Geologists' Account	145,000	145,000

Department of Licensing

Decision Packages that have Associated IT Addendums

2017-19 Biennium

M2-M5 DRIVES Maintenance

The Department of Licensing requests \$7,750,000 for ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems, referred to as DRIVES. Currently, the project is ahead of the originally proposed schedule and within the proposed budget. (Highway Safety Fund-State)

PL-P4 Continuation of Business and Technology Modernization – DRIVES Rollout 2

The Department of Licensing (DOL) requests \$24,785,000 to continue with the modernization of DOL's antiquated driver licensing system. This budget request provides funding for commercial off-the-shelf (COTS) system related costs, vendor-provided professional services, and project FTEs to support system implementation activities. (Highways Safety Fund-State)

PL-P2 Central Issuance System (CIS) – Completion and Maintenance

The Department of Licensing requests \$846,000 to complete the Central Issuance System (CIS) project and support ongoing system maintenance and operations. Of this amount \$219,000 is for ongoing system maintenance and operations. (Highway Safety Fund-State)

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Central Service Fund Splits

240-Department of Licensing ▼

Save/Update

All Columns by Agency must equal 100%

Agency	Account and Approp Title	Auditor	AttGen	OAH	Facilities & Services Only	CTS	Debt Services	Workers' Comp	All Other Services
Percent Totals (only applies when one agency chosen)		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
240-Department of Licensing	001-1 General Fund-State	0.54%	0.00%	0.00%	0.00%	0.70%	1.09%	1.09%	0.00%
240-Department of Licensing	003-1 Architects' License Account-State	0.26%	0.00%	0.00%	0.00%	0.20%	0.30%	0.30%	0.00%
240-Department of Licensing	024-1 Professional Engineers' Account-State	0.97%	0.00%	0.00%	0.00%	0.90%	0.92%	0.92%	0.00%
240-Department of Licensing	026-1 Real Estate Commission Account-State	2.81%	0.00%	29.30%	0.00%	2.19%	3.16%	3.16%	0.00%
240-Department of Licensing	04E-1 Uniform Commercial Code Account-State	0.56%	0.00%	0.00%	0.00%	1.80%	0.93%	0.93%	0.00%
240-Department of Licensing	06G-1 Real Estate Appraiser Comm Acct-State	0.50%	0.00%	4.73%	0.00%	0.20%	0.55%	0.55%	0.00%
240-Department of Licensing	06L-1 Business & Professions Account-State	4.79%	5.48%	30.67%	5.48%	3.80%	10.63%	10.63%	5.48%
240-Department of Licensing	082-1 Motorcycle Safety Education Account-State	0.23%	0.00%	0.00%	0.00%	0.20%	0.46%	0.46%	0.00%
240-Department of Licensing	104-1 State Wildlife Account-State	0.05%	0.00%	0.00%	0.00%	0.10%	0.11%	0.11%	0.00%
240-Department of Licensing	106-1 Highway Safety Account-State	73.81%	76.99%	0.59%	76.99%	49.41%	57.06%	57.06%	76.99%
240-Department of Licensing	108-1 Motor Vehicle Account-State	14.36%	17.53%	33.73%	17.53%	34.50%	23.95%	23.95%	17.53%
240-Department of Licensing	15V-6 Funeral and Cemetery Account-Non-Approp	0.46%	0.00%	0.00%	0.00%	0.30%	0.45%	0.45%	0.00%
240-Department of Licensing	16B-6 Landscape Architects' License Acct-Non-Ap	0.10%	0.00%	0.00%	0.00%	0.20%	0.12%	0.12%	0.00%
240-Department of Licensing	16M-6 Appraisal Management Company Acct-Non	0.05%	0.00%	0.98%	0.00%	0.00%	0.06%	0.06%	0.00%
240-Department of Licensing	201-1 DOL Services Account-State	0.35%	0.00%	0.00%	0.00%	5.40%	0.00%	0.00%	0.00%
240-Department of Licensing	298-6 Geologists' Account-Non-Appropriated	0.16%	0.00%	0.00%	0.00%	0.10%	0.21%	0.21%	0.00%

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Executive Summary

The Department of Licensing has a strong commitment to risk management. Part of that commitment is demonstrated by the completion of DOL's 2016-2017 Enterprise Risk Assessment Plan. The process to develop the plan included a survey of all employees, interviews with key staff and Executive Leadership Team work sessions. The work sessions were structured to identify and assess risk, identify risk owners, risk treatments, timeframes and reporting. Additionally DOL has a measure as part of Results DOL which tracks the progress of the plan on a monthly basis.

This report is a summarized version of DOL's 2016-2017 Risk Management Plan. The report includes the top three risks and some of the related treatments from the plan. The risks and treatments are well managed and tracked monthly with executive oversight so there is no significant concern by the agency.

The report is submitted in response to three State Risk Management Reporting Requirements:

- The State Administrative & Accounting Manual, Internal Controls Requirement, 20.20 Risk Assessment
- 2017-2019 OFM Biennial Operating Budget Instructions, Chapter 13.5 Risk Management and Self Insurance Premiums
- Executive Order 16-06 State Agency Risk Management

The summary of the three risks, along with the treatments are shown below:

1. Priority Risk: Ensuring Data Security Owner: Fred Wade, Ann Bruner

Multiple major national corporations recently fell victim to cyber-attacks resulting in the theft of millions of Americans personal and banking information. DOL recognizes that it is a data-rich organization and must take steps to ensure the data the agency holds on millions of Washingtonians remains secure from those that would use it to harm the citizens of this state.

Root Causes

- Rapidly advancing cyber threats
- Antiquated internal Data Security policy
- High volumes of data sharing with 3rd parties
- Legacy systems
- Inaccurate access for employees
- Limited number of IT Security Professionals.

Treatments

- Develop and complete an action plan to address findings from recent SAO audit – In Progress.
- Revise the IT Security Policies to capture updated best practices and usability by employees – In Progress.
- Develop language for data sharing contracts to include contractor liability coverages and IT Security agreements – Completed.

2. Priority Risk: Change Management Owner: Pamela Davis-Taggart

DOL has begun a 5-7 year project to modernize its legacy systems that currently support vehicle/vessel, drivers and professional business licensing. With this effort, DOL must also align its business practices which will require a high volume of change. This coupled with multiple state and federally mandated regulatory changes will create resource capacity management challenges, organizational change fatigue, increased re-work, potentially higher error rates, and possibly impact our customer service delivery.

Root Causes

- Culture shifts
- Communication gaps
- Organizational change fatigue
- Time allowed to implement
- Volume of change
- Budget constraints
- Higher workforce turnover
- Regrettable attrition
- Not fully vetting impacts prior to implementation

Treatments

- Organizational Change: Create a change management culture by establishing Change Management champions; develop & deliver Change Management Leadership Training – In Progress.
- Organizational Change: Obtain Change Management Consultant support for DOL's largest projects – Complete.
- New Systems: Knowledge transfer plan for all staff – In Progress.

3. Priority Risk: Business Systems Owner: Ann Bruner

DOL is heavily reliant on the quality of and access to its data. DOL has over 11 million lines of antiquated code running on a modern platform. The failure to modernize DOL's technology systems and business practices could result in the failure to meet its customer's needs and/or statutory requirements.

Root Causes

- Systems are not user friendly
- Systems do not talk to each other
- Some information does not update in real time
- Poor data quality and reporting tools
- System problems and downtime are difficult to fix
- Releases to update or fix problems frequently have unintended consequences
- Lack of technical support for old systems which are no longer available on the market or taught in schools

Treatments

- DRIVES – Replaces Legacy Vehicles System – In Progress
- Vehicle Data cleanup for DRIVES – In Progress
- Providing law enforcement access to data when DOL systems are down or during statewide emergencies – In Progress

Thank you for your interest in the Department of Licensing's Enterprise Risk Management.

For additional information please contact Jim Henly, Enterprise Risk Manager

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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 2017-19 budget request to our public facing website at the following URL:

URL: <http://www.dol.wa.gov/about/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 standards.

Agency Contact: Diamatris Winston

Contact Phone: 360-902-3644

Contact E-mail: DWinston@dol.wa.gov

Date: September 16, 2016

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Agency 240
Department of Licensing

Motorcycle Safety Fund

Ten Year Financial Plan

Dollars in Thousands

Prepared: 09/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 1,268.0	\$ 1,700.4	\$ 2,119.8
Revenue (June 2016)			
Motorcycle Endorsement Fees	4,915.9	4,918.9	4,680.3
DOL - Policy Level			
Estimated Interest Earnings	4.5	4.5	4.5
Total Revenues	<u>\$ 4,920.4</u>	<u>\$ 4,923.4</u>	<u>\$ 4,684.8</u>
Expenditures			
DOL Expenditures	4,488.0	4,504.0	4,584.6
Total Expenditures	<u>\$ 4,488.0</u>	<u>\$ 4,504.0</u>	<u>\$ 4,584.6</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 1,700.4</u>	<u>\$ 2,119.8</u>	<u>\$ 2,220.0</u>
Recommended Working Capital Reserve	\$ 374.0	\$ 375.3	\$ 382.1

Agency 240
Department of Licensing

Highway Safety

Ten Year Financial Plan

Dollars in Thousands

Prepared: 9/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 16,261.0	\$ 23,021.0	\$ 78,787.4
Revenue (June 2016)			
Driver License Fees	229,514.5	216,228.9	213,686.5
Copies of Record	34,469.6	35,145.6	35,722.2
Ignition Interlock Vendors Fee	2,200.0	2,200.0	2,200.0
Miscellaneous Revenues	5,928.0	5,897.0	5,960.5
Transfer to State Patrol Highway Account (081-1)	(20,000.0)		
Transfer to Puget Sound Ferry Operations Account (109-1)	(10,000.0)		
Transfer to Multimodal Transportation Account (218-1)	(5,000.0)		
Assumed Department of Licensing (DOL) Federal	3,573.0	1,293.0	1,293.0
Assumed WA Traffic Safety Commission (WTSC) Federal	21,644.0	21,046.0	21,046.0
Requested Federal 2015-17 Budget Request		2,773.0	1,250.0
WTSC Local Revenue	118.0	118.0	118.0
Estimated Interest Earnings	57.9	57.9	57.9
Total Revenues	<u>\$ 262,505.0</u>	<u>\$ 284,759.4</u>	<u>\$ 281,334.1</u>
Expenditures			
WSP	1,494.0	866.0	881.5
WTSC State	3,183.0	3,183.0	3,240.0
WTSC Federal	21,644.0	21,046.0	21,046.0
WTSC Local	118.0	118.0	118.0
DOL Expenditures State	201,666.0	162,744.0	165,657.0
DOL Federal	3,573.0	1,293.0	1,293.0
Transportation Improvement Board - Capital	10,000.0		
Freight Mobility Strategic Investment Board - Capital	2,765.0		
DOT Local Programs - Capital	11,647.0		
DOL Federal Policy Level 2017-19 Budget Request		2,773.0	1,250.0
DOL Maintenance Level 2017 Supplemental	1,149.0	-	-
DOL Policy Level 2017 Supplemental	-		
DOL Maintenance Level 2017-19 Budget Request		8,552.0	6,204.0
DOL Policy Level 2017-19 Budget Request		28,418.0	1,412.0
Total Expenditures	<u>\$ 255,745.0</u>	<u>\$ 228,993.0</u>	<u>\$ 201,101.4</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 23,021.0</u>	<u>\$ 78,787.4</u>	<u>\$ 159,020.0</u>
Recommended Working Capital Reserve	\$ 19,210.7	\$ 17,221.2	\$ 14,896.9

Agency 240
Department of Licensing

Impaired Driver Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 09/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 530.0	\$ 530.0	\$ 530.0
Revenue (June 2016)			
Driver License Fees	3,478.7	3,518.0	3,660.0
Estimated Interest Earnings			
Total Revenues	<u>\$ 3,478.7</u>	<u>\$ 3,518.0</u>	<u>\$ 3,660.0</u>
Expenditures			
Other Agency Transfers (OST)	\$ 3,478.7	\$ 3,518.0	\$ 3,660.0
Total Expenditures	<u>\$ 3,478.7</u>	<u>\$ 3,518.0</u>	<u>\$ 3,660.0</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 530.0</u>	<u>\$ 530.0</u>	<u>\$ 530.0</u>
Recommended Working Capital Reserve	\$ -	\$ -	\$ -

Agency 240
Department of Licensing

Ignition Interlock Device Revolving Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 09/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 921.0	\$ 3,221.4	\$ 4,767.4
Revenue (June 2016)			
Driver License Fees	7,442.4	7,200.0	7,200.0
Estimated Interest Earnings			
Total Revenues	<u>\$ 7,442.4</u>	<u>\$ 7,200.0</u>	<u>\$ 7,200.0</u>
Expenditures			
Washington State Patrol	-	510.0	519.1
Department of Licensing	5,142.0	5,144.0	5,236.1
Total Expenditures	<u>\$ 5,142.0</u>	<u>\$ 5,654.0</u>	<u>\$ 5,755.2</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 3,221.4</u>	<u>\$ 4,767.4</u>	<u>\$ 6,212.2</u>
Recommended Working Capital Reserve	\$ 428.5	\$ 471.2	\$ 479.6

Agency 240
Department of Licensing

Department of Licensing Services Account

Ten Year Financial Plan
 Dollars in Thousands
 Prepared: 09/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 404.0	\$ 261.6	\$ 328.7
Revenue (June 2016)			
Transaction Fee	6,526.7	6,762.3	7,011.9
Estimated Interest Earnings	2.9	2.9	2.9
Total Revenues	<u>\$ 6,529.6</u>	<u>\$ 6,765.2</u>	<u>\$ 7,014.8</u>
Expenditures			
Department of Licensing (DOL)	\$ 6,672.0	\$ 6,698.0	\$ 6,817.9
Total Expenditures	<u>\$ 6,672.0</u>	<u>\$ 6,698.0</u>	<u>\$ 6,817.9</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 261.6</u>	<u>\$ 328.7</u>	<u>\$ 525.6</u>
Recommended Working Capital Reserve	\$ 556.0	\$ 558.2	\$ 568.2

Agency 240
Department of Licensing

License Plate Technology Account

Ten Year Financial Plan

Dollars in Thousands

Prepared: 09/15/16

	<u>2015 - 17</u>	<u>2017 - 19</u>	<u>2019 - 21</u>
Beginning Fund Balance	\$ 285.0	\$ 348.3	\$ 3,729.4
Revenue (June 2016)			
License Plate Technology Fee	3,263.3	3,381.1	3,506.0
Estimated Interest Earnings			
Total Revenues	<u>\$ 3,263.3</u>	<u>\$ 3,381.1</u>	<u>\$ 3,506.0</u>
Expenditures			
DOL Expenditures	3,200.0		
Total Expenditures	<u>\$ 3,200.0</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Fund Balance (Excluding Capital Reserve)	<u>\$ 348.3</u>	<u>\$ 3,729.4</u>	<u>\$ 7,235.4</u>
Recommended Working Capital Reserve	\$ -	\$ -	\$ -

Department of Licensing status update and snapshot of PRFT System project

- The Department of Licensing finalized the contract for the PRFT Modernization Project with Visionary Integration Professionals (VIP), LLC on September 22, 2014.
 - VIP provided project management and system integration (SI) services;
 - As a subcontractor to VIP, FAST Enterprises supplied the “commercial-off-the-shelf” system”.
- The PRFT Modernization Project was successfully executed in two releases:
 - Release 1: Current System Replacement and Taxpayer Access Point (TAP) – completed October 5, 2015
 - Release 2: Fuel Tax Schedules, Audit and Refunds – completed August 15, 2016
- Using the online TAP services, customers can now:
 - File and pay fuel tax returns and amended returns
 - File and pay IRP registrations and supplements
 - File fuel tax refund claims
 - Receive ACH (electronic) refunds
 - Manage their profile and accounts
 - View and print:
 - Account balances
 - IRP information and temporary authority
 - Tax returns and refund claims
 - Correspondence related to your account
- 44% of our active PRFT customers have signed up for a TAP account as of Monday August 15, 2016.
- 30% of returns, applications, and claims received since October 5, 2015 have been filed online, via TAP.
- Many of the former manual processes are now automated via the new PRFT System. Improvements in customer service, increased compliance, and enhanced field audit capabilities are now possible with the additional information available from the new PRFT System. DOL will continue to evaluate its organizational structure and business processes to seek efficiencies and savings in all aspects of business operations as a result of this implementation.

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Business and Technology Modernization (BTM)

Issue:

The department'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. The legacy technology base supports decades-old business processes that must be constantly reengineered by updating multiple, overlapping applications.

Background:

In January 2015, DOL contracted with Fast Enterprises, LLC (FAST) for implementation of a COTS software solution for licensing and revenue management systems. The contract was reviewed and approved by the Department of Enterprise Services (DES) and the Office of the Chief Information Officer (OCIO). The development of the solution is being completed using a highly-iterative approach within the FAST implementation methodology, with regular demonstration and review to both the project team and the stakeholder community.

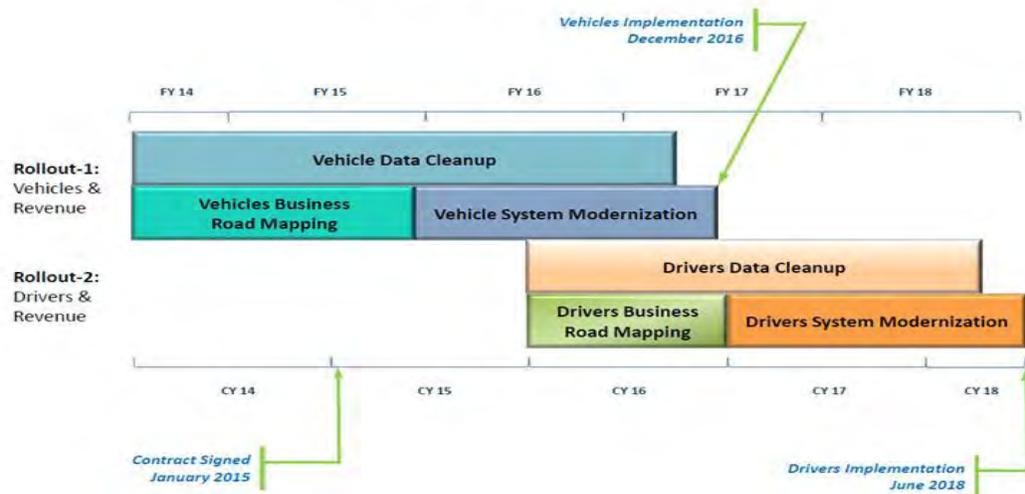
The BTM/DRIVES initiative is sequenced into releases upgrading our vehicle and driver licensing systems. The first phase of the DRIVES project is Rollout 1 for vehicles. The vehicle licensing portion of the modernization project, which started in June 2015, is expected to be implemented in December 2016. Implementation of DRIVES Rollout 1 will be completed in 18 months rather than the 24 months as planned in the original investment plan timeline.

DOL received funding in the 2016 supplemental budget to start the modernization of DRIVES Rollout 2 for the driver's system. Funding requested for the 2017-19 biennium will be used to continue DRIVES Rollout 2. Implementation of the driver's licensing system and remaining revenue functions are now underway, on schedule and within budget.

The driver licensing system implementation will be one-third complete as of the beginning of the 2017-19 biennium. DRIVES Rollout 2 is scheduled for completion in June 2018, a full year ahead of the original investment plan timeline. The accelerated schedule was the result of the final negotiated sole-source contract with the vendor. The sole-source contract was approved by the DES and the OCIO.

During the last five fiscal years, the legislature has funded a total of approximately \$39.44 million for this overall project. This includes the \$6.74M provided in the supplemental budget to start rollout 2 early in accordance to the contract schedule. The accelerated project timeline based on the contract with the vendor is shown below.

BTM Project Timeline



Solution/Expected Results:

The COTS approach to the DRIVES modernization project offers these 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.
- Provides significant business process improvement, both in leveraging industry knowledge and best practice licensing and revenue management processing built in to the COTS solution, and in improving Washington-specific processes in the course of configuring the system.
- 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.
- Allows more rapid and less costly 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 mitigating the occurrence of technological debt and keeping the system current to emerging software technologies.

- Provides the fastest, lowest risk way to reduce DOL’s dependency on COBOL and other legacy languages that are extremely expensive and complicated to change to meet new business needs.
- The DRIVES project will replace dozens of existing systems and databases with a single cohesive solution with a consistent data access architecture. Internal access to data will be simpler and the resulting information more complete than in the past. The solution also supports external portal query capabilities providing key stakeholders such as the State Patrol and the courts to more timely and reliable access to DOL data.
- The DRIVES solution will provide for expanded customer self-service capabilities, leveraging the internet for the benefit of all stakeholders. This mobile access to the DRIVES licensing system is a key online service for DOL, used by a significant number of public customers.
- Modernizing core systems supports more efficient licensing administration and revenue collection. The project has specific requirements for a web-enabled solution that will allow employees to work from authorized work locations throughout the state. These functions are dependent on the usability and reliability of the supporting information technology infrastructure. Modernized systems will provide employees with enhanced tools and information.
- Interoperability is a core component of the DRIVES solution as it interfaces with more than 50 internal and external stakeholders, such as the Department of Revenue, Secretary of State, State Patrol, and the American Association of Motor Vehicle Administrators (AAMVA). The DRIVES solution supports multiple interface types (file exchange, message based, web services, API), implemented and managed using a single consistent application architecture. Interfaces with nationally-used public and private sector partners and stakeholders, such as AAMVA and VINTelligence, are built in to the COTS solution and supported by the vendor.

Completion of DRIVES allows DOL to accomplish the following:

- Demonstrate a return on investment in this system.
- Reduce risk of dependency on outdated legacy systems with high potential points of failure that are difficult to change.
- Reduce the need for operational “workarounds” that introduce potential for error or inefficient processes.
- Increases the agency’s ability to respond to changing policy and business needs.

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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 2015 legislative session, DOL received \$3.7 million to implement a new CIS solution. DOL award the contract to Valid USA in November 2014 and kicked the project off in January 2015. The project expects to begin the phased rollout starting in January 2017. Rollouts are expected to conclude June 2017.

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.

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REAL ID

The REAL ID Act requires that state-issued identification (driver license and ID cards) meet certain requirements in order to be acceptable for federal purposes, which means to enter a federal building, receive some federal benefits, or board a commercial airplane. The Department of Homeland Security (DHS) has announced a tiered enforcement schedule:

Schedule		
Phase 1	Restricted areas of DHS headquarters in Washington, D.C.	4/21/2014
Phase 2	Restricted areas of all federal facilities and nuclear power plants.	7/21/2014
Phase 3	Semi-restricted areas of most federal facilities (i.e., areas available to the general public but subject to ID based access control).	
3a	Federal Security Levels 1 and 2 ¹	1/19/2015
3b	Federal Security Levels 3, 4, 5 and military facilities	10/10/2015
<i>2015 Review and evaluation</i>		
Phase 4	Boarding federally regulated commercial aircraft. A driver's license or ID card from a noncompliant state may only be used in conjunction with a second form of ID. EDLs and EIDs remain acceptable.	January, 2018*

Washington is one of ten states that are either not compliant with REAL or do not have an extension from DHS. Washington's Enhanced Driver License and ID card are federally acceptable documents.

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 Passport Card, or be subject to the federal agency's "alternate access control procedures." There have been no specifics issued about what this alternate access procedure entails, and agencies are not required to offer it.

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 Gov. Inslee stating they did not have enough information to grant an extension but were still reviewing the information DOL sent.

Washington is compliant with 18 of the 41 REAL ID requirements. Of the 23 requirements Washington is not compliant with:

- Seven items 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-complaint 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.

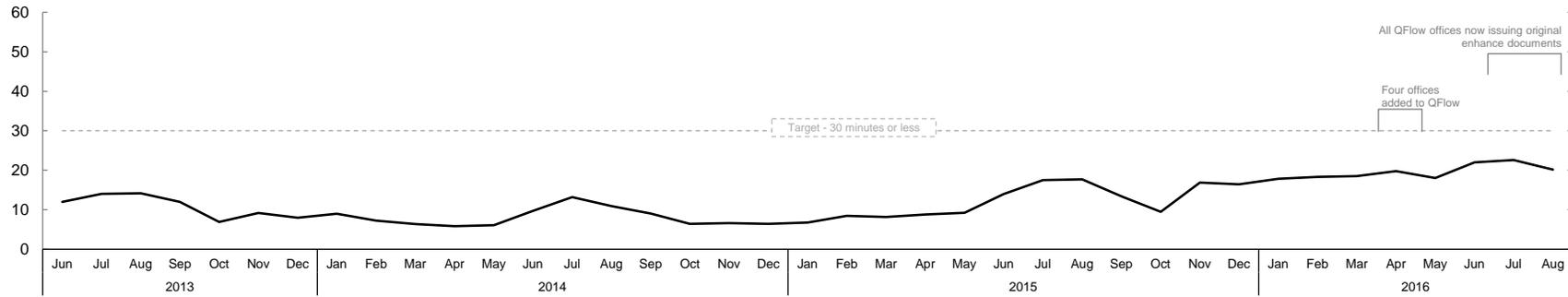
EDL/EID issuance

The Legislature funded \$2.4 million in the 2016 Supplemental Transportation Budget to expand capacity for processing enhanced driver licenses and enhanced identicards. Recent federal announcements have caused an increase in wait times and demand for these documents.

This one-time funding will hire up to 25 new Licensing Service Representatives (LSRs) to preserve short wait times and process transactions as quickly as possible. These funds are made contingent on a monthly evaluation by DOL and OFM of actual demand for these documents. Demand has remained above pre-federal announcement levels. The Office of Financial Management approved DOL's request for 50 percent of the total unallotted funding amount to hire additional staff on April 19, 2016.

Statewide Average Wait Time in Minutes

Real ID media attention caused enhanced document transaction volume to increase which impacted wait time



Office*	2013												2014												2015												2016											
	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	Jul	Aug									
	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30										
Statewide Average	12	14	14	12	7	9	8	9	7	6	6	6	10	13	11	9	6	7	6	7	8	8	9	9	14	18	18	13	9	17	16	18	18	18	20	18	22	23	20									
Bellingham	12	11	17	9	5	10	5	7	6	7	5	6	11	14	11	9	4	8	6	5	5	6	6	9	13	16	21	15	8	16	13	14	16	16	17	18	25	26	19									
Bel-Red	19	23	16	15	10	12	15	17	10	6	6	9	18	26	19	16	10	8	8	8	8	12	15	27	29	30	23	13	48	44	38	29	25	29	37	43	36	29										
Bremerton	14	10	9	9	5	5	7	8	6	4	4	5	9	11	8	7	7	4	4	5	7	6	9	8	12	15	20	13	10	16	19	24	41	25	19	18	21	15	17									
Centralia	3	4	5	4	3	3	3	3	3	2	2	3	4	5	4	3	3	3	3	2	3	3	2	4	6	4	4	3	3	5	5	6	6	6	5	5	11	11										
Colville																																																
Downtown Seattle	36	23	29	27	16	18	11	12	10	9	9	7	18	14	13	12	9	11	11	9	9	10	14	13	14	16	21	16	9	16	16	33	25	26	37	36	50	40	36									
Ellensburg	6	5	6	7	6	9	7	6	5	6	5	4	4	4	5	4	4	6	4	5	4	5	5	7	7	6	4	4	7	7	6	5	6	6	5	5	6	5	5									
Everett	13	14	11	16	8	9	15	12	9	7	5	7	12	13	10	8	3	5	6	7	6	7	6	9	14	16	15	13	9	10	9	9	11	9	11	12	13	30	32									
Federal Way	12	15	10	9	5	8	8	6	8	8	7	11	10	10	14	5	8	9	8	13	9	9	10	16	29	21	11	8	8	13	15	16	21	18	14	18	35	31										
Hoquiam	2	3	3	2	3	2	4	2	3	3	3	3	3	3	4	4	3	2	3	2	7	3	3	5	4	5	5	4	3	4	6	5	7	6	3	4	5	4										
Kelso	3	5	7	5	4	3	4	5	4	5	5	6	5	6	4	5	5	6	2	4	5	7	5	4	10	9	10	8	8	9	10	12	12	10	9	7	8	9	9									
Kennewick	14	11	22	16	8	13	10	10	9	7	9	10	10	11	12	7	7	4	5	4	6	6	4	5	8	11	13	7	7	9	6	9	6	9	8	9	15	8	15									
Kent	7	10	11	10	4	9	7	6	7	4	3	3	6	7	10	8	5	4	3	4	5	5	6	10	10	11	5	2	4	4	6	10	10	11	7	6	15	10										
Lacey	16	24	20	10	6	11	7	11	7	6	7	7	10	15	15	10	6	7	6	8	14	13	10	10	17	27	19	19	9	22	23	26	34	49	43	31	52	40	28									
Lynnwood	12	15	12	10	5	7	6	8	6	5	6	5	12	17	14	8	5	3	5	5	6	6	5	10	18	29	30	21	17	43	36	34	37	25	31	31	37	40	32									
Moses Lake	11	10	7	6	5	7	6	7	7	6	4	3	3	4	4	4	4	4	4	3	4	4	3	3	5	4	4	4	5	5	5	6	5	7	6	6	13	7	6									
Mt Vernon	4	4	6	3	2	4	4	4	3	4	2	2	4	5	4	4	1	2	2	4	3	4	3	4	7	9	10	8	5	8	9	8	10	9	8	8	13	13	6									
North Bend	10	14	8	7	4	5	5	8	3	3	3	4	8	8	7	5	3	4	3	4	5	4	6	6	9	9	7	5	4	6	8	5	5	4	7	6	11	18	21									
Oak Harbor																																																
Omak																																																
Parkland	18	20	24	19	9	16	16	12	11	11	7	6	14	15	16	11	8	10	11	9	16	14	14	12	16	29	25	17	9	21	19	22	26	33	45	36	32	36	29									
Port Angeles	4	6	7	4	3	4	4	3	4	3	3	3	6	7	7	4	4	4	4	3	3	3	5	5	6	7	8	5	4	7	8	7	7	5	4	4	5	3	6									
Poulsbo	3	3	6	5	2	2	3	4	2	2	4	4	6	11	8	6	5	3	3	6	6	5	7	3	5	5	8	5	3	4	7	4	10	6	6	5	8	10	14									
Pullman																																																
Puyallup	8	11	11	7	3	7	5	5	5	5	3	4	4	6	6	5	2	4	3	5	7	7	10	7	11	20	19	15	12	20	20	26	28	34	53	42	37	22	17									
Renton	13	12	13	10	4	7	4	7	7	5	4	4	7	13	11	5	4	5	4	6	9	10	12	14	22	21	19	18	8	23	28	26	23	25	27	26	24	13	10									
Seattle West	8	10	13	11	8	10	8	11	11	10	6	9	8	13	13	12	9	12	14	16	15	13	17	14	23	18	27	27	16	38	24	32	25	25	26	22	29	25	24									
Shelton	3	7	8	7	4	9	7	6	4	6	9	5	5	8	6	7	7	8	5	4	8	6	8	8	12	9	8	8	8	11	7	9	12	12	7	8	14	11										
Shoreline	19	27	19	17	8	8	8	9	6	7	7	6	13	17	13	17	8	10	9	11	10	9	8	11	16	16	23	19	15	16	24	20	14	14	10	13	24	41	39									
Smokey Point	13	9	10	12	6	9	4	5	3	4	3	4	7	10	9	5	4	5	3	3	6	7	7	5	10	13	13	19	13	18	23	26	25	20	19	17	22	15	13									
Spokane	9	16	17	22	11	11	10	10	11	7	7	8	12	25	17	10	11	9	7	9	16	12	14	12	13	22	29	9	8	13	9	19	20	15	16	13	23	21	22									
Spokane Valley	5	15	18	18	10	12	10	10	7	8	6	7	11	23	22	16	12	11	9	6	9	11	14	9	20	25	25	11	10	13	8	12	13	12	14	12	13	35	34									
Sunnyside	9	6	8	4	5	5	4	6	8	6	8	7	6	7	9	7	8	6	9	7	10	8	9	8	11	13	9	5	5	4	3	6	5	5	7	12	7											
Tacoma	15	23	21	16	12	13	8	15	11	6	5	5	8	10	10	9	7	6	5	7	9	8	9	9	10	16	14	13	10	16	14	14	24	26	32	27	27	28	20									
Union Gap	13	16	19	18	12	11	9	8	9	11	13	13	12	14	9	9	10	9	7	9	11	11	10	8	12	13	10	10	7	14	10	8	8	9	6	7	10	10	17									
Vancouver	7	14	16	17	6	6	8	10	5	4	5	6	9	13	6	9	9	10	9	9	11	9	11	16	18	14	17	17	11	11	10	11	14	10	11	15	19	17										
Vancouver North	8	11	7	7	5	7	7	11	8	9	8	7	10	19	8	9	8	7	5	8	8	11	13	12	16	16	12	11	10	7	10	11	11	13	12	11	15	13	13									
Walla Walla																																																
Wenatchee	7	9	8	7	5	9	4	6	5	5	5	4	6	7	7	5	4	3	3	2	3	4	4	4	7	6	6	6	4	6	8	7	9	8	8	9	10	9	8									

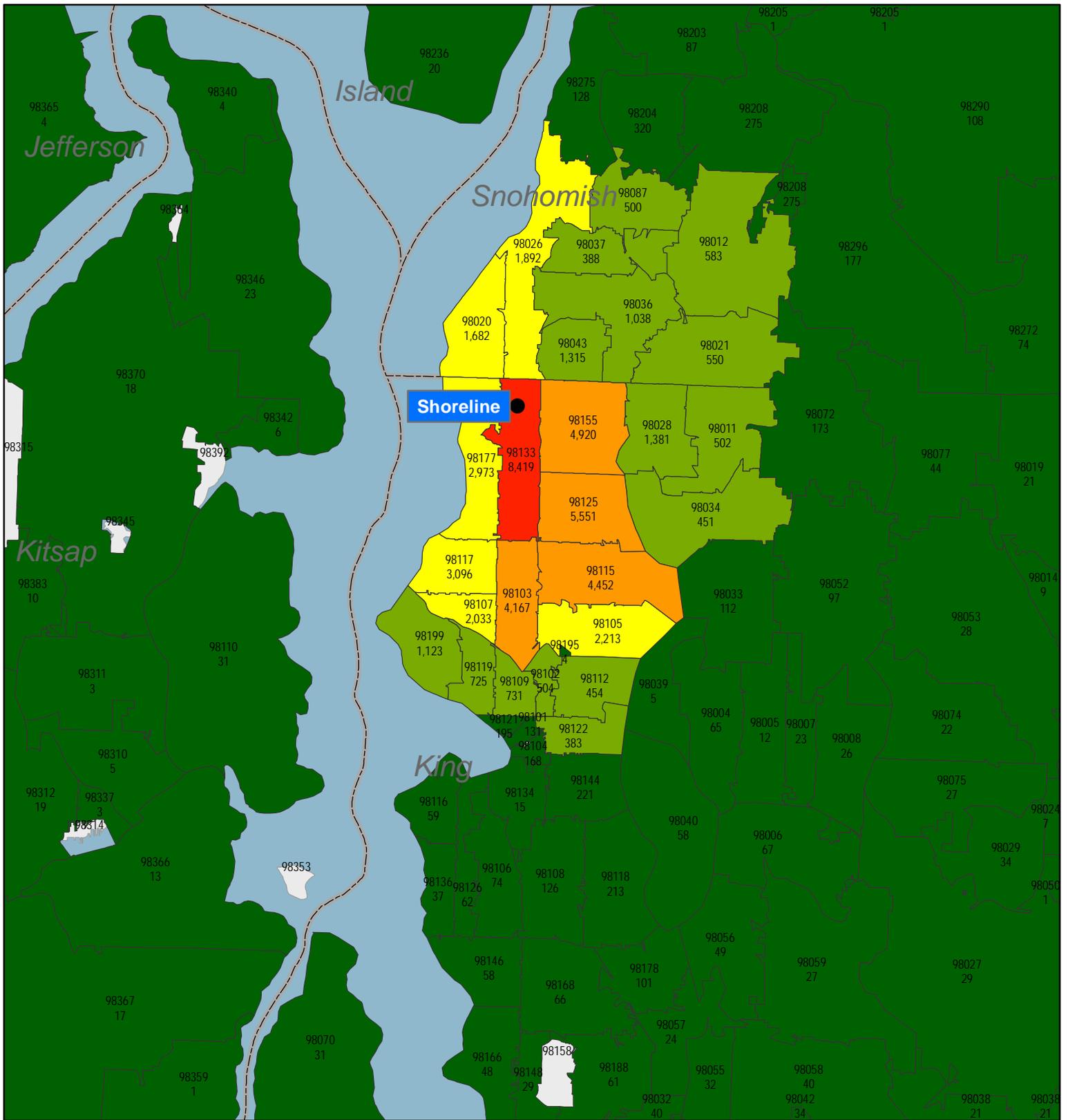
*39 of 56 offices currently using QFlow to track wait time

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Statistical and Trend Information - Department of Licensing

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Driver Services										
Total number of licensed drivers	4,879,705	4,955,079	5,027,576	5,107,517	5,199,733	5,229,665	5,301,499	5,403,959	5,520,214	5,639,066
Total number of drivers licensed each year	1,117,866	988,853	1,015,002	1,111,151	1,032,557	1,073,881	1,081,311	1,095,366	1,256,096	1,242,017
Number of driver licenses renewed online/mail-in	116,083	120,828	139,178	335,356	252,754	229,617	245,638	225,646	295,599	287,545
Number of DUI Violations*	20,467	19,755	19,310	19,159	17,291	17,375	16,480	14,981	13,430*	7,601*
Number of commercial driver licenses	189,928	193,622	195,265	197,773	197,165	193,812	192,201	176,782	188,929	191,731
Number of motorcycles endorsements	293,678	301,740	321,934	335,687	351,427	372,645	374,707	384,905	420,392	406,532
Number of hearings held	15,246	16,212	16,399	15,956	16,863	16,313	14,627	12,263	11,044	9,321
Vehicles Services										
Number of vehicle registrations processed	6,732,578	7,028,672	6,866,972	6,756,368	7,048,906	6,937,599	7,063,334	7,186,670	7,420,613	7,703,130
Number of new vehicles registrations ¹	391,872	361,153	245,485	230,596	241,790	263,780	306,878	333,572	366,165	393,505
Number of vehicle registrations renewed online	852,609	1,029,942	1,074,906	1,336,279	1,604,424	1,657,217	1,782,316	1,874,674	1,983,242	2,096,728
Number of vehicles issued special plates	53,806	51,530	44,476	41,867	44,351	49,089	55,955	67,541	132,867	139,265
Number of vessel registrations	276,214	276,579	288,610	208,766	245,954	237,188	236,975	235,151	247,207	229,943
Number of new vessel registrations ²	15,408	15,565	14,413	13,930	11,861	11,557	11,342	12,254	12,750	13,415
Number of vessel registrations renewed online	40,985	44,897	47,835	58,920	72,720	70,390	70,083	68,462	72,037	69,091
Number of agent/subagent licensing offices	182	184	181	185	180	182	184	185	183	180
Number of employees in agent/subagent licensing offices	1,572	1,573	1,545	1,567	1,493	1,420	1,516	1,378	1,282	1,287
Number of transactions processed by agent/subagent licensing offices	8,223,150	8,486,033	8,235,228	8,133,338	8,196,287	8,343,718	8,482,203	8,423,504	8,468,661	8,567,321
Gross Fuel Consumption (in millions, include gross gallons of gasoline, alcohol and special fuel) ³	3,436	3,481	3,338	3,296	3,350	3,310	3,313	3,373	3,420	3,520
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 2014 is an estimate										
*These number will grow as arrests are adjudicated and reported by the courts.										

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Shoreline LSO

Legend

● LSO Location

□ County

Percentage of total transactions served by Shoreline LSO

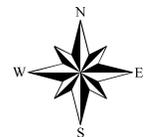
0% - 0.56%

0.57% - 2.4%

2.41% - 5.38%

5.39% - 9.65%

9.66% - 14.63%



Map Properties

Date: 09/07/2016

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