Department of Licensing
2019-2021 Biennial Budget Submittal

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

September 13, 2018

Mr. 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 2019-21 biennial budget request for your review. Our proposed budget reflects Governor Inslee's goals for Healthy and Safe Communities and Efficient, Effective, and Accountable Government, as well as DOL's strategic initiatives.

The department is requesting funding to create a data stewardship and privacy program, replace the legacy Firearms system, transition its business operations continuity and primary vehicles and drivers application to the Cloud, replace its driver license testing system, implement Motorcycle Safety agency request bill, address facility and equipment needs, and respond to increased demands for DOL services.

Data Stewardship and Privacy: DOL requests funding to create a data program to improve data governance, revenue forecasting, data analytic capabilities, and data contract compliance. DOL holds the personal data of more Washington residents than any other state agency, with over six million drivers, eight million vehicles and vessels, and nearly 300,000 business and professional records. As gatekeeper to the state's largest collection of personal data, DOL faces the challenge of managing data throughout its lifecycle while also managing rapid growth in the volume of data collected and expectations surrounding data privacy. This budget request lays out a comprehensive Data Stewardship and Privacy Protection effort focused on providing the highest level of service in collecting, retaining, sharing, and using data while protecting privacy. This request supports the overall data lifecycle management of collecting, managing, using, retaining, and sharing data in accordance with state law, while protecting customer privacy.

Replace Firearms Legacy System: DOL requests funding to replace the legacy Firearms system. The legacy Firearms system is failing and the outdated technology has resulted in a backlog of over 500,000 records requiring manual data entry. A new system will reduce manual processes, improve data accuracy and accessibility, and provide a stable, usable, and reliable system to law enforcement partners. This solution would create a web portal for law enforcement agencies to record licenses for concealed pistols, alien firearms, and firearms dealers and to access up-to-date firearms records and statistical reports. It would also allow licensed firearms dealers to record pistol transfers, and the courts will be able to electronically provide notification when an individual is ineligible to possess a firearm. The expected outcomes include providing real-time data for law enforcement agencies and firearms dealers, improving public and officer safety through more accurate and timely information, and enabling the program to keep records up-to-date with existing staffing levels

Cloud – Continuity of Operations: DOL requests funding to transition data storage and the primary vehicles/drivers system (DRIVES) to a long-term solution of a Cloud service provider. Currently, DOL has its own data center in Union Gap to support business operations continuity. This facility has outdated infrastructure and needs replacement. Per the OCIO requirements, DOL can either move its data and applications to the Quincy Data Center or the Cloud for operational continuity. The Cloud option provides enhanced security features currently not available in the state infrastructure, is better positioned to adapt to

future business needs, and improves business continuity in the event of a major incident/outage, network disruption, or data breach. The Cloud solution would also be cheaper than the Quincy Data Center, as it eliminates equipment licensing, maintenance, and replacement costs due to the solution being hosted virtually by an outside vendor.

Testing System Replacement: DOL requests funding to replace a 20-year old driver license testing system to improve driver license test efficiency and security, score reporting, and data collection. The new system would integrate with DOL's driver license system and provide timely testing data from licensing service offices, driver training schools, commercial driver training schools and motorcycle safety schools to support Target Zero traffic safety initiatives.

Facility 6 Year Plan – Maximizing Space at Licensing Service Offices: DOL requests funding to relocate seven licensing offices to meet the operational and strategic facility needs identified in the 2019-2025 Six-Year Facilities Plan that is required by the Office of Financial Management. This plan responds to operational and emergent facility needs that accommodate increasing population in Washington State, which affect workload volumes due to increased demand for driver licensing services. Properly placed, right sized facilities are necessary to support and implement workplace strategies that maximize productivity and maintain or improve business operations and customer service in a modern work environment.

Motorcycle Safety Program – Target Zero: DOL is the lead agency for the Target Zero Strategic Highway Safety Plan as it relates to motorcycle safety. More than 445,000 residents hold a motorcycle endorsement and more than 200,000 motorcycles are registered in Washington State. While motorcycles account for just over 2 percent of the total vehicle crashes each year, motorcyclists make up almost 16 percent of the fatal and 20 percent of the serious injury crashes. On average, 73 riders die every year in motorcycle collisions. DOL is proposing a comprehensive Motorcycle Safety Target Zero agency request bill for the 2019 session. This policy legislation supports the state's goal to reach zero traffic deaths and serious injuries by 2030. The proposed initiatives include updates to the motorcycle safety advisory board and new provisions for endorsed motorcycle riders with an emphasis on education, training, and testing to prevent deaths and serious injuries.

In addition, the department seeks funding and/or spending authority to cover the increased cost of doing business including increased lease and annual services costs, increased Public Records Requests, reimbursements for costs associated with abandoned recreational vehicle disposal, demands on the ignition interlock financial assistance program, credit card cost increases related to online transactions, and increased costs for software licenses and hardware/software maintenance contracts.

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 Justin Leppa, our Chief Budget and Forecasting Officer, at (360) 902-3644.

Sincerely,

Teresa Berntsen

Teresa Berntsen
Director

Enclosure

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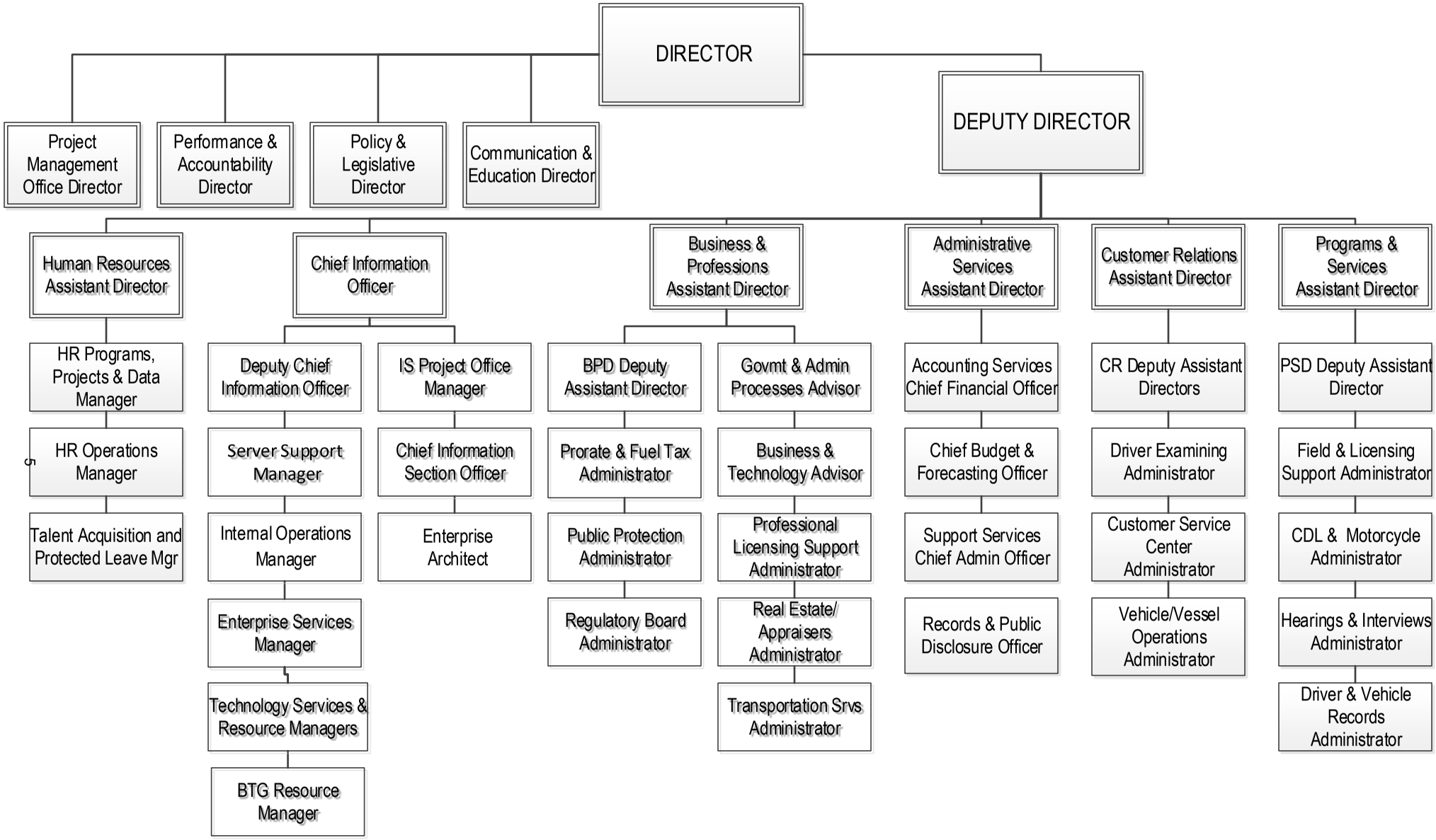
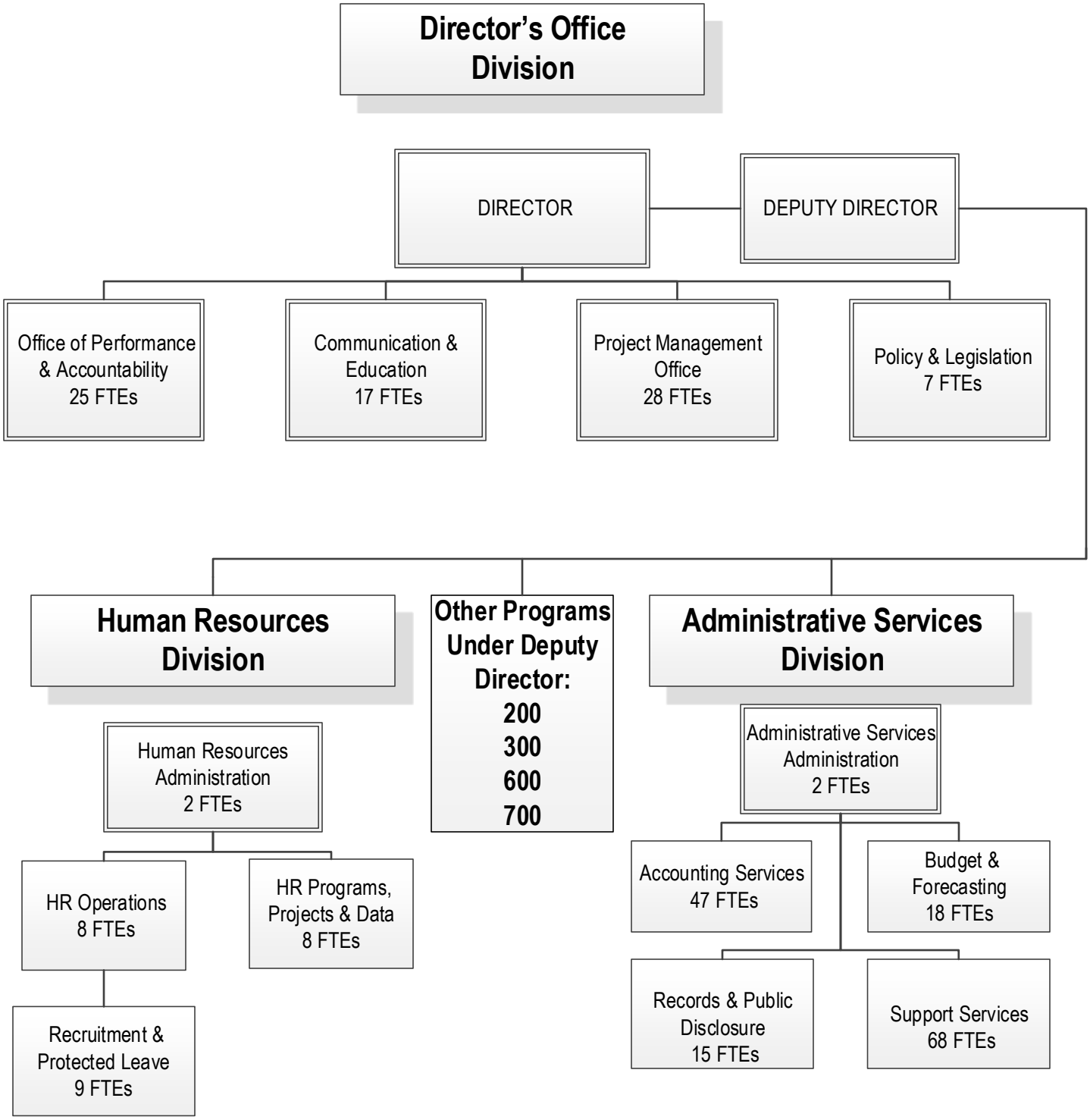
Department of Licensing



Department of Licensing

Program 100



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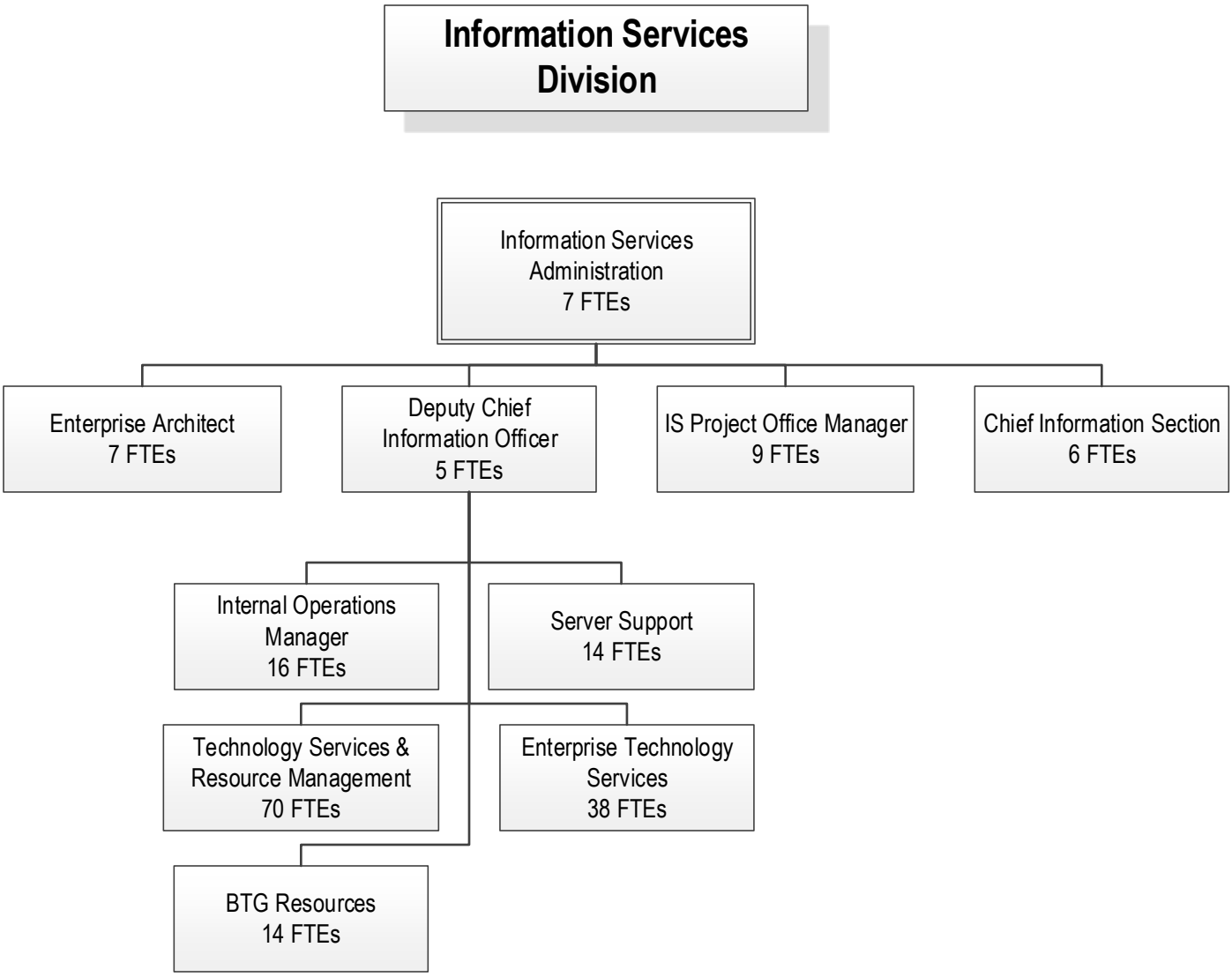
Program 200



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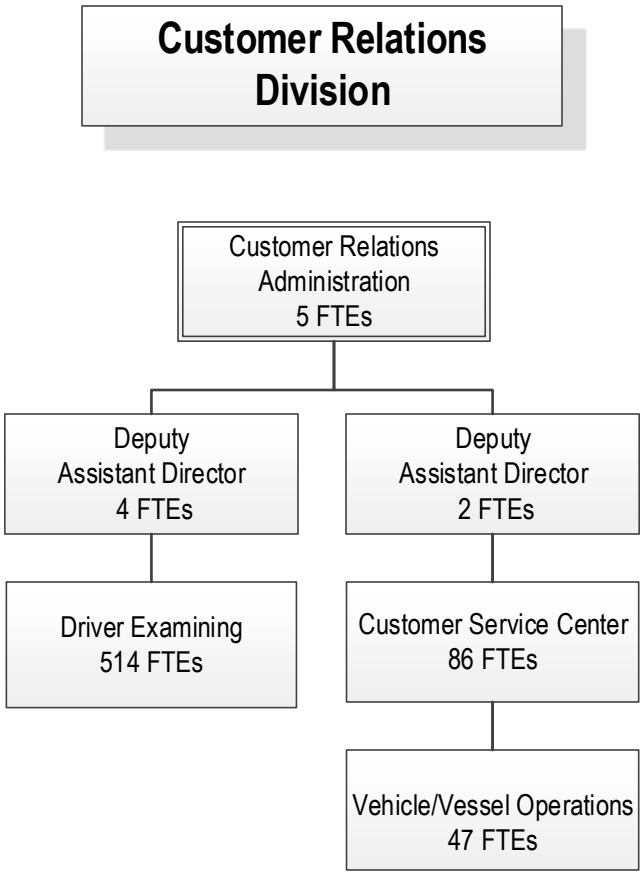
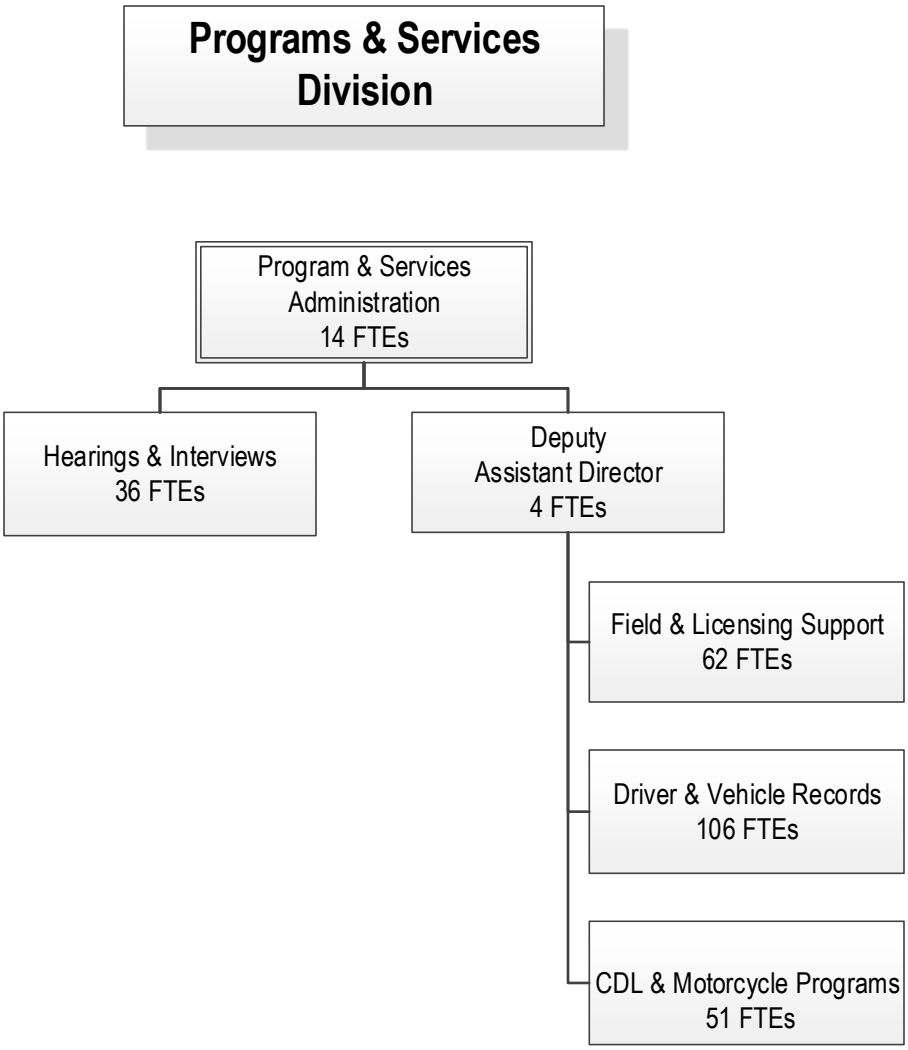
Program 300



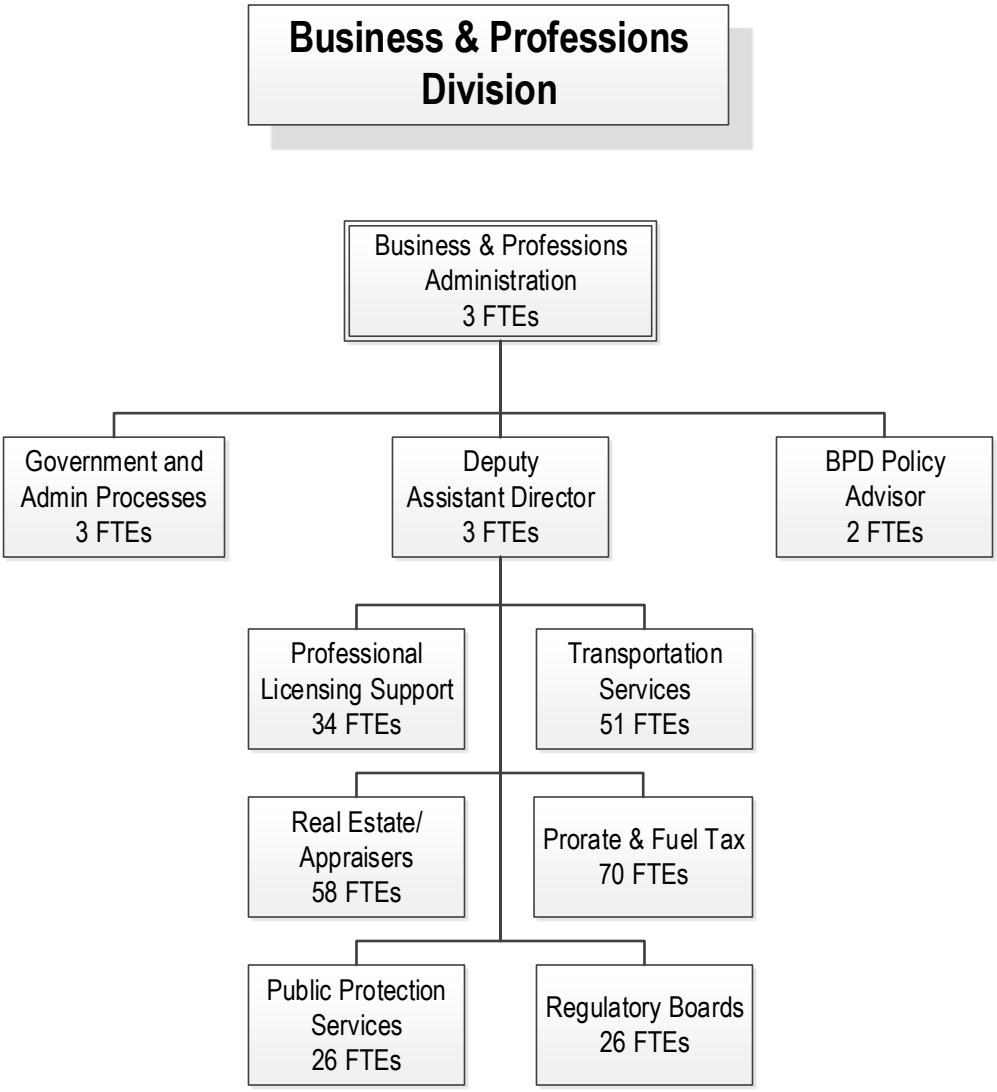
Department of Licensing

Program 600



Department of Licensing

Program 700



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A030 Agency Administration

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	444.0	414.0	429.0
22J Abandoned Rec Vehicle Disposal Acct			
22J-1 State	$0	$21	$21
16M Appraisal Management Company Acct			
16M-6 Non-Appropriated	$53	$59	$112
003 Architects' License Account			
003-1 State	$237	$145	$382
06L Business and Professions Account			
06L-1 State	$4,558	$3,424	$7,982
21E Concealed Pistol License Renew Acct			
21E-1 State	$133	$0	$133
201 DOL Services Account			
201-1 State	$1,625	$2,454	$4,079
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	$292	$320	$612
001 General Fund - Basic Account			
001-1 State	$563	$342	$905
298 Geologists' Account			
298-6 Non-Appropriated	$95	$103	$198
106 Highway Safety Account			
106-1 State	$33,969	$30,999	$64,968
14V Ignition Interlock Device Revolving			
14V-1 State	$461	$564	$1,025

*

Appropriation Period: 2019-21 Activity Version: 10 - 2019-21 Initial Budget Request Sort By: Activity

Account	FY 2020	FY 2021	Biennial Total
16B Landscape Architects' License Acct			
16B-1 State	$24	$24	$48
16B-6 Non-Appropriated	$50	$56	$106
16B Account Total	**$74**	**$80**	**$154**
108 Motor Vehicle Account			
108-1 State	$9,423	$9,722	$19,145
082 Motorcycle Safety Education Account			
082-1 State	$422	$482	$904
489 Pension Funding Stabilization Acct			
489-1 State	$8	$8	$16
024 Professional Engineers' Account			
024-1 State	$733	$819	$1,552
06G Real Estate Appraiser Commission			
06G-1 State	$267	$283	$550
026 Real Estate Commission Account			
026-1 State	$2,053	$2,107	$4,160
06R Real Estate Research Account			
06R-1 State	$3	$2	$5
104 State Wildlife Account			
104-1 State	$(68)	$251	$183
04E Uniform Commercial Code Account			
04E-1 State	$645	$715	$1,360

Statewide Result Area: **Prosperous Economy**

Statewide Strategy: **Provide consumer protection**

Expected Results

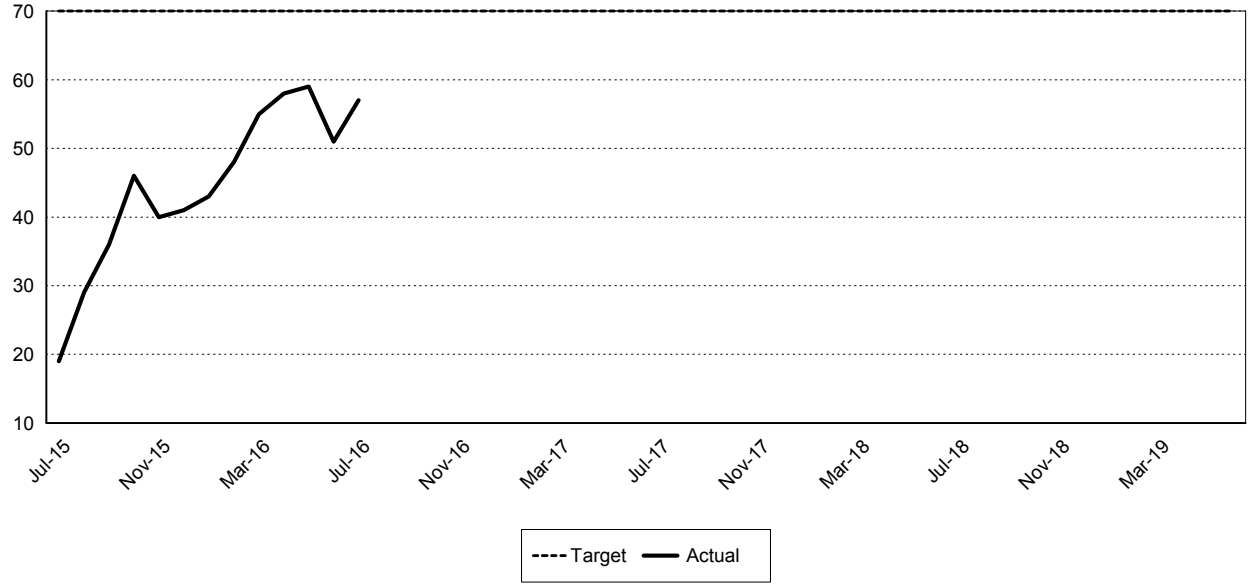
A strong business infrastructure will result in efficient, effective and accountable services to nearly 6 million customers with over 13 million transactions each year. Specific results expected include: managing a growth in agency workload that outpaces growth in resources, data and research driven 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.

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%

2015-17	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%
	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)**

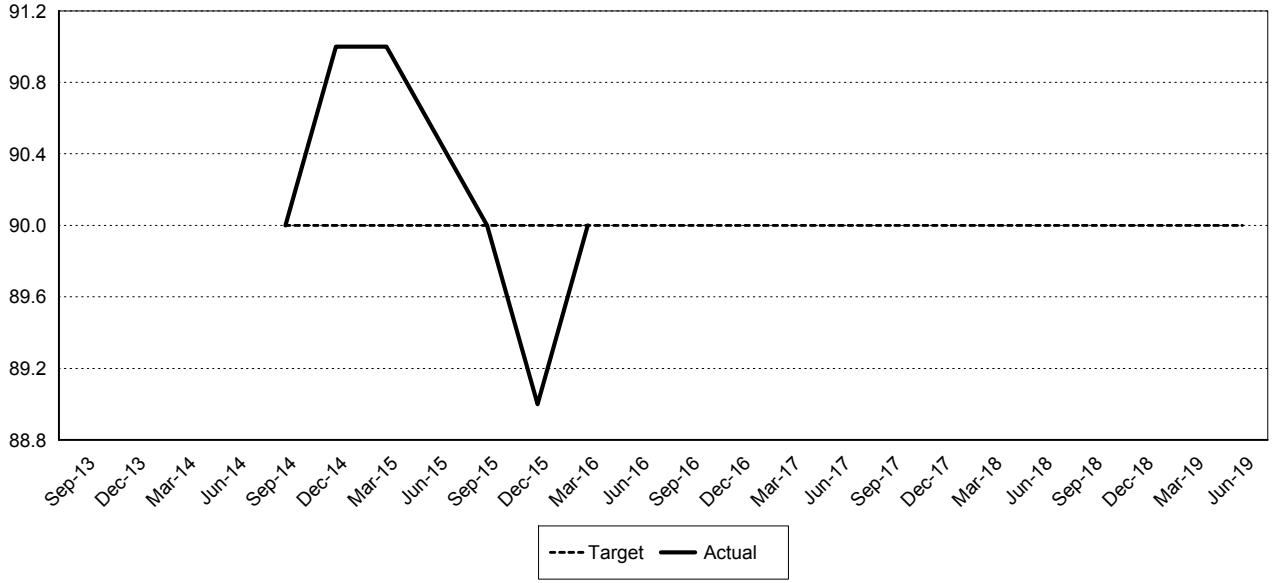


002850 Results DOL measure

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%

Performance Measure Status: Approved

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

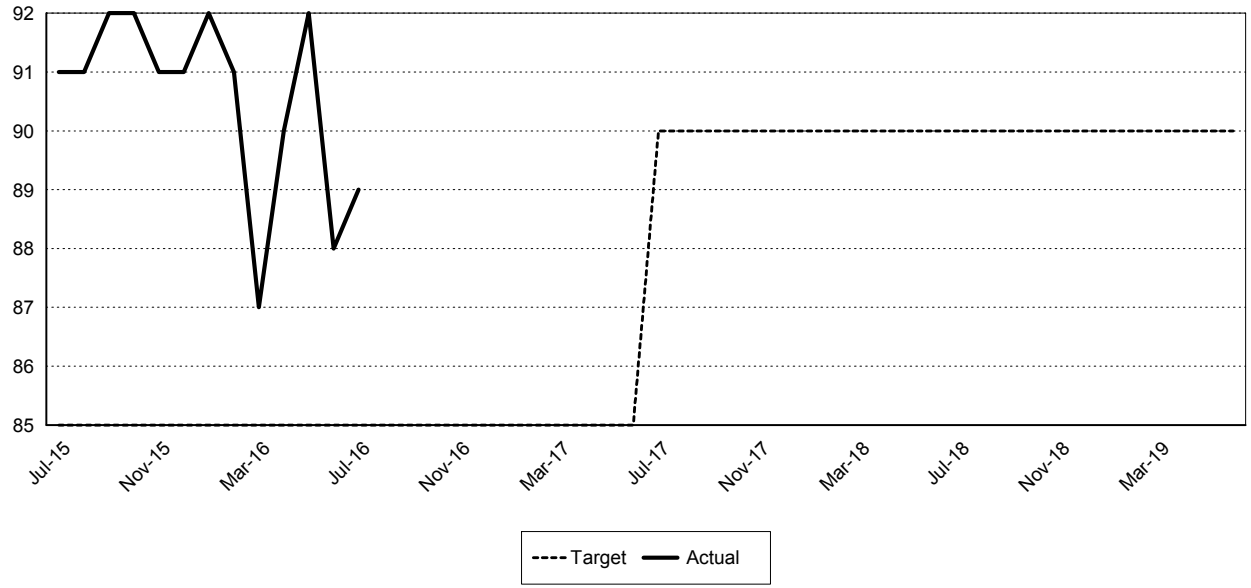


002849 Results DOL measure

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%

2015-17	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%
	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)**

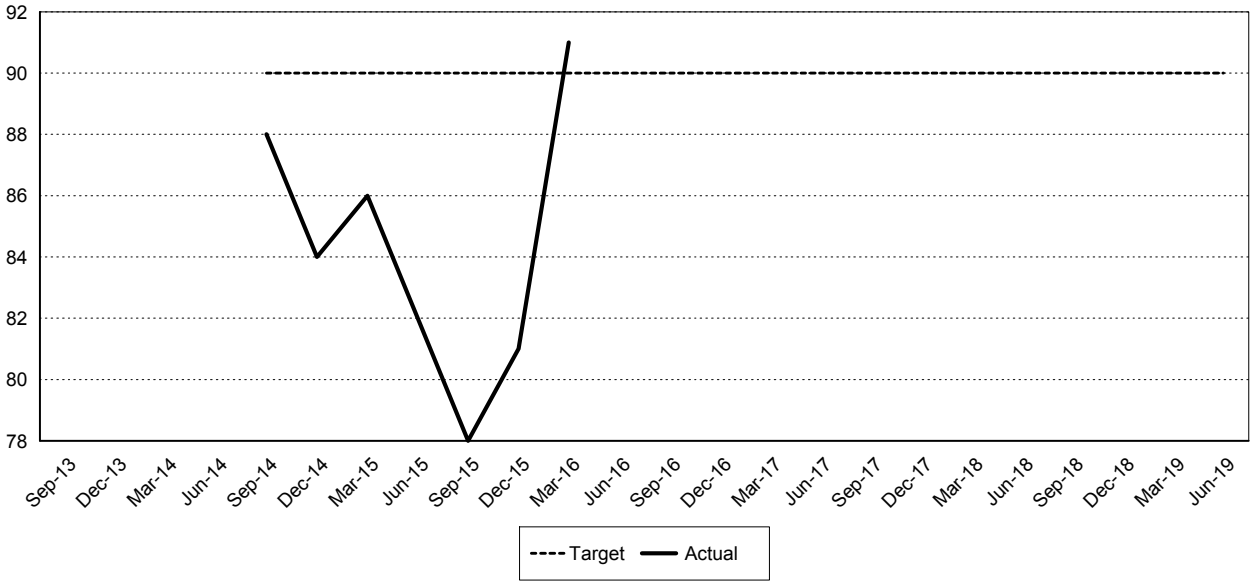


002851 Results DOL measure

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%

Performance Measure Status: Draft

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	703.1	774.3	738.7
06L Business and Professions Account			
06L-1 State	$4	$7	$11
201 DOL Services Account			
201-1 State	$1	$2	$3
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	$0	$1	$1
001 General Fund - Basic Account			
001-1 State	$29	$22	$51
106 Highway Safety Account			
106-1 State	$67,795	$74,573	$142,368
106-2 Federal	$1,136	$158	$1,294
106 Account Total	**$68,931**	**$74,731**	**$143,662**
14V Ignition Interlock Device Revolving			
14V-1 State	$2,364	$2,251	$4,615
17W Limousine Carriers Account			
17W-1State	$58	$55	$113
108 Motor Vehicle Account			
108-1 State	$584	$577	$1,161
082 Motorcycle Safety Education Account			
082-1 State	$2,121	$1,721	$3,842
024 Professional Engineers' Account			
024-1 State	$1	$2	$3

Account	FY 2020	FY 2021	Biennial Total
06G Real Estate Appraiser Commission			
06G-1 State	$0	$1	$1
026 Real Estate Commission Account			
026-1 State	$2	$5	$7
04E Uniform Commercial Code Account			
04E-1 State	$0	$1	$1

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

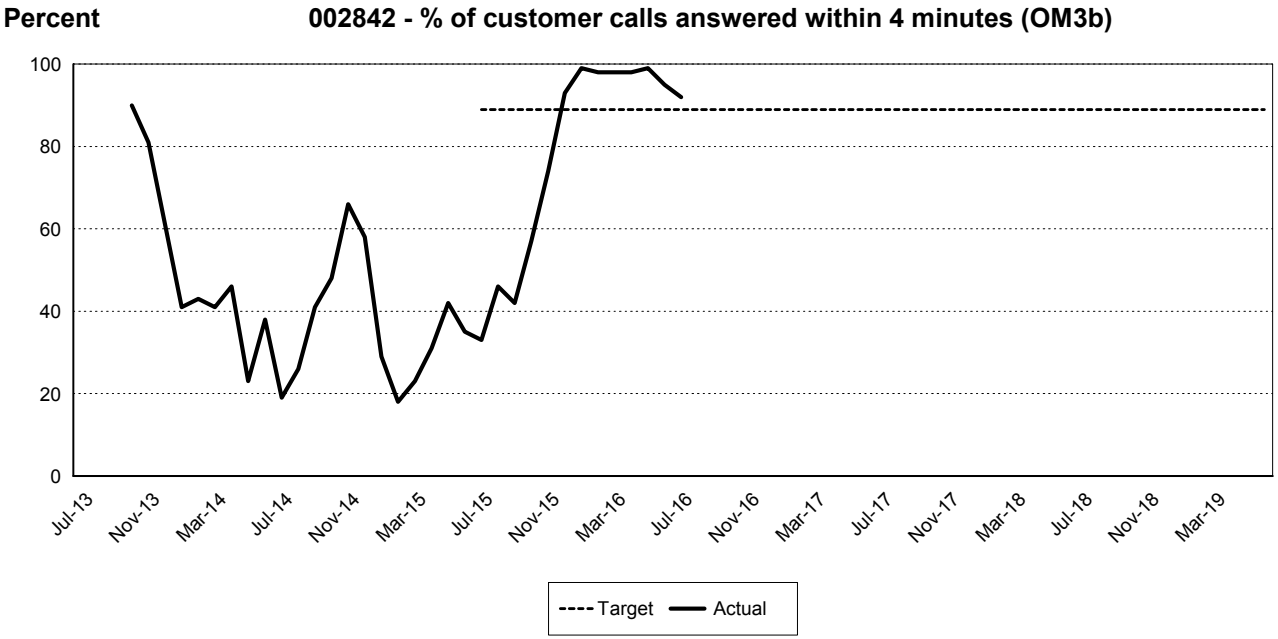
Expected Results

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.

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%

2015-17	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%
	M07	99%	89%
	M06	93%	89%
	M05	74%	89%
	M04	57%	89%
	M03	42%	89%
	M02	46%	89%
	M01	33%	89%
	Performance Measure Status: Approved		

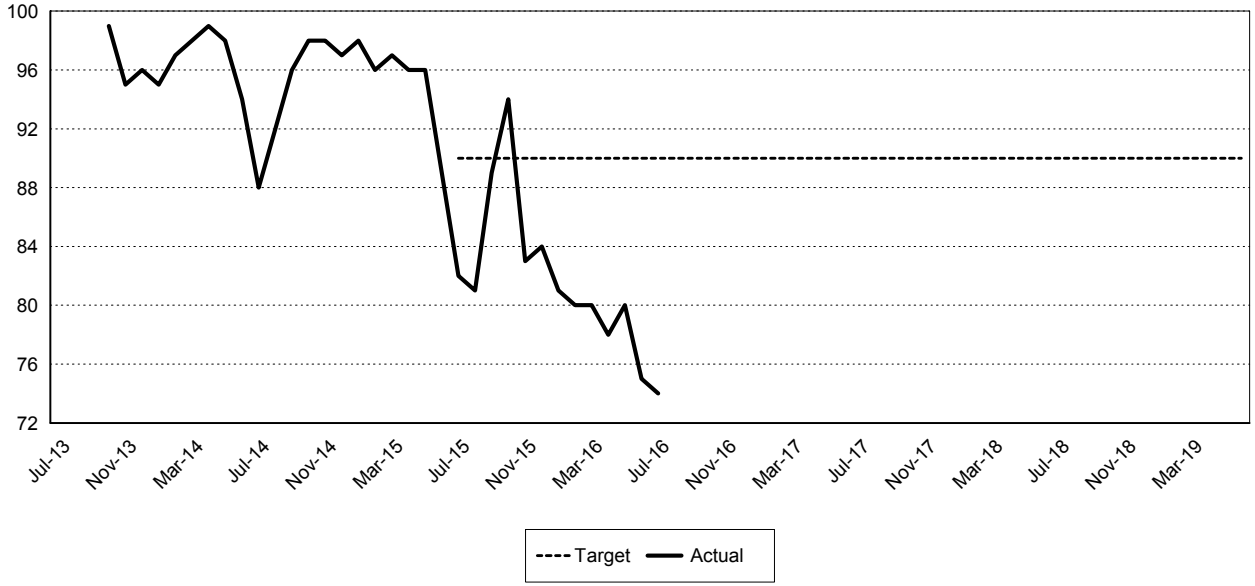

Percent
002842 - % of customer calls answered within 4 minutes (OM3b)
100
80
60
40
20
0
Jul-13
Nov-13
Mar-14
Jul-14
Nov-14
Mar-15
Jul-15
Nov-15
Mar-16
Jul-16
Nov-16
Mar-17
Jul-17
Nov-17
Mar-18
Jul-18
Nov-18
Mar-19
Target
Actual

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%

2015-17	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%
	M07	81%	90%
	M06	84%	90%
	M05	83%	90%
	M04	94%	90%
	M03	89%	90%
	M02	81%	90%
	M01	82%	90%
	Performance Measure Status: Approved		

Percent **002841 - % of customers with lobby wait times under 30 minutes (OM3a)**



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.

Account	FY 2020	FY 2021	Biennial Total
FTE	79.4	78.4	78.9
22J Abandoned Rec Vehicle Disposal Acct			
22J-1 State	$1,348	$1,541	$2,889
513 Derelict Vessel Removal Account			
513-1 State	$16	$17	$33
201 DOL Services Account			
201-1 State	$1,108	$1,318	$2,426
001 General Fund - Basic Account			
001-1 State	$489	$336	$825
106 Highway Safety Account			
106-1 State	$555	$546	$1,101
108 Motor Vehicle Account			
108-1 State	$20,694	$17,285	$37,979
108-7 Local	$3,750	$3,770	$7,520
108 Account Total	**$24,444**	**$21,055**	**$45,499**
104 State Wildlife Account			
104-1 State	$156	$263	$419

Statewide Result Area: **Healthy and Safe Communities**
Statewide Strategy: **Support and enhance highway safety**

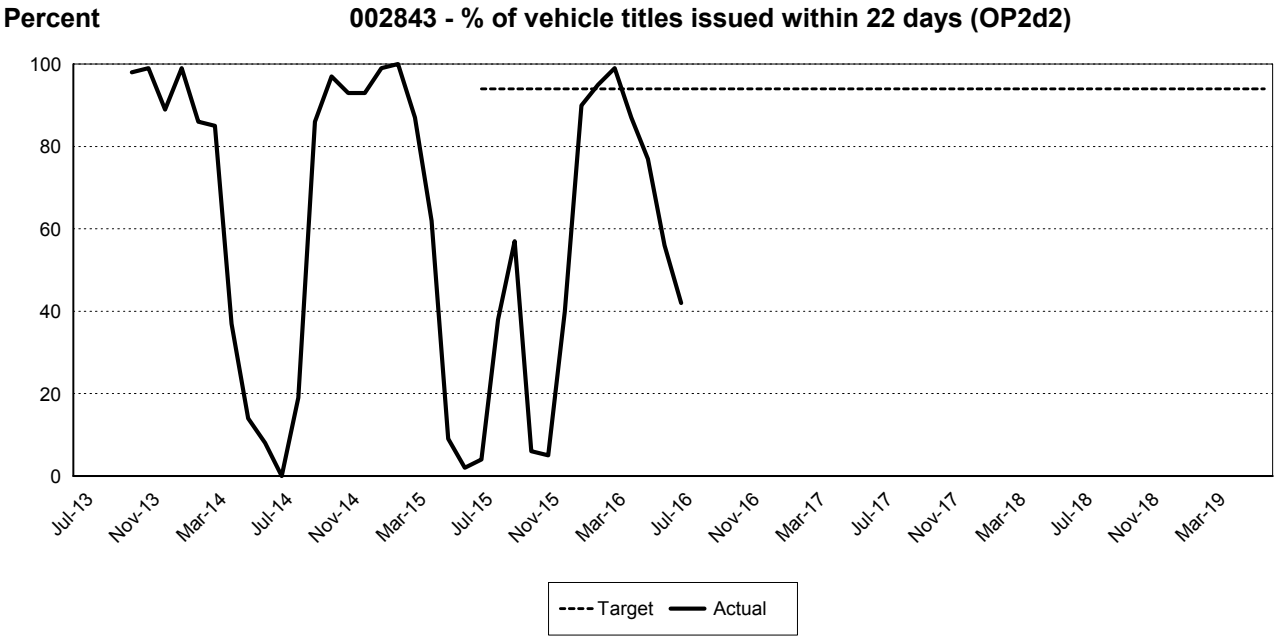
Expected Results

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

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%

2015-17	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%
	M07	90%	94%
	M06	40%	94%
	M05	5%	94%
	M04	6%	94%
	M03	57%	94%
	M02	38%	94%
	M01	4%	94%
	Performance Measure Status: Approved		


Percent
002843 - % of vehicle titles issued within 22 days (OP2d2)
100
80
60
40
20
0
Jul-13
Nov-13
Mar-14
Jul-14
Nov-14
Mar-15
Jul-15
Nov-15
Mar-16
Jul-16
Nov-16
Mar-17
Jul-17
Nov-17
Mar-18
Jul-18
Nov-18
Mar-19
Target
Actual

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	185.1	180.6	182.9
16M Appraisal Management Company Acct			
16M-6 Non-Appropriated	$186	$85	$271
003 Architects' License Account			
003-1 State	$374	$171	$545
06L Business and Professions Account			
06L-1 State	$6,162	$2,945	$9,107
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	$499	$461	$960
001 General Fund - Basic Account			
001-1 State	$2	$110	$112
298 Geologists' Account			
298-1 State	$20	$33	$53
298-6 Non-Appropriated	$171	$117	$288
298 Account Total	**$191**	**$150**	**$341**
106 Highway Safety Account			
106-1 State	$1,826	$2,034	$3,860
16B Landscape Architects' License Acct			
16B-1 State	$0	$4	$4
16B-6 Non-Appropriated	$101	$96	$197
16B Account Total	**$101**	**$100**	**$201**
108 Motor Vehicle Account			
108-1 State	$2,422	$2,295	$4,717

Account	FY 2020	FY 2021	Biennial Total
024 Professional Engineers' Account			
024-1 State	$1,145	$415	$1,560
06G Real Estate Appraiser Commission			
06G-1 State	$568	$495	$1,063
026 Real Estate Commission Account			
026-1 State	$3,250	$1,796	$5,046
04F Real Estate Education Program Accou			
04F-1 State	$140	$134	$274
06R Real Estate Research Account			
06R-1 State	$205	$205	$410
04E Uniform Commercial Code Account			
04E-1 State	$0	$22	$22

Statewide Result Area: **Prosperous Economy**
Statewide Strategy: **Provide consumer protection**

Expected Results

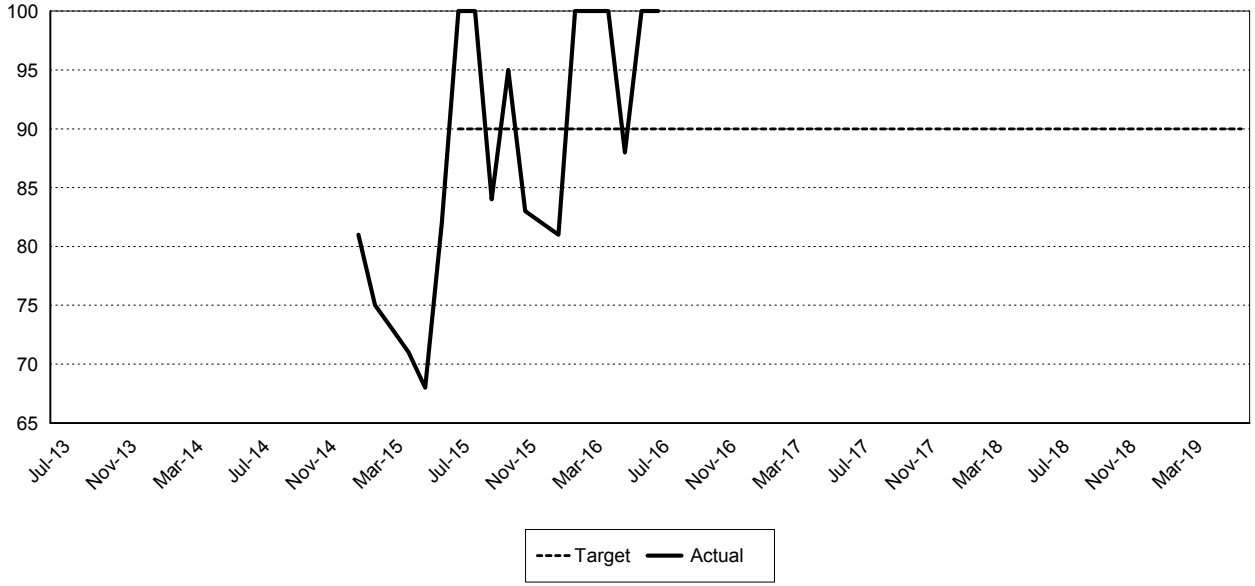
Key results expected include: sustaining or exceeding 90% timeliness of pre-license inspections, license issuance, and post-license audits and inspections; and increasing the services available to licensees online, as well as their use and satisfaction of those services.

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%

2015-17	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%
	M07	81%	90%
	M06	82%	90%
	M05	83%	90%
	M04	95%	90%
	M03	84%	90%
	M02	100%	90%
	M01	100%	90%
	Performance Measure Status: Approved		

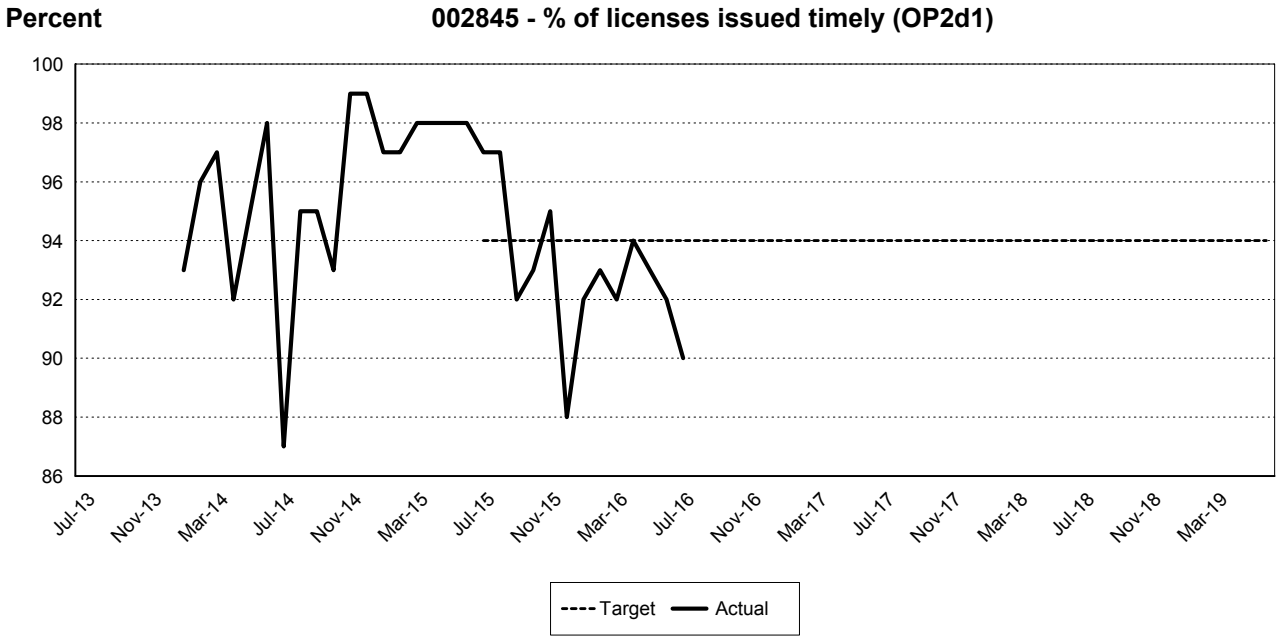
Percent **002844 - % of audits and inspections completed timely per statute (OP4a)**



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%

2015-17	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%
	M07	92%	94%
	M06	88%	94%
	M05	95%	94%
	M04	93%	94%
	M03	92%	94%
	M02	97%	94%
	M01	97%	94%
	Performance Measure Status: Approved		


Percent
002845 - % of licenses issued timely (OP2d1)
100
98
96
94
92
90
88
86
Jul-13
Nov-13
Mar-14
Jul-14
Nov-14
Mar-15
Jul-15
Nov-15
Mar-16
Jul-16
Nov-16
Mar-17
Jul-17
Nov-17
Mar-18
Jul-18
Nov-18
Mar-19
Target
Actual

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.

Account	FY 2020	FY 2021	Biennial Total
FTE	73.4	71.8	72.6
048 Marine Fuel Tax Refund Account			
048-1 State	$14	$20	$34
108 Motor Vehicle Account			
108-1 State	$6,725	$6,479	$13,204

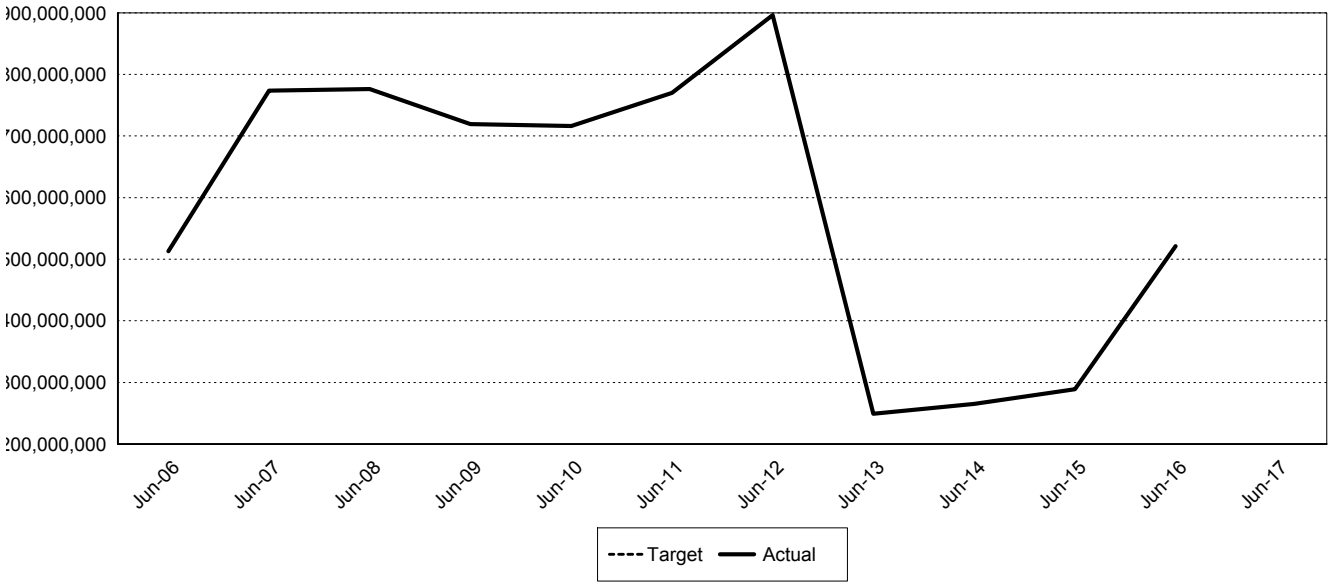
Statewide Result Area: **Prosperous Economy**
Statewide Strategy: **Manage mobility system demand and maximize operations**

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.

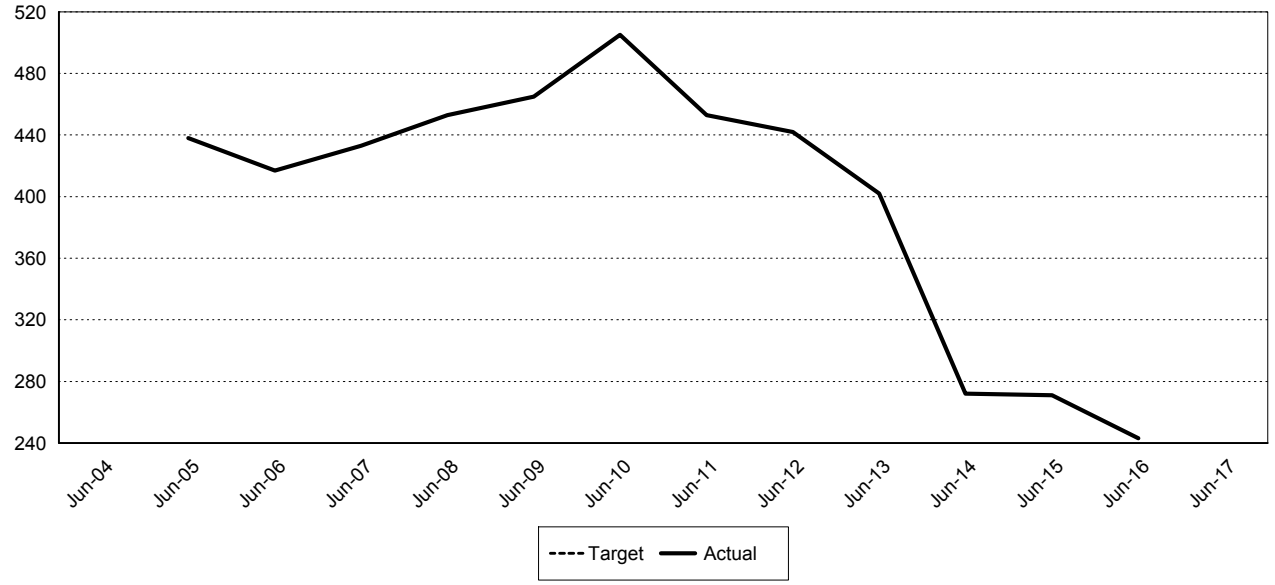
001683			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	$1,521,302,371	$1,500,000,000
Performance Measure Status: Approved			

Dollars **001683 - Dollars of Revenue Collected from Prorate and Fuel by Fiscal Year**



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

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



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.

Account	FY 2020	FY 2021	Biennial Total
FTE	16.6	17.0	16.8
21E Concealed Pistol License Renew Acct			
21E-1 State	$0	$7	$7
146 Firearms Range Account			
146-1 State	$31	$43	$74
001 General Fund - Basic Account			
001-1 State	$1,704	$1,938	$3,642
489 Pension Funding Stabilization Acct			
489-1 State	$40	$40	$80
04E Uniform Commercial Code Account			
04E-1 State	$315	$1,681	$1,996

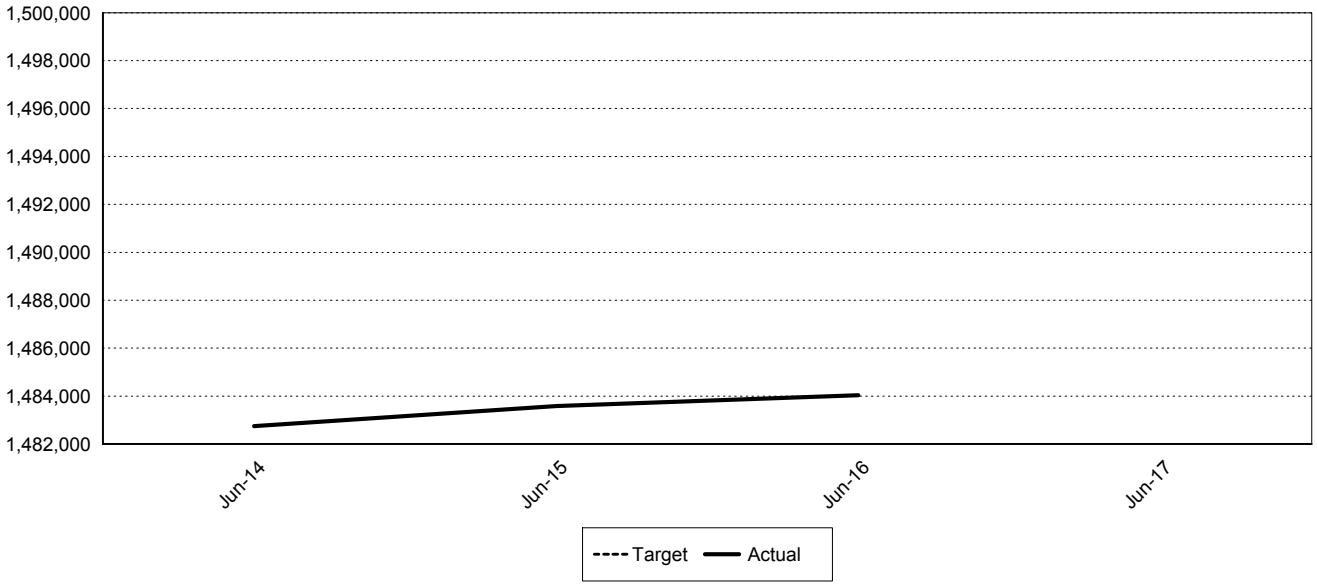
Statewide Result Area: **Healthy and Safe Communities**
Statewide Strategy: **Enforce the law**

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.

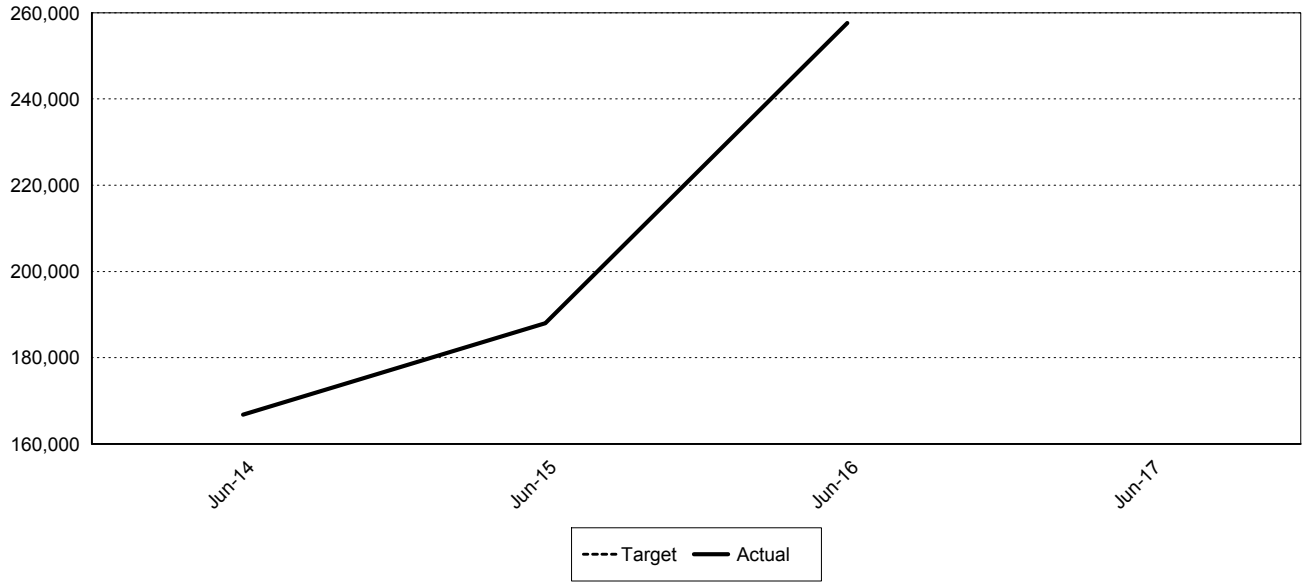
001714 Number of Law Enforcement Inquiries to Firearms Database			
Biennium	**Period**	**Actual**	**Target**
2015-17	A3		
	A2	1,484,029	1,500,000
Performance Measure Status: Approved			

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



001711 Number of UCC Searches Completed			
Biennium	**Period**	**Actual**	**Target**
2015-17	A3		
	A2	257,627	250,000
Performance Measure Status: Approved			

Number **001711 - Number of UCC Searches Completed By Fiscal Year**



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 2020	FY 2021	Biennial Total
FTE	14.9	28.0	21.5
16M Appraisal Management Company Acct			
16M-6 Non-Appropriated	$2	$5	$7
003 Architects' License Account			
003-1 State	$16	$132	$148
06L Business and Professions Account			
06L-1 State	$313	$2,697	$3,010
201 DOL Services Account			
201-1 State	$27	$15	$42
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	$14	$45	$59
001 General Fund - Basic Account			
001-1 State	$1,550	$184	$1,734
298 Geologists' Account			
298-6 Non-Appropriated	$5	$44	$49
106 Highway Safety Account			
106-1 State	$19,298	$19,278	$38,576
14V Ignition Interlock Device Revolving			
14V-1 State	$22	$12	$34
16B Landscape Architects' License Acct			
16B-1 State	$3	$2	$5
16B-6 Non-Appropriated	$1	$15	$16
16B Account Total	**$4**	**$17**	**$21**

Account	FY 2020	FY 2021	Biennial Total
108 Motor Vehicle Account			
108-1 State	$583	$1,619	$2,202
082 Motorcycle Safety Education Account			
082-1 State	$27	$25	$52
024 Professional Engineers' Account			
024-1 State	$50	$525	$575
06G Real Estate Appraiser Commission			
06G-1 State	$15	$59	$74
026 Real Estate Commission Account			
026-1 State	$151	$1,078	$1,229
104 State Wildlife Account			
104-1 State	$4	$2	$6
04E Uniform Commercial Code Account			
04E-1 State	$24	$14	$38

Statewide Result Area: **Prosperous Economy**
Statewide Strategy: **Provide data, information, and analysis to support decision-making**

Expected Results

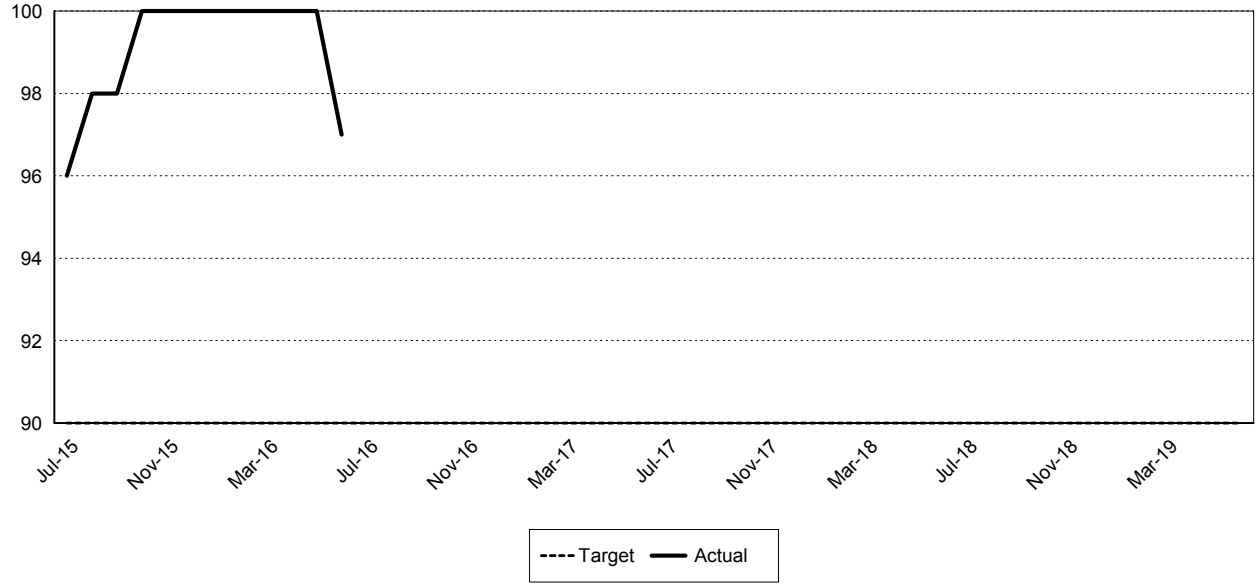
Key results expected include: timely implementation of project milestones and projects costs within budget; increased customer, stakeholder and employee satisfaction with systems after implementation; decreased system downtime; increased transactions completed online.

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%

2015-17	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%
	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)**



A037 Agency Overhead

Those elements of cost necessary in the production of a good or service which are not directly traceable to the product or service. Usually these costs relate to objects of expenditure that do not become an integral part of the finished product or service, such as rent, utilities, and other statewide central service costs.

Account	FY 2020	FY 2021	Biennial Total
FTE	1.6	8.5	5.1
16M Appraisal Management Company Acct			
16M-6 Non-Appropriated	$14	$15	$29
003 Architects' License Account			
003-1 State	$63	$35	$98
06L Business and Professions Account			
06L-1 State	$1,185	$761	$1,946
201 DOL Services Account			
201-1 State	$121	$104	$225
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	$91	$92	$183
001 General Fund - Basic Account			
001-1 State	$130	$101	$231
298 Geologists' Account			
298-6 Non-Appropriated	$24	$25	$49
106 Highway Safety Account			
106-1 State	$8,145	$7,897	$16,042
14V Ignition Interlock Device Revolving			
14V-1 State	$90	$103	$193
16B Landscape Architects' License Acct			
16B-1 State	$7	$7	$14
16B-6 Non-Appropriated	$22	$23	$45
16B Account Total	**$29**	**$30**	**$59**

Account	FY 2020	FY 2021	Biennial Total
108 Motor Vehicle Account			
108-1 State	$3,161	$3,612	$6,773
082 Motorcycle Safety Education Account			
082-1 State	$98	$108	$206
024 Professional Engineers' Account			
024-1 State	$208	$218	$426
06G Real Estate Appraiser Commission			
06G-1 State	$72	$70	$142
026 Real Estate Commission Account			
026-1 State	$520	$494	$1,014
04F Real Estate Education Program Accou			
04F-1 State	$1	$1	$2
104 State Wildlife Account			
104-1 State	$(37)	$(39)	$(76)
04E Uniform Commercial Code Account			
04E-1 State	$81	$69	$150

Statewide Result Area: **Prosperous Economy**
Statewide Strategy: **Provide consumer protection**

Expected Results

Support transparency and ability to manage costs related to overhead activities and services such as rent, utilities, and statewide central services

Grand Total

	FY 2020	FY 2021	Biennial Total
FTE's	1,518.1	1,572.6	1,545.4
GFS	$4,467	$3,033	$7,500
Other	$215,291	$215,392	$430,683
Total	$219,758	$218,425	$438,183

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Washington Department of Licensing
2019-21 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 and A037 is the pass through standard agency costs. These costs 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	A037		
		Agency Indirect	Drivers Licensing, Regulating and Records Management	Issuing and Regulating Vehicles & Boats Records	Professions Licensing, Regulation, and Records Management	Administration of Fuel Tax Collection and Motor Carrier Services	Data Clearing House	Agency IT Projects	Agency Overhead	**TOTAL**	**% of TOTAL**
Management Support Services	Direct	2,300,000	627,000	19,489,517	0	0	0	40,674,240	827,547	**63,918,304**	**48%**
	Indirect	44,889,961	0	0	0	0	0	0	24,934,389	**69,824,350**	**52%**
	Total	**47,189,961**	**627,000**	**19,489,517**	**0**	**0**	**0**	**40,674,240**	**25,761,936**	**133,742,654**	**100%**
Information Services	Direct	5,755,602	4,730,996	430,740	221,700	0	0	5,695,334	2,424,746	**19,259,118**	**39%**
	Indirect	29,418,456	103,296	167,957	5,900	0	0	0	0	**29,695,609**	**61%**
	Total	**35,174,058**	**4,834,292**	**598,697**	**227,600**	**0**	**0**	**5,695,334**	**2,424,746**	**48,954,727**	**100%**
Customer Relations	Direct	4,340,794	90,900,889	15,876,395	0	0	0	0	0	**111,118,078**	**100%**
	Indirect	0	0	0	0	0	0	0	0	**0**	**0%**
	Total	**4,340,794**	**90,900,889**	**15,876,395**	**0**	**0**	**0**	**0**	**0**	**111,118,078**	**100%**
Programs & Services	Direct	7,362,634	53,809,578	9,994,462	0	0	0	0	0	**71,166,674**	**100%**
	Indirect	0	0	0	0	0	0	0	0	**0**	**0%**
	Total	**7,362,634**	**53,809,578**	**9,994,462**	**0**	**0**	**0**	**0**	**0**	**71,166,674**	**100%**
Business & Professions	Direct	5,799,559	130,121	170,545	28,071,763	13,246,606	3,858,568	0	0	**51,277,162**	**100%**
	Indirect	0	0	0	0	0	0	0	0	**0**	**0%**
	Total	**5,799,559**	**130,121**	**170,545**	**28,071,763**	**13,246,606**	**3,858,568**	**0**	**0**	**51,277,162**	**100%**
TOTAL	**Direct**	**25,558,589**	**150,198,584**	**45,961,659**	**28,293,463**	**13,246,606**	**3,858,568**	**46,369,574**	**3,252,293**	**316,739,336**	**% of Direct**
	Indirect	**74,308,417**	**103,296**	**167,957**	**5,900**	**0**	**0**	**0**	**24,934,389**	**99,519,959**	**31%**
	Total	**99,867,006**	**150,301,880**	**46,129,616**	**28,299,363**	**13,246,606**	**3,858,568**	**46,369,574**	**28,186,682**	**416,259,295**	**100%**
% of Total	**Direct**	**26%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**12%**	**76%**	
	Indirect	**74%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**88%**	**24%**	
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

Note: Numbers are from 2017-19 allotments after the 1st supplemental, 2019-21 base, prior to 2019-21 carryforward level adjustments to show allocation split within all activities. Excludes $2,975,000 of unallotted. (Federal Authority)

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WASHINGTON STATE DEPARTMENT OF LICENSING

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
When engaged employees …		
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
… create a customer focused organization …		
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)
… providing the most efficient and effective services …		
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
… we become the trusted and credible partner of all Washingtonians …		
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
… so together we can measurably improve public safety.		
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
	14 Assess and review the statewide Driver Safety Programs and develop a long-term plan to provide world-class Driver Safety Programs.	% of Driver Safety Programs' action plans completed
	15 Provide law enforcement agencies real-time electronic access to accurate firearm records.	# of firearm records in backlog by date of backlog
		% of law enforcement agencies and firearm dealers submitting firearm records electronically

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Recommendation Summary

Agency: 240 Department of Licensing
Version: 10 2019-21 Initial Budget Request

Dollars in Thousands

		Annual Average FTEs	General Fund State	Other Funds	Total Funds
CB T0PL	Current Biennium Base	1,486.8	3,833	415,284	419,117
2017-19 Current Biennium Total		**1,486.8**	**3,833**	**415,284**	**419,117**
CL 1439	Higher Ed Student Protection	0.4	(217)	0	(217)
CL 5CVG	Firearms Workload Backlog	0.0	(382)	0	(382)
CL 6298	Domestic Violence and Firearms	0.0	60	0	60
CL 6WMS	Management Reduction	0.0	(10)	(181)	(191)
CL 8H	Enhanced Driver License Workload	0.0	0	(351)	(351)
CL 91D	Audit Services Correction	0.0	0	4	4
CL 91E	AG Legal Services Correction	0.0	0	49	49
CL 91G	Adm Hrgs Correction	0.0	0	1	1
CL 91J	CTS Central Services Correction	0.0	0	48	48
CL 91K	DES Central Services Correction	0.0	0	12	12
CL 91R	OFM Central Services Correction	0.0	0	0	0
CL 91U	OFM Human Resource Srvcs Correction	0.0	0	3	3
CL 92C	Archives/Records Management	0.0	0	(2)	(2)
CL 92D	Audit Services	0.0	0	43	43
CL 92E	Legal Services	0.0	2	112	114
CL 92G	Administrative Hearings	0.0	0	1	1
CL 92J	CTS Central Services	0.0	(2)	(270)	(272)
CL 92K	DES Central Services	0.0	0	32	32
CL 92R	OFM Central Services	0.0	(1)	(138)	(139)
CL 9D	Pension and DRS Rate Changes	0.0	0	6	6
CL 9F	Federal Funding Adjustment	0.0	0	(2,251)	(2,251)
CL B001	Youth Voter Reg.	0.0	0	137	137
CL B002	Association of WA Generals	0.0	0	(34)	(34)
CL B007	Bone Marrow Donation	0.0	0	14	14
CL B009	Automatic Voter Reg.	0.0	0	486	486
CL B010	Abandoned RV Disposal	0.0	0	88	88
CL B011	Vehicle Transactions	0.0	0	(13)	(13)
CL BSA	Move Pension Fund Shift to Agencies	0.0	(1)	1	0
CL CC	Increased Credit Card Costs	0.0	0	201	201
CL CPLR	CPL Renewal Notifications	0.0	0	(44)	(44)
CL CW1	Connecting Washington	0.0	0	(1)	(1)
CL DL	Driver License Card Production	0.0	0	548	548
CL G05	Biennialize Employee PEB Rate	0.0	0	47	47
CL G09	WFSE General Government	0.0	25	2,979	3,004
CL GCS	Central Services Carryforward Adj	0.0	0	161	161
CL GL1	WPEA General Government	0.0	0	44	44
CL GL5	PTE Local 17 Agreement	0.0	0	851	851
CL GL9	Non-Rep General Wage Increase	0.0	10	950	960
CL GLU	PERS & TRS Plan 1 Benefit Increase	0.0	1	46	47
CL GZC	CTS Fee for Service Adjustment	0.0	(1)	22	21
CL GZF	Paid Family Leave--Employer Premium	0.0	0	18	18
CL GZH	DES Rate Compensation Changes	0.0	0	60	60
CL HT01	REAL ID Education and Outreach	0.0	0	(200)	(200)
CL HT13	Tow Truck License Plate Tabs	0.0	0	(26)	(26)

Recommendation Summary

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Dollars in Thousands

		Annual Average FTEs	General Fund State	Other Funds	Total Funds
CL HT15	BTM Project Reappropriation	0.0	0	(1,680)	(1,680)
CL HT20	HB 1400 Aviation Lic Plate	0.0	0	(27)	(27)
CL HT24	SHB 1568 Fred Hutch Lic Plate	0.0	0	(19)	(19)
CL HT25	E2SHB 1614 Impaired Driving	0.0	0	(104)	(104)
CL HT26	ESHB 1481 Driver Edu Uniformity	0.0	0	472	472
CL HT8P	Postage and Printing Volume Increas	0.0	0	39	39
CL K008	ESB 5008 REAL ID Compliance	0.0	0	(61)	(61)
CL K289	SSB 5289 Distracted Driving	0.0	0	(19)	(19)
CL K338	ESSB 5338 Registration Enforcement	0.0	0	(112)	(112)
CL K343	SSB 5343 Tow Truck Notices	0.0	0	(30)	(30)
CL K382	SB 5382 Reduced Cost Identicards	0.0	0	(30)	(30)
CL M1	Credit Card Transaction Fees	0.0	0	(908)	(908)
CL M2	Driver's License Production	0.0	0	(411)	(411)
CL M5	DRIVES Maintenance	0.0	0	(2,000)	(2,000)
CL P1	BTM Continuation – DRIVES R2	0.0	0	(3,252)	(3,252)
CL P19	LSO Wait Times Reduction	56.5	0	18,000	18,000
CL P2	CIS Completion and Maintenance	0.0	0	(627)	(627)
CL P3	Identity Verification Fraud Prevent	0.0	0	635	635
CL P4	Continuation of BTM DRIVES	(21.9)	0	(22,130)	(22,130)
CL P5	BTM Project Funding	0.0	0	(1,652)	(1,652)
CL P6	Facility Six-Year Plan	0.0	0	(1,300)	(1,300)
CL PRIV	Employee Training	0.0	0	(200)	(200)
CL VESR	Vessel Registration	0.0	(209)	0	(209)
CL WRES	Theatrical Wrestling	0.0	0	(95)	(95)
Total Carry Forward Level		**1,521.8**	**3,108**	**403,226**	**406,334**
Percent Change from Current Biennium		2.4%	(18.9)%	(2.9)%	(3.0)%
Maintenance – Other Changes					
ML 8L	Lease Adjustments < 20,000 sq. ft.	0.0	0	1,156	1,156
ML 8Y	Cost Allocation Adjustment	0.0	40	(40)	0
ML 9Q	Equipment Maintenance and Software	0.0	7	771	778
ML 9Z	Recast to Activity	0.0	0	0	0
ML M1	Credit Card Transaction Fees	0.0	0	4,683	4,683
ML M5	DRIVES Maintenance	0.0	0	2,150	2,150
ML M6	Ignition Interlock Device Workload	0.0	0	448	448
ML M7	Abandoned RV Disposal Reimbursement	0.0	0	2,650	2,650
ML M8	Public Disclosure Workload Increase	2.4	4	496	500
ML M9	Unlicensed Limousine Activity	0.3	0	113	113
ML MA	Vessel Renewal Reminders	0.1	194	0	194
Maintenance – Other Total		**2.8**	**245**	**12,427**	**12,672**
Total Maintenance Level		**1,524.6**	**3,353**	**415,653**	**419,006**
Percent Change from Current Biennium		2.5%	(12.5)%	.1%	.0%
Policy – Other Changes					
PL P6	Facility Six-Year Plan	0.0	0	2,155	2,155
PL P7	Replacing Firearms Legacy System	4.8	4,053	0	4,053

Recommendation Summary

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Dollars in Thousands

		Annual Average FTEs	General Fund State	Other Funds	Total Funds
PL P8	Testing System Replacement	0.0	0	1,431	1,431
PL P9	Cloud - Continuity of Operations	0.0	38	4,316	4,354
PL PA	Data Stewardship & Privacy	15.4	56	6,290	6,346
PL PB	Appraisal Management Companies	0.6	0	192	192
PL PC	Facility Minor Works	0.0	0	461	461
PL PD	Target Zero - Motorcycle Safety Edu	0.0	0	185	185
Policy – Other Total		**20.8**	**4,147**	**15,030**	**19,177**
Subtotal - Policy Level Changes		**20.8**	**4,147**	**15,030**	**19,177**
2019-21 Total Proposed Budget		**1,545.4**	**7,500**	**430,683**	**438,183**
Percent Change from Current Biennium		3.9%	95.7%	3.7%	4.5%

Recommendation Summary

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CL 1439 Higher Ed Student Protection

Total comes from GFS and new non appropriated account.

CL 6298 Domestic Violence and Firearms

Bienializing SB 6298

CL 8H Enhanced Driver License Workload

Removing outreach funding to bring total biennial appropriation to $4.47M.

CL 92C Archives/Records Management

CFL Adjustment for Archives

CL 92D Audit Services

CFL Adjustment for Audit Services

CL 92E Legal Services

CFL Adjustment for Legal Services

CL 92G Administrative Hearings

CFL Adjustment for Administrative Hearings

CL 92J CTS Central Services

CFL Adjustment for CTS Services

CL 92K DES Central Services

CFL Adjustment for DES Services

Recommendation Summary

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CL 92R OFM Central Services

CFL Adjustment for OFM Services

CL 9D Pension and DRS Rate Changes

Biennialize Pension Funding

CL B001 Youth Voter Reg.

Per fiscal note 5110

CL B002 Association of WA Generals

Per fiscal note 6437

CL B007 Bone Marrow Donation

Per fiscal note 6155

CL B009 Automatic Voter Reg.

Per fiscal note 6353

CL B010 Abandoned RV Disposal

Per agreement with legislative staff, funding is carried forward for administrative costs. Expenditure authority for grants will be requested after the agency begins collecting fees, May 2019.

CL B011 Vehicle Transactions

Per fiscal note 6438

CL CC Increased Credit Card Costs

Biennializing credit card costs

Recommendation Summary

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CL CPLR CPL Renewal Notifications

Custom funding accommodates HB 1100 (the $183K from the new CPL Renewal Account) and SB 5268 (the $75K from the Firearms Range Account) of the 2017 session. They were pulled into one item since the bills did similar things (email and mail options).

CL CW1 Connecting Washington

Biennializing actual costs of Connecting Washington implementation.

CL DL Driver License Card Production

Biennializing license card production

CL GZC CTS Fee for Service Adjustment

CFL Adjstmnt - CTS Fee for Service

CL GZF Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation.

CL GZH DES Rate Compensation Changes

CFL Adjstmnt - DES Rate for Compensation Changes

CL HT13 Tow Truck License Plate Tabs

Per fiscal note 2612

CL HT20 HB 1400 Aviation Lic Plate

Initial start up costs for plates/tabs are removed per fiscal note.

CL HT24 SHB 1568 Fred Hutch Lic Plate

Initial start up costs for plates/tabs are removed per fiscal note.

Recommendation Summary

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CL HT25 E2SHB 1614 Impaired Driving

Per fiscal note

CL HT26 ESHB 1481 Driver Edu Uniformity

Per fiscal note

CL HT8P Postage and Printing Volume Increas

Biennializing

CL K008 ESB 5008 REAL ID Compliance

Fiscal note was indeterminate, IS costs were provided in budget, and removed here.

CL K289 SSB 5289 Distracted Driving

Removing legislative amount provided for bill implementation.

CL K338 ESSB 5338 Registration Enforcement

Removing legislative amount provided for bill implementation.

CL K343 SSB 5343 Tow Truck Notices

Per fiscal note

CL K382 SB 5382 Reduced Cost Identicards

Per fiscal note

CL M1 Credit Card Transaction Fees

Biennializing

Recommendation Summary

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CL M2 Driver's License Production

Biennializing

CL M5 DRIVES Maintenance

Per agency 17-19 decision package, maintenance costs change in out years.

CL P19 LSO Wait Times Reduction

The total carried forward for EDL workload includes: $25.4 million per year ($2.235M from item 8H in the 2017-2019 biennial budget, $23.147M from item P19 in the 2018 supplemental) totaling $50.8 million biennially. Demand is expected to ramp up as agency outreach begins in June 2018, continuing through 10/1/2020 with the enforcement of the REAL ID Act . OFM and legislative staff are tracking increased demand with the agency. This appropriation should be reduced after enforcement begins and demand begins to decline (21-23 biennium).

CL P3 Identity Verification Fraud Prevent

Biennializing

CL P5 BTM Project Funding

Aligned amounts with expected expenditures for FY2020 in the decision package. This amount will need to be removed in the 21-23 biennium.

CL WRES Theatrical Wrestling

Biennializing SHB 1420

ML 8L Lease Adjustments < 20,000 sq. ft.

The Department of Licensing requests $1,155,700 in the 2019-21 biennium for the net ongoing increased lease and annual services costs for several Licensing Services Offices throughout Washington State, and one Administrative Office in the north Seattle area. These funds are also necessary to support the 2019-2025 Agency Desired Six-Year Facilities Plan submitted to the Office of Financial Management. (106-1 Highway Safety Account, 108-1 Motor Vehicle Account)

ML 8Y Cost Allocation Adjustment

The Department of Licensing requests a change in appropriation level by fund to redistribute indirect and central service expenses to more equitably reflect the cost of supporting the agency's direct and indirect service programs. (Multiple Funds)

Recommendation Summary

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ML 9Q Equipment Maintenance and Software

The Department of Licensing requests funding for software licenses and hardware and software maintenance contracts increases. This is necessary for efficient and effective operation of essential software and hardware to support operations across the department.

ML M1 Credit Card Transaction Fees

The Department of Licensing requests appropriations to pay for increased credit card costs resulting from increased online vehicle and professional licensing related transactions. Credit card companies charge on average 2.25% of the total transaction amount. (Multiple Funds)

ML M5 DRIVES Maintenance

The Department of Licensing requests additional ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems, referred to as DRIVES. The current maintenance budget covers only the Vehicle component (Rollout 1) of DRIVES and with the rollout of the Driver component (Rollout 2) in September 2018, an incremental increase of maintenance costs will be incurred next biennium.

ML M6 Ignition Interlock Device Workload

The Department of Licensing requests additional expenditure authority from the Ignition Interlock Device Revolving Account to support increased demands on the financial assistance program for low-income individuals. Qualified individuals can receive assistance from the program to subsidize the cost of installing and maintaining an ignition interlock device that complies with legally mandated ignition interlock device restrictions. This will allow participants to have a mode of transportation so they can get to work safely. (14V-1 Ignition Interlock Device Revolving Account)

ML M7 Abandoned RV Disposal Reimbursement

The Department of Licensing requests expenditure authority to cover reimbursement expenses related to implementation of SSB 6437, as adopted during the 2018 Legislative Session. This bill enables the department to provide reimbursements for costs associated with abandoned recreational vehicle disposal when the costs are incurred by registered tow truck operators or other authorized entities. (22J-1 Abandoned RV Disposal Account)

ML M8 Public Disclosure Workload Increase

Department of Licensing requests funding to add additional Public Disclosure Analysts to intake and process public records requests. The volume of requests received by the Public Disclosure Unit has more than doubled since 2016, without an increase in staffing during that period.

ML M9 Unlicensed Limousine Activity

Department of Licensing requests funds for increased costs associated with regulation and enforcement of limousine unlicensed activity across the state. The Limousine program has minimal travel funds to investigate unlicensed activity that delays and limits enforcement. Funding will help protect legal businesses and improve public safety by ensuring licensed and inspected vehicles are being used. (17W Limousine Carriers Account)

ML MA Vessel Renewal Reminders

Recommendation Summary

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The Department of Licensing requests funds to continue mailing vessel registration renewal reminder postcards. During the 2017 legislative session, DOL was appropriated one-time proviso funding for this purpose, which resulted in a significant increase in renewal fee revenue and excise tax collection for the general fund account. (001-1 General Fund State)

PL P6 Facility Six-Year Plan

The Department of Licensing requests $2,155,700 to relocate five Licensing Service Offices identified in the 2019-2025 Agency Desired Six-Year Facilities Plan submitted to the Office of Financial Management. This plan responds to operational and emergent facility needs that accommodate increasing population in Washington State, which affect workload volumes due to increased demand for driver licensing services. Properly placed, right sized facilities are necessary to support and implement workplace strategies that maximize productivity and maintain or improve business operations and customer service in a modern work environment.

PL P7 Replacing Firearms Legacy System

The Department of Licensing requests funding to replace the legacy Firearms system by procuring a commercial off-the-shelf solution to receive firearms applications from law enforcement, courts, and firearms dealers, maintain the records and provide the records to law enforcement electronically. The legacy Firearms system is failing and the outdated technology has resulted in a backlog of over 500,000 records requiring manual data entry. A new system will reduce manual processes, improve data accuracy and accessibility, and provide a stable, usable, and reliable system to law enforcement partners.

PL P8 Testing System Replacement

The Department of Licensing requests funding to replace a 20-year old driver license testing system to improve driver license test efficiency and security, score reporting, and data collection. The new system would integrate with DOL's driver license system and provide timely testing data from licensing service offices, driver training schools, commercial driver training schools and motorcycle safety schools and support Target Zero traffic safety initiatives.

PL P9 Cloud - Continuity of Operations

The Department of Licensing is required to establish its business operations continuity to a Cloud solution or the Quincy Data Center, per the Office of the Chief Information Officer policies. The existing business continuity capability in DOL's Union Gap data center has reached its end-of-life and is not compliant with data security policies. Funds are requested to transition data storage and the primary vehicles/drivers system to a long-term solution of a Cloud service provider. This option provides enhanced security features currently not available in the state infrastructure, is better positioned to adapt to future business needs, and improves business continuity in the event of a major incident/outage, network disruption, or data breach.

PL PA Data Stewardship & Privacy

The Department of Licensing requests funds to enhance data stewardship and privacy protection efforts to improve data management, revenue forecasting, data analytic capabilities, and data contract compliance. This will be accomplished by dedicating staff to data management, expanding auditing of data sharing contract recipients, and integrating data from various agency systems and external sources into a centralized data warehouse. (Multiple Funds)

PL PB Appraisal Management Companies

A change in federal law now requires Appraisal Management Company licenses to be renewed on an annual basis. The Department of Licensing requests funds to address a one-time system update to convert from a 2-year license to a 1-year license and cover increased ongoing costs for annual regulatory activities. (16M – Appraisal Management Company Account)

Recommendation Summary

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PL PC Facility Minor Works

The Department of Licensing requests $460,800 for two minor works projects in the 2019-21 biennium. This plan responds to new workflow efficiencies being implemented in offices across the state such as express lanes for expedited services, cameras at all workstations, and lobby coordination using mobile technology to pre-screen customers arriving for service. Upon review, five License Service Offices were determined to have an ineffective space layout to implement new workflows for process improvement. DOL plans to remodel the five office lobbies over the next two biennia to accommodate the changes. (106-1 Highway Safety Account)

PL PD Target Zero - Motorcycle Safety Edu

The Department of Licensing requests funding to improve the motorcycle safety program and support Washington State's Target Zero plan. The proposal, presented as agency request legislation, adds the requirement of basic skills testing before permit issuance, and increases the skills requirement testing before endorsement. The goal is to increase rider experience and decrease risk of collisions. (082-1 Motorcycle Safety Education Account)

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: PA - Data Stewardship & Privacy
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
(360) 902-3644
jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests funds to enhance data stewardship and privacy protection efforts to improve data management, revenue forecasting, data analytic capabilities, and data contract compliance. This will be accomplished by dedicating staff to data management, expanding auditing of data sharing contract recipients, and integrating data from various agency systems and external sources into a centralized data warehouse. (Multiple Funds)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$28	$28	$24	$24
Fund 003 - 1	$9	$9	$8	$8
Fund 024 - 1	$33	$33	$29	$29
Fund 026 - 1	$106	$106	$94	$94
Fund 04E - 1	$28	$28	$24	$24
Fund 06G - 1	$15	$15	$13	$13
Fund 06L - 1	$205	$204	$181	$181
Fund 082 - 1	$29	$29	$26	$26
Fund 104 - 1	$4	$4	$4	$4
Fund 106 - 1	$1,973	$1,968	$1,744	$1,744
Fund 108 - 1	$666	$664	$588	$588
Fund 14V - 1	$25	$25	$22	$22

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 15V - 6	$15	$15	$14	$14
Fund 16B - 1	$4	$4	$3	$3
Fund 16M - 6	$2	$2	$2	$2
Fund 201 - 1	$31	$31	$28	$28
Fund 298 - 6	$4	$4	$4	$4
Total Expenditures	**$3,177**	**$3,169**	**$2,808**	**$2,808**
Biennial Totals		**$6,346**		**$5,616**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	14.6	16.2	16.2	16.2
Average Annual		**15.4**		**16.2**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$960	$1,123	$1,123	$1,123
Obj. B	$323	$379	$380	$380
Obj. E	$1,766	$1,601	$1,239	$1,239
Obj. G	$45	$60	$60	$60
Obj. J	$83	$6	$6	$6

Package Description

Summary

The Department of Licensing (DOL) requests funds to create a data program to improve its data governance, revenue forecasting, data analytic capabilities, and data contract compliance. This proposal lays out a comprehensive Data Stewardship and Privacy Protection effort focused on providing the highest level of service in collecting, retaining, sharing, and using data while protecting privacy.

DOL holds the personal data of more Washington residents than any other state agency, with over six million drivers, eight million vehicles and vessels, and nearly 300,000 business and professional records. As gatekeeper to the state's largest collection of personal data, DOL faces the challenge of managing data throughout its lifecycle while also managing rapid growth in the volume of data collected and expectations surrounding data privacy. The need for governance and compliance is underscored with weekly news of data breaches and the misuse of personal information (e.g. Facebook).

In 2008, DOL conducted a data study that advised DOL to mature its data capabilities, but recommended to replace core legacy systems before proceeding with major data initiatives. Since 2008, DOL has modernized many major systems and demonstrates the readiness to undertake data initiatives. This proposal outlines the people, processes, and data-specific technologies needed by DOL to enhance its data lifecycle governance and management. The three components of the proposal are: Data Management, Data Analytics, and Data Sharing Compliance. Together, these efforts support the overall data lifecycle management of collecting, managing, using, retaining, and sharing data in accordance with state law, while protecting customer privacy.

1. **Data Stewardship and Privacy Management** ("Data Management")

   This proposal will create a chief data privacy officer and data stewards. The data officer will lead the management and governance of all DOL data. Responsibilities include: creating and implementing data policies, overseeing data sharing contracts and compliance, establishing assurance process and metrics for data, and strengthening agency data standards and controls. The data stewards will be responsible for inventory, collection, management, reporting, quality, use, retention, protection, and disposition of all data elements within their data domain. The data stewards will be the go-to staff for answers to why certain data is collected, to whom it is shared with, and why.

2. **Data Analytics**

   This proposal would create a centralized data warehouse, which will be a repository of combined data from various internal DOL systems and external sources. The warehouse will build on the modernization reporting improvements and grow capabilities to conduct privacy and threat modeling, fraud detection, predictive analytics, and strategic decision support. The warehouse will also enable internal and external self-service reporting and direct publication to open data portals. The users of the warehouse include analysts, data or privacy officers, stewards, scientists, data sharing staff, compliance/audit staff, and security staff. This also enables entities like the Legislature, Office of Financial Management, universities, and others to obtain copies of data sets for self-service analysis where personally identifiable information has been removed.

3. **Data Sharing and Compliance** ("Data Compliance")

   The Programs and Service Division currently audits bulk data recipients to ensure they are in compliance with the requirements to secure and use confidential information as written in their contracts. This proposal expands the compliance program to all outlets in the agency where confidential information is shared with outside parties. The proposal requires dedicated resources, which are not presently available. With dedicated staffing the compliance program will expand to all 4,100+ data recipients. Compliance activities will be tailored to the volume of data sharing; e.g. bulk data recipients would continue to be audited for data security and permissible use; e-Service users pulling individual records would submit annual self-

certifications of compliance and be subject to random permissible use checks; and current field audits of recipients, such as subagents, would be augmented to include data security and permissible use components.

Background

DOL holds the personal data of more Washington residents than any other state agency. This data is stored and accessed as business needs arise, such as through public disclosure requests, license issuance, or delivery to a commercial data broker. DOL has more than 4,100 contracts to provide agencies, local government, and businesses access to personal information as permitted by state and federal law and annually collects more than $26,000,000 in data sharing fees set by state law.

The mandate to audit and enforce data security and permissible use requirements comes from RCW 46.12.630 and focuses on those receiving bulk vehicle data. The audit requirements, considered a best practice, were inserted into contracts for bulk driver data. Today the compliance program is proactively auditing only bulk data sharing agreements for data security, many of whom are data brokers who share significant amounts of data with their customers. At present, data brokers provide 34,500 customers access to DOL data [1], and although DOL requires the brokers to similarly audit their customers, the compliance program has limited resources to ensure this work takes place. New data recipients must first be audited to prove they meet data security and permissible use requirements *prior* to receiving personal information. Currently, compliance work is conducted with one manager and auditors on loan from Internal Audit, and the work has been primarily focused on data security audits given the staffing constraints.

DOL has recently made significant progress toward modernization of its operational systems where the data resides, including Prorate and Fuel Tax, DRIVES, and Central Issuance System. These core modernized systems set the foundation and readiness for DOL to mature its data governance and management by focusing on the people, processes, and flow of data. While DOL has consolidated over 200+ applications into several major commercial off the shelf software (COTS), not all DOL data resides in a single system. The modernization projects also set the foundation for DOL to develop data analytics capabilities by building a data warehouse that would integrate data from different internal systems and external sources. Figure 1 provides an illustration of the agency's proposed model for managing data through its full life cycle.

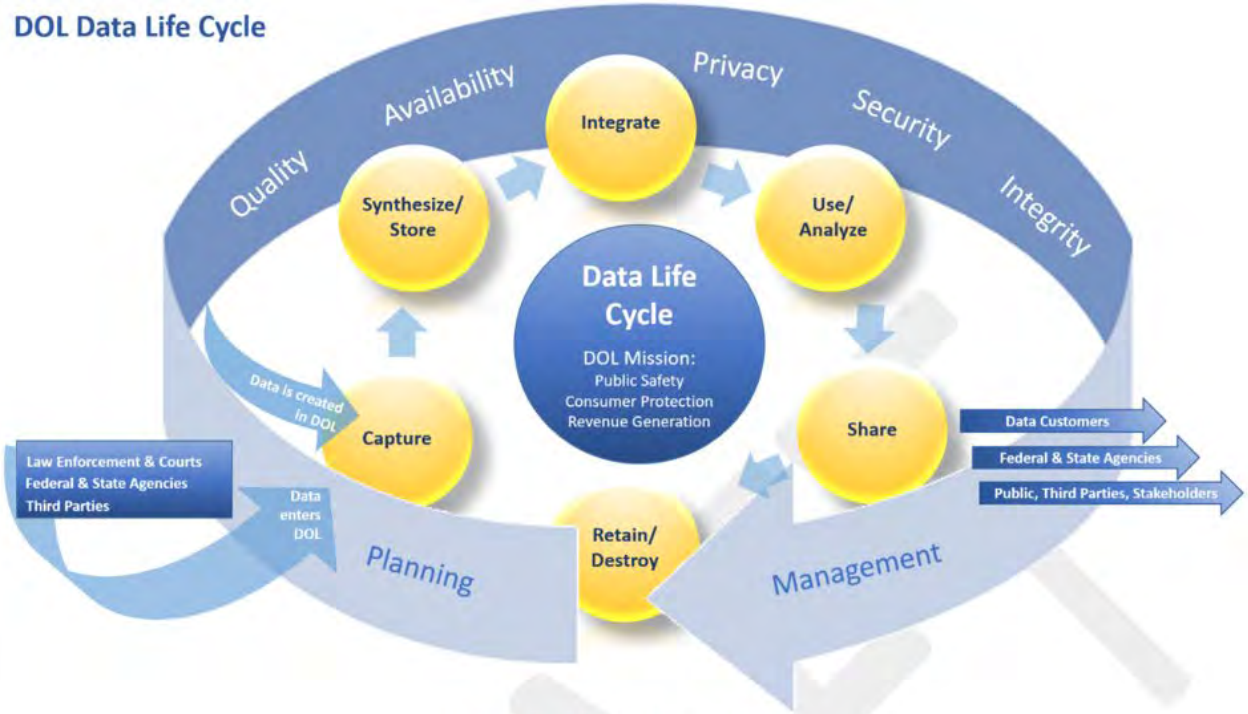


Figure 1 – DOL Data life cycle

<u>Assessment of Current State</u>

Creating a centralized data stewardship and privacy protection program will help standardize the agency's practices across separate teams and allow DOL to complete permissible use audits of data sharing recipients.

A number of DOL assessments and practices, dating back to 2008, highlight the complexities of data management, magnitude of the emerging risks, and the importance of investing in data stewardship and privacy protection to maintain DOL's status as a trusted and credible partner.

1. **2008 Consultant Data Study:** In 2008, Quest Information Systems, Inc., completed a study of DOL's data and determined *many internal and external data needs are not being met* and *data was not seen or being managed as an agency asset*. The study recommended a road-map of initiatives around people and processes, supported by technology, to gradually shift DOL's culture to treat data as an asset. The study also recommended that DOL first modernize its core systems before implementing data initiatives to ensure the foundation is in place for these data efforts. As per recommendation, DOL took action to create an initial set of data policies and deferred data initiatives until after systems modernization.
2. **DOL Data Governance Board:** In 2017, in response to a growing number of incidents and opportunities involving data, DOL formed a data governance board. The board assessed the degree to which different data policies (quality, privacy, security, availability, and ethics) contribute to DOL's business outcomes. The board

concluded *data policies strongly correlate and highly contribute to DOL business outcomes in Consumer Protection, Traffic Safety, Customer Satisfaction, Wait Times, Records and Data Integrity, Process Improvement, Employee Engagement, and Audit Outcomes*. The board also concluded that DOL needs to implement a road-map of data initiatives, but currently there is no data office with the formal role and responsibility to lead the effort and provide ongoing management and oversight of data.

3. **DOL Ecosystem Study:** In 2018, DOL conducted an ecosystem study to assess the importance of data in DOL's ability to fulfill its mission with partners, customers, and citizens. The findings show almost every partner and customer in the DOL ecosystem depends on DOL data. In many ecosystem interactions, DOL was considered the most reliable source for data used by law enforcement, courts, voter registration, etc. The impact and volume of data exchanged is so significant that data was summarized as, *a fuel that drives much of the DOL ecosystem*, and as a result, the conclusion was reached that *data stewardship and privacy protection are a significant part of DOL's mission*. (DOL Data Ecosystem, Appendix A)
4. **Future State Business Capabilities Gaps:** In 2017, the DOL executive leadership team held several workshops to strategize, identify, and plan DOL's future-state business capabilities required to execute its mission and handle emergent issues over the next five years. One significant insight identified was the number of gaps that existed specific to managing data ("data stewardship"), including data privacy, security, quality, integration, and open data. (DOL Future State Business Capabilities 2018 Gaps, Appendix B).
5. **Compliance Auditing:** In 2014, DOL consolidated the driver and vehicle data sharing into one program. This allowed DOL to establish consistent contract terms and conditions, and compliance practices for both types of data. Over the last four years the compliance program has evolved to be a leader in data sharing compliance efforts. Today, new data recipients must first be audited to prove they meet data security requirements *prior* to receiving personal information. Those with ongoing contracts must be re-audited every three years. If deficiencies are found, they must be corrected or the recipient risks losing access to the data. Due to limited resources, DOL is only auditing bulk driver and vehicle data recipients, representing a small fraction of all data sharing contracts across the agency, for data security. Unlike the proactive data security audits, permissible use audits are conducted in reaction to claims of misuse. Current data security audits are supported by two auditors on loan from the Internal Audit program, which inhibits their ability to meet their own workload requirements.

The assessments summarized above rank DOL's current data capability maturity at "Reactive" per industry benchmarks. (Appendix C – DOL Current State Assessed at "Reactive"). The assessments also conclude the importance of data to DOL's mission and the urgent need for DOL to invest more in people and processes to be proactive in managing State's personal data.

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

Data Management
Continue with the current approach to managing data: Data management can continue in a de-centralized manner. This results in business areas making decisions without considering the upstream or downstream impact on the underlying data, and other business areas and/or information technology impacts. Examples include: 1. A business area changes a data field in their system. While the change makes sense in the scope of the operational process, without data stewardship and oversight, the downstream impacts of the reports generated and relied upon by other business units, and ecosystem partners, are missed. 2. A business unit makes a decision to stop collecting certain data as a part of a transaction. While this does not directly impact the operational transaction, it prevents correlation of data elements within the larger DOL enterprise or broader ecosystem partners with whom the data is shared. The other problem with the current approach is decision-makers are commonly department analysts, managers, or other staff who have business and/or operational knowledge related to an issue but lack knowledge or ability to address management of the associated data. This option wasn't chosen because it doesn't provide the resources for the agency to centrally manage data. Without dedicated resources, work will continue to get spread out among multiple staff, and lose the needed central focus and stewardship.
Data Analytics
Do Nothing – DOL's reporting and analytics will be limited to manual processes for combining data from different agency systems. On a case-by-case basis, data will need to be extracted and integrated from each source system every time to produce the desired report or result, and the process is not repeatable. Over time, the fulfillment of data requests becomes unmanaged as each program/division will develop piecemeal reporting and analytics solutions, with the benefits limited only to the division or specific requestor. This limits the ability and timeliness of meeting requests due to the complexity of scenarios and accessibility of the data. This options wasn't chosen because DOL is a repository of data that could be used to forecast and predict scenarios, and identify correlation between data. This would greatly improve DOL's ability to run scenarios for proposed legislative changes and to support the effectiveness of initiatives such as Target Zero.

Leverage DRIVES – DOL looked into leveraging DRIVES to fill the agency's analytics gap. There were several factors limiting this alternative: • DRIVES encompasses vehicle and driver data and does not include business and professional, firearms, Uniform Commercial Code, etc. The scope of DRIVES is not enterprise-wide and therefore cannot provide the analytics that would be possible with a data warehouse. • DOL spoke with other states that implemented DRIVES and learned that many implemented data warehouses in addition to DRIVES to fulfill data analytic needs.
Data Compliance
• **Do Nothing** - The compliance program today is dependent on two auditors borrowed from Internal Audit. Internal auditors can no longer support external audits due to impacts on their own workload, responsibilities, and professional standards. Data security audits will continue on a much slower pace, and permissible use audits will only be conducted if DOL becomes aware of, or suspects, misuse. In this scenario, there would be no compliance monitoring of e-Service agreements (e.g. Driver and Plate search (DAPS)), no agency-wide compliance effort, and DOL would have limited compliance requirements and monitoring throughout the agency. In order to maintain the current level of compliance efforts, DOL would need to take resources from other programs, such as licensing offices, to perform this work. • **Addition of only 3 FTEs** – This option would add two auditors and an IT specialist, allowing the compliance program to maintain existing data security audit requirements and support a select number of permissible use audits across the agency. It would provide a consistent approach to compliance on a fraction of the agency data sharing agreements with limited compliance practices across all agency programs. There would be insufficient resources to implement compliance activities on e-Service agreements (e.g. DAPS, Contract Plate Search (CPS), Internet Hosting Publishing System (IHPS)).

What are the consequences of not funding this request?

The agency will be less effective in managing its data and ensuring data recipients are complying with contract requirements without this proposal. In addition, the agency's ability to fulfill external data requests, reduce fraud, and improve processes will be limited without a data warehouse.

The consequences for not maturing data privacy protection program in the coming years can result in significant cost to agency as seen in the industry examples below:

- In a recent industry data breach study, the average cost for each stolen record containing sensitive and confidential information had risen to $158. A modest breach of 30,000 records can cost in excess of $4.7M.
- Total volume of industry data around world is doubling every two years and DOL is experiencing similar significant growth in electronic content. An industry benchmark shows average organization cost of $2.8M every three years to store one Petabyte (1000 Terabytes) of data. The data stewardship program can mitigate DOL's cost by improving data life-cycle management and retaining content per records retention schedules.
- Regulators are adding steeper fines for non-compliance with evolving privacy regulations. For example, non-compliance with European Union's (EU) new General Data Protection Regulation (GDPR) can result in fines of $20M or more. This applies to all foreign organizations possessing data on EU residents.

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

To help address the data management needs DOL has done the following:

- Created a Data Governance Board comprising of existing staff from the executive team and subject matter experts. While this addresses the ability to make policy changes within the agency, it doesn't have the bandwidth to perform all the functions of full-time data stewards.
- The need for permissible use audits was identified this biennium. To temporarily address this need two internal auditors were reassigned. Unfortunately this now has created a backlog of internal agency audits that need to occur.
- DOL's research and analytics team manually engages with each system's production support process to pull data and then locally integrate and conducts analysis. This is both inefficient and burdensome for each vendor and IS staff because analytics requires back and forth investigative data queries. To fill the gap, IS and analytics staff are added to production support processes. However, this is not sustainable as this is taking away staff time from critical IS operations.

[1] Examples of Data Broker: RL Polk, Experian, LexisNexis, and HireRight

Examples of users: Ford, City of Olympia, Safeco Insurance, Pizza Hut, and WSDOT tolling

Assumptions and Calculations

Expansion or alteration of a current program or service:
Current Investment

Fund	Activity	FY 2016	FY 2017	FY 2018	FY 2019
108-1	A030	$ 155,719	$ 155,719	$ 155,719	$ 155,719
FTEs	A030	1.50	1.50	1.50	1.50

Data Management

- Data Governance Board: In 2017, DOL formed a data governance board comprised of 11 executives and subject matter experts to evaluate, monitor, and advance the state of DOL's data management; the board currently meets bi-weekly for one hour. The Board's main purpose is to be the decision authority for critical data decisions and enact data policies. While the data governance board is helping with data decisions and policy development, there is no data stewardship or privacy management capacity to implement the decisions, policies, or date related road maps. The agency does not have a base budget for data management and existing staff do not have the capacity to absorb this workload and fulfill their normal job responsibilities.
- Data Architect: DOL has one full time data architect to lead technology strategy and architecture for data projects. This position has been working on data efforts related to modernization projects. This position will support the new data/privacy office with their technology strategy as well build the analytics architecture for implementation by the IS engineer and technician (part of this package).
- Records Management: One Management Analyst 3 in the Administrative Services Division is designated as the agency's records officer, and is responsible for compliance with records retention schedules and destruction requirements, completing annual records inventories, and coordinating long-term storage and archiving functions with the Secretary of State's Office.

Data Analytics

- Information Services (IS) Database Administration Unit: DOL IS division has a unit comprised of three database administrators. This unit's work is primarily operational and involves administering and maintaining all of the database infrastructure supporting all agency applications (legacy and modernized). These positions do not have the bandwidth or expertise to oversee a data warehouse, which will be significantly different from the transactional databases the agency maintains. This package asks for two IS staff to add to the team specific to building and maintaining the analytics environment.
- Research and Analysis Program: DOL's Research and Analysis Office has 10 researchers and data scientists who conduct agency-wide, in-depth analysis, and research activities to support policy development, performance management, and operational initiatives. This team does not have the IS expertise needed to maintain the data warehouse.

Data Compliance

Function	FTE Rate	FY 20	FY 21	FY 22	FY 23
Data Compliance Manager	1.00	$ 117,464	$ 117,464	$ 117,464	$ 117,464
Contract Specialist	0.50	$ 38,255	$ 38,255	$ 38,255	$ 38,255
Total:	**1.50**	**$ 155,719**	**$ 155,719**	**$ 155,719**	**$ 155,719**

DOL's data sharing compliance program currently performs data security audits on a regular basis, and permissible use audits as needed due to limited, undedicated staffing. The existing program has been conducted with one manager, a half-time contract specialist and two auditors on loan from DOL's Internal Audit team. By supporting the compliance program, the two internal auditors are pulled away from critical internal audit activities and assurance services, preventing the risk based audit plan from being completed and the agency programs from being audited.

Detailed assumptions and calculations:
Data Management

Cost Category	FY 20	FY 21	FY 22	FY 23
FTE Costs	$ 469,000	$ 688,300	$ 688,300	$ 688,300
Technical Consultation & Quality Assurance	$ 66,500	$ 66,500	$ -	$ -
Project Management Services	$ 42,000	$ 42,000	$ 21,000	$ 21,000
Change Management Services (OCM)	$ 33,000	$ 33,000	$ 17,000	$ 17,000
Technology Services	$ 450,000	$ 350,000	$ 350,000	$ 350,000
Equipment/Standard Costs	$ 88,500	$ 87,500	$ 87,500	$ 87,500
Indirect	$ 84,000	$ 77,000	$ 77,000	$ 77,000
Grand Total:	**$ 1,233,000**	**$ 1,344,300**	**$ 1,240,800**	**$ 1,240,800**

Work effort in this area is estimated from a combination of external consultant studies and internal subject matter expert assessments. The baseline FTEs were developed from a Quest consulting study, further vetted and reviewed by Gartner consulting. The study considered internal and external stakeholder needs, review of existing data management capabilities, the number of data domains (subjects) managed by DOL, and the minimum number of staff required to develop and sustain data management competency at DOL. This effort also includes implementation consulting and quality assurance services from an external consultant to help ensure success of the proposed data program by aligning the program with the latest trends and lessons learned.

Data Management is focused mainly on people, processes, and strategic structure supported by data management-specific technologies. The purpose of this investment is to manage data from an enterprise level, responsible and accountable for the governance and strategic management

of all DOL data, drive consistency across business areas, and institutionalize processes to adopt data as asset culture.
People • **1 Chief Data Stewardship and Privacy Officer (WMS3):** Senior manager responsible for the new central data stewardship and privacy program. The officer will define data policies focused on strategic outcomes and oversee its compliance, establish assurance processes, build and report data metrics, and champion data as strategic asset across internal business areas and across ecosystem partners. • **5 Data Stewards (ITS4):** Data Stewards will be responsible for the inventory, collection, management, reporting, quality, use, retention, protection, and disposition of all data elements within their data domain. They will also promote and enforce standards and serve as go-to-staff for answers on why certain data is collected, what the quality of the data is, and where and why it is shared. DOL has identified 24 data domains encompassing more than 16,180 unique pieces of data. The annual workload estimate is 12,053 hrs. DOL will staff data stewards in increments to allow time to first build a successful foundation, three (3) data stewards in first year, adding two (2) additional stewards in second year. See Appendix D – DOL Data Steward: Workload Model. *Scope of work* • **Data Lifecycle Management**: Implementation of a policy-based approach with organizational change management to control the flow of data from creation through destruction. This includes processes/controls for data minimization, open data management, and deletion of data that has reached the end of retention. • **Data Catalog and Inventory Management:** Adopting consistent practices to inventory, define, and classify data based on its level of sensitivity, value and importance. Classification of data will aid in determining baseline security controls for the protection of data. • **Data Security & Privacy Management**: Processes, procedures, and guidance to protect data and information assets in alignment with privacy and confidentiality regulations and business requirements. • **Data Quality Management:** Activities to plan, implement, and control data quality. The primary objective is to establish quality controls and measurements to ensure data conforms to acceptable levels of data quality. *Technology* • **Data Privacy and Protection Management Software**: Software to conduct privacy impact assessments, check processing activities against privacy regulations, conduct vulnerability scans, and track incidents that can lead to unauthorized disclosure of personal data.

- **Data Quality Software**: Software to proactively monitor, report, and correct data quality issues and automate the process that would otherwise be limited to manual inspection.
- **Data Catalog Software**: Software to classify and organize data across the enterprise. This software contributes by tagging, documenting, and annotating data sources that have already been registered in the catalog.

Data Analytics

Cost Category	FY 20	FY 21	FY 22	FY 23
FTE Costs	$ 250,900	$ 250,900	$ 250,900	$ 250,900
Technical Consultation & Quality Assurance	$ 66,500	$ 66,500	$ -	$ -
Project Management Services	$ 42,000	$ 42,000	$ 21,000	$ 21,000
Change Management Services (OCM)	$ 33,000	$ 33,000	$ 17,000	$ 17,000
Software and Equipment	$ 524,220	$ 441,300	$ 391,300	$ 391,300
Indirect	$ 84,000	$ 77,000	$ 77,000	$ 77,000
Grand Total:	**$ 1,000,620**	**$ 910,700**	**$ 757,200**	**$ 757,200**

The Data Analytics expenditures are based on feedback from other states that implemented systems similar to DRIVES, Gartner consulting, a recent Information Services FTE study by MathTech Consulting, and DOL's internal information services workgroup. The MathTech study provided a comparison of DOL's staff allocation to that of an average government agency of equal size. The study confirmed the current four data analytics FTEs are mostly operational, and overall data analytics FTEs are below the industry average of seven. The study outlined deficiencies in the areas of data analytics and data management. This package adds two additional FTEs specifically to support analytics.

Data Analytics is the creation of a user-friendly centralized data warehouse that combines data from various internal systems and external sources. This solution extends the current reporting capabilities to analytics that include privacy and threat modeling, fraud detection, predictive analytics, and strategic decision support. The new data warehouse will ensure all business data is available to business users to conduct self-analysis and provides the ability to publish to Washington's open data portal.

People

- **1 Data Analytics Engineer (ITS6):** An IT professional responsible to design and implement all of the technical components of the data warehouse including the extract, transform and load processes (ETL – extract, transform, load) from source

systems. This person will also provide technical support to the data stewardship office for data quality and the cataloging software.

- **1 Data Analytics Technician (ITS5):** A data-centric IT professional who analyzes source data, operates the ETL processes to ensure the data warehouse is kept up-to-date with the latest data and changes from various source systems.

Scope of work

- **Business Oriented Data Structure/Taxonomy:** The process of creating a data structure that can be easily understood by business users. Unlike transactional database structures that include thousands of tables with system data embedded, the warehouse data structure is simplified and organized by business subject. This process includes a data dictionary and metadata (data about data) on contextual meaning of each data element including its security classification.
- **Extract, Transform, Load Processes (or Data Virtualization):** This is the process of extracting data from source systems, transforming origin structure into a subject-oriented structure, and loading it into the data warehouse. Depending on the source system capabilities, the data will either be physically transformed and copied or virtualized.
- **Privacy and Security Analytics:** The objective is proactively conduct privacy and security threat modeling and detection by actively monitoring and analyzing data that is collected from various DOL systems.
- **Dataset Publishing for Self-Service (includes Open Data)**: Technical processes to integrate data from various systems to create high value data sets that can be published for self-service consumption.

Technology

- **Data Storage Hardware:** While DOL will leverage the capabilities of individual systems and avoid physically copying data into the central repository, new storage will be needed for systems that do not support virtualization, as well as external data that will need to be combined or analyzed. This package adds three terabytes of additional storage to host the data warehouse.
- **Software Hosting:** This is the additional SQL server software licensing and hosting needed to support the new data warehouse environment.
- **Data Analytics Software:** Software to develop analytical applications, advanced reports, and visualizations enabling forecasting, threat modeling, performance measure analysis and decision-support models. The consumers of these analytics reports will be internal and external.
- **Data Virtualization Software:** Software to create and integrate data virtually so it is not replicated, but is kept in sync with source systems in real-time.

Data Compliance

Cost Category	FY 20	FY 21	FY 22	FY 23
FTE Costs	$ 562,500	$ 562,500	$ 562,500	$ 562,500
Technical Consultation & Quality Assurance	$ 66,500	$ 66,500	$ -	$ -
Project Management Services	$ 42,000	$ 42,000	$ 21,000	$ 21,000
Change Management Services (OCM)	$ 33,000	$ 33,000	$ 17,000	$ 17,000
Travel	$ 45,100	$ 60,000	$ 60,000	$ 60,000
Equipment/Standard Costs	$ 109,900	$ 72,700	$ 72,700	$ 72,700
Indirect	$ 84,000	$ 77,000	$ 77,000	$ 77,000
Grand Total:	**$ 943,000**	**$ 913,700**	**$ 810,200**	**$ 810,200**

The data compliance staffing levels are based on an analysis of all DOL programs sharing personal information. Proposed staffing for the compliance program was scaled using existing compliance standards (OCIO 141.10 and RCW 46.12.630), the types of items needed to demonstrate compliance (e.g. audits or annual certifications), and the volume of work (4,100+ data recipients) needed for a full-scale compliance program. Auditor workloads were based on input from DOL's internal auditors currently supporting the program. Using a staffing model, each program sharing confidential data would consume a number of FTE hours per compliance activity. The model then generated the number of FTEs needed by job function and compliance activity in a given year.

This proposal also leverages current program staff performing field audits on DOL business partners (e.g. subagents, driver training schools, etc.) by augmenting audit criteria to include data security and permissible use components.

Data compliance enhances and expands data sharing auditing/compliance capabilities by adding dedicated staff for data security and permissible use audits. DOL would expand an existing compliance program to monitor all 4,100+ data recipients and monitor subrecipients to ensure their use of DOL data is consistent with requirements in data sharing agreements.

People

- **2 Auditors (MA5)**: Together with the ITS positions, these auditors are responsible to audit bulk data recipients against uniform data security, permissible use, and compliance requirements. Principal work focuses on reviewing more than 15 data security audits and performing more than 15 permissible use audits each year, while also auditing e-Service users as needed. For purpose of reviewing data security audits, these positions offset a void currently staffed by the DOL Internal Audit team.
- **2 IT Specialists 4 (ITS4)**: Technical staff to collaborate with the auditors and contract specialists to provide expertise in enforcement of data security and permissible use requirements. Their IT expertise will ensure data recipients are meeting OCIO data

security requirements, as well as ensure recipients' IT systems are in compliance with permissible use restrictions.

- **1 Contract Specialist (CS2):** Working with an existing contract specialist, manages annual data security and permissible use certifications across 3,000 e-Service agreements (Driver and Plate Search (DAPS), Contracted Plate Search (CPS), etc.) and conduct random e-Service permissible use audits.

Scope of work

- **Contracts:** Enhance DOL data security requirements and use limitations for all agency data sharing agreements.
- **Data Salting:** Data salting would be used as one method to detect misuse of data. For example, DOL would introduce false data into a vehicle owner data file, and monitor for misuse, such as the false record would receive extended warranty advertisements.
- **Auditing:** For recipients of large volumes of data, security tactics follow OCIO Policy 141.10 wherein bulk data recipients are audited for data security and permissible use requirements every three years and must submit annual compliance statements. Work includes regular, comprehensive permissible use audits to ensure confidential data is only used as authorized by state and federal laws, and reflected in the data sharing agreement. Recipients of individual records through e-Services must also submit annual compliance statements and undergo random data security or permissible use audits.

Technology

- **Compliance Application** (e.g. MetricStream Compliance Management or TeamMate+): A centralized software tool for planning audits, flagging deficiencies against compliance requirements, tracking follow-up actions, and immediate, automated reporting across the assortment of compliance efforts (e.g. bulk data recipients, sub-agents, e-Services).

Workforce Assumptions:
Data Management

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
It Specialist 4	$6,793	3.0	5.0	5.0	5.0
WMS 3	$8,900	1.0	1.0	1.0	1.0
Total Direct FTEs (Round 10)		**4.0**	**6.0**	**6.0**	**6.0**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
It Specialist 4	$6,793	244,548	407,580	407,580	407,580

WMS 3	$8,900	106,800	106,800	106,800	106,800
Total Object A - Employee Salaries (Round 100)		**351,300**	**514,400**	**514,400**	**514,400**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
It Specialist 4		84,377	140,628	140,628	140,628
WMS 3		33,304	33,304	33,304	33,304
Total Object B - Employee Benefits (Round 100)		**117,700**	**173,900**	**173,900**	**173,900**

Data Analytics

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
It Systems/App Spec 6	$8,278	1.0	1.0	1.0	1.0
It Specialist 5	$7,500	1.0	1.0	1.0	1.0
Total Direct FTEs (Round 10)		**2.0**	**2.0**	**2.0**	**2.0**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
It Systems/App Spec 6	$8,278	99,336	99,336	99,336	99,336
It Specialist 5	$7,500	90,000	90,000	90,000	90,000
Total Object A - Employee Salaries (Round 100)		**189,300**	**189,300**	**189,300**	**189,300**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
It Systems/App Spec 6		31,775	31,775	31,775	31,775
It Specialist 5		29,863	29,863	29,863	29,863
Total Object B - Employee Benefits (Round 100)		**61,600**	**61,600**	**61,600**	**61,600**

Data Compliance

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
It Specialist 4	$6,793	2.0	2.0	2.0	2.0
Management Analyst 5	$6,629	2.0	2.0	2.0	2.0
Contracts Specialist 2	$5,441	1.0	1.0	1.0	1.0
Total Direct FTEs (Round 10)		**5.0**	**5.0**	**5.0**	**5.0**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
It Specialist 4	$6,793	163,032	163,032	163,032	163,032

Management Analyst 5	$6,629	159,096	159,096	159,096	159,096
Contracts Specialist 2	$5,441	65,292	65,292	65,292	65,292
Salary Increase	$32,000	32,000	32,000	32,000	32,000
Total Object A - Employee Salaries (Round 100)		**419,400**	**419,400**	**419,400**	**419,400**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
It Specialist 4		56,251	56,251	56,251	56,251
Management Analyst 5		55,445	55,445	55,445	55,445
Contracts Specialist 2		24,803	24,803	24,803	24,803
		6,554	6,554	6,554	6,554
Total Object B - Employee Benefits (Round 100)		**143,100**	**143,100**	**143,100**	**143,100**

Strategic and Performance Outcomes

Strategic framework:

DOL's advanced data stewardship and privacy aligns with the Governor's Goal 5 for efficient, effective and accountable government, and DOL's Strategic Initiative 11 to protect our systems and data from compromise, fraud or cyber threat.

Performance outcomes:

Data Management Outcomes:

1. DOL data will be inventoried and organized into domains, and reflect DOL's improved standards for data capture, storage, security, use, sharing, retention and destruction.
2. All data domains will have assigned data stewards who enforce those standards.
3. All DOL staff with authorization to access a data set will be trained in those standards.
4. Volume of data stored by DOL will decrease, as unnecessary data is identified and removed.

Data Compliance Outcomes:

1. All entities receiving confidential data from DOL will be subject to data security and permissible use requirements as stated in contracts with DOL.
2. Bulk data and e-Services recipients will submit annual compliance attestations.
3. All bulk data recipients will be audited for data security and permissible use compliance once every three years.
4. All audit violations will be fully remediated or remediated under a corrective action plan containing compensating controls.

Data Analytics Outcomes:

1. More data will be queried for analytical or reporting purposes by authorized, and qualified DOL employees using a new secured data warehouse.
2. Internal and external requests for DOL data, analysis and related research will be fulfilled more often. We are currently able to answer 5% of data requests with existing statistical data sets. We expect this to increase to 10%, 20%, then 25% within the first 3 years which will allow us to devote more resources to more in depth research and analysis.
3. Internal and external requests for DOL data, analysis and related research will be fulfilled more timely. Development of custom data sets takes 3 to 6 months today. We expect a 50% to 80% reduction in turnaround time for similar work.
4. Collocating and standardizing industry data from external sources with DOL data enables DOL staff and management to relate our work to that of the industry and to respond to industry trends in a more timely fashion.

Ultimate Outcomes:

1. Seven million driver license and Identification card holders, eight million vehicle and vessel title holders, and nearly 300,000 business professional license holders will receive greater protection of their personal data.
2. All internal and external policy makers relying on DOL data will receive accurate timely responses from DOL.

Performance Measure Detail:

Data Management: % of data domains meeting DOL's new standards for data quality and privacy

Baseline	FY20	FY21	FY22	FY23
0%	10%	20%	50%	100%

(The Performance and Planning program estimate assumes it may take four years to bring all domains up to data quality and privacy standards).

Data Compliance: % of bulk data sharing contracts audited for compliance

Baseline	FY20	FY21	FY22	FY23
16 %	20%	25%	35%	35%

(The Performance and Planning program estimate assumes sufficient FTE will be funded to audit 100% of bulk data contractors every three years for data security and permissible use, after slower startup. We will also measure for 100% of contractors to submit their annual certifications).

Other Collateral Connections

Intergovernmental:

Improved accuracy of revenue collection based on qualities of records such as location for regional transit authorities, or vehicle characteristics for Clean Alternative Fuel vehicle fees and exemptions. Improved data quality for local government agencies that partner with DOL or request information from the agency. Increased data availability and quality enables greater collaboration with tribal entities in Target Zero efforts.

1. **Other government agencies**: Many government agencies rely on DOL data for verification of resident identities as well as possession of vehicles, vessels, firearms, and professional licenses. The ability to monitor and control access to data is critical for protecting the public while at the same time ensuring the data is used solely for that purpose. Transportation funding relies heavily on accurate revenue forecasts and the availability and accuracy of DOL data is critical in maintaining this source of income for state infrastructure.
2. **Tribal governments**: Tribal governments rely on the accuracy of driver, vehicle, and vessel data for public safety, prorate fuel tax, and professional licensing data to protect tribal consumers. This data management plan enhances the integrity and timeliness of DOL data available to tribal governments in decision-making and communicating with their members and communities.
3. **Legislative Reporting**: The Legislature relies heavily on DOL data when crafting laws on traffic safety, environmental protections related to vehicles and driving, transportation infrastructure, taxation, revenue generation and countless other needs. This proposal will enhance the agency's ability to fulfill legislative data requests by combining data across all the agency's systems into one data warehouse.
4. **Courts**: DOL data is used to adjudicate and administer justice in criminal matters.

Stakeholder response:

Improves data quality for data sharing and decision-making. Several agencies such as Secretary of State (OSOS), Washington State Patrol (WSP), Department of Transportation (WSDOT) and Department of Revenue (DOR) rely heavily on DOL data exchanges to fulfill their agency missions.

1. **State residents**: Personal information is collected and retained from residents in order to issue drivers' licenses, vehicle/vessel titling documents, and professional licenses. This proposal enhances the agency's ability to manage that data and ensure external data recipients are complying with permissible use requirements.
2. **Academic and Non-Profit Data Consumers**: Multiple entities have access to DOL data and use it to benefit our communities, public safety, consumer protection, or simply advance knowledge for future innovations. Auto manufacturers use DOL data for recalls. Universities request data sets for analyzing traffic and parking patterns, or driver behaviors related to age, health, distractions, and drugs/alcohol use.

Enhancing the integrity and timeliness of the data they use will benefit our economy, institutions, and society as a whole.

3. **Businesses/Employers**: DOL data is used to verify the potential employee's driving record when the job entails driving vehicles.
4. **Commercial Data Brokers**: The expanded compliance program provides greater protection of personal information with broader agency oversight over the disclosure of data, with a particular focus on monitoring the activity of data brokers reselling data as permitted under state law.

Legal or administrative mandates:
RCW 43.105.365 (Accuracy, integrity, and privacy of records and information), EO-16-01 (data minimization, privacy), EO-17-01 (non-discrimination, sharing data with law enforcement). The Washington State Strategic Highway Safety Plan relies heavily on DOL driver and vehicle data to support Target Zero initiatives. Improved compliance with federal requirements such as the federal Driver Privacy Protection Act (DPPA) and the Federal Motor Carrier Safety Administration (FMCSA) commercial driver licensing requirements. Increased data quality and availability for Open Data initiatives.

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

Reference Documents

- 19-21 DP - Data Management_PostOCIO-Aug21 Appendix A.docx
- 19-21 DP - Data Management_PostOCIO-Aug21 Appendix B.docx
- 19-21 DP - Data Management_PostOCIO-Aug21 Appendix C.docx
- 19-21 DP - Data Management_PostOCIO-Aug21 Appendix D.docx
- 19-21 DP - Data Management_PostOCIO-Aug21 IT Addendum.docx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
Yes
19-21 DP - Data Management_PostOCIO-Aug21 IT Addendum.docx

2019-21 IT ADDENDUM

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

Please itemize all 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. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Information Technology Items in this DP (*insert rows as required*)	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
ITS Positions	$ 977,700	$ 1,197,000	$ 1,197,000	$ 1,197,000
Data Management Software	$ 450,000	$ 350,000	$ 350,000	$ 350,000
Technical Consultation & Quality Assurance	$ 199,500	$ 199,500	$ -	$ -
Project Management Services	$ 126,000	$ 126,000	$ 63,000	$ 63,000
Change Management Services (OCM)	$ 99,000	$ 99,000	$ 51,000	$ 51,000
Data Virtualization Software (BI Tool)	$ 240,000	$ 240,000	$ 240,000	$ 240,000
Severs (SQL/WEB)	$ 213,600	$ 172,100	$ 122,100	$ 122,100
Total Cost	**$ 2,305,800**	**$ 2,383,600**	**$ 2,023,100**	**$ 2,023,100**

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 the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

   The Department of Licensing (DOL) expects the following organizational changes because of this effort:

   - Create the DOL Data Management & Privacy Office with one chief data officer and five data stewards. One of the key goals of the new central data office is to drive culture change where data is managed as critical agency asset, hence, organizational change management is critical planning processes part of this decision package (DP).
   - Expand and transfer the role of the data sharing contract, compliance, and auditing unit from a single division (Programs and Services – PSD) to the entire agency.
   - Relocate the PSD data contract office into the Data Management & Privacy Office; may lead to other organizational structure changes that will strengthen DOL's data management.
   - New policies and operational process or procedures will be developed to manage and oversee the collection, processing, use, retention, and distribution of data. New policies will clearly define procedures to ensure quality, privacy, and security of all data.
   - Employees' roles and responsibilities will be modified and/or clarified related to data management and privacy and include specific language in job descriptions.
   - Develop performance measures related to data management to measure the impact on key business objectives (engaged employees, customer service, public safety, etc.) and evaluate the continued maturity of DOL's data management programs.

   DOL recognizes that data stewardship and privacy management requires significant culture change from current state. It will impact all DOL employees, our external business partners (Driver Training School Owners and Instructors, Vehicle Agents/Sub agents, Vehicle Dealers, etc.) and customers. This DP factors in the necessary resources required to lead the change management effort to make the culture change over time.

   As part of the preparation and pre scoping for this project, we have:

   - Made several presentations to DOL's Executive Leadership Team
   - Communicated in DOL's Leadership Conference (include all managers and supervisors)
   - Updated DOL's Data and Record Management policy and developed the communication plan
   - Developed a new Data Governance and Management intranet page
   - Regularly educating employees on data (for example we have published two open data articles on our intranet)
   - Data Governance and Management is included in agency's change management project list and is being prioritized with other projects
   - Groundwork for expanding the compliance program included interviewing all agency program managers sharing confidential information. Through the interview process managers were informed of possible compliance recommendations specific to their program. The information they provided was used to determine future staffing needs.

   DOL's Data Governance Board (DGB) will work with the change management consultant (requested in this package) to identify changes and develop a comprehensive change management plan. This

plan includes communication plan, training plan, and supervisor/manager coaching plan. DOL has an enterprise change management office and trained OCM practitioners, this project will get them on board as soon as possible, leveraging their expertise for a successful transition and implementation of the project. DOL's current multi-year business and technology modernization project hired at least four change management consultants who based their approach off PROSCI concepts. The data initiative will leverage and build on the OCM work done to date as part of modernization projects and buildout.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

   DOL's current IT portfolio consists of:

   - New modernized systems of records (new DRIVES system, Central Issuance System, Prorated Fuel Revenue Collection)
   - Legacy business systems not yet modernized (Business/Profession Licenses, Driver Testing, etc.)
   - Legacy administrative systems, some of which are in scope of One Washington (human resources, payroll, etc.)
   - Business Productivity tools (SharePoint, Microsoft Office, etc.)
   - IT infrastructure and management tools

   Both legacy and new systems are transactional systems focused mainly on operations. While data is collected, maintained, and reported by each system, the features and functions are strictly transactional based. The underlying data structures and architecture are optimized for user interfaces part of the business process application, and not for data management or analytics. DOL's IT portfolio currently does not have any specialized capabilities that can span across systems to assess, manage, or report on data privacy, quality, and standards. Numerous assessments conducted in-house and from expert consultants, show significant portfolio gaps related to this area and the need for specialized tools related to data. These tools include:

   - Data minimization tools, to model privacy, including ability to model DOL data with other external data
   - Data quality assessment and monitoring tool so that data quality is managed as ongoing function
   - Data dictionary and metadata tools to inventory and conduct master data management that enables DOL to set standards and controls for various types of globally and locally governed data.
   - Data sharing/auditing tools
   - Data privacy/vulnerability tools
   - Data aggregation environment (data analytics). All of the tools will require a new data analytics environment to pull data from various systems, including external data to model, assess, report, and monitor data privacy, data quality, and standards. This environment consists of storage, virtualization or extract-load-transform (ETL), and high end servers to conduct analytics.

   Currently DOL does not have any tools, technologies in the areas identified above. All of the new tools will be fit to purpose industry standard commercial off-the-shelf (COTS) tools that will integrate with new and legacy applications to give data the attention it needs. While the focus of this DP is mainly on people and processes, data stewardship and privacy protection will require these add-on tools/technologies.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

During the development of this DP, the team went through several iterations in its attempt to "right size" the request given the current budgetary environment and DOL's ability to absorb change. Many considerations and resources were taken into account in the sizing of the request, including past studies, current capacity, and DOL's ability to handle organizational change. The following provides some of the considerations in sizing this request:

- An external consultant study (Quest System) provided an estimate of the minimum number of staff required to develop and sustain a data management competency at DOL. A separate consultant assessment (MathTech) provided a comparison of the number of data related technology staff to other government entities of equal size. Finally, current staffing models and workload levels were used to complement the above mentioned studies contributing to the number of FTEs being requested.
- DOL collects and retains a lot of data, an estimated 16,180 unique data fields from 24 different data subjects, e.g. Driver Licensing, Vehicle Licensing, and Professional Licensing, resulting in an estimated 314 terabytes of stored data. The workload estimate to define and model this data, develop and monitor quality measures, and to maintain policy compliance is estimated at an ongoing work effort of 12,053 hours per year (see Appendix D – Data Steward Workload Model). This workload model not only fills the capability gap but also sets the foundation to scale the program to emerging data needs and challenges.
- Regarding the requested technology investments, the team reached out to internal agency experts, researched alternative approaches, and talked with hardware and software vendors to obtain pricing quotes that are reflected in the DP expenditures. A few notes:
    - On-premise hosting was used for estimates; it is intended to seek Cloud hosting options as DOL and WaTech matures its Cloud access and hosting possibilities.
    - One of the impacts of modernizing DOL's operational systems is the obsolescence of DOL's legacy data marts. The need to begin rebuilding DOL's analytics environment on contemporary technology is reflected in the DP expenditure. This includes the need for a data storage appliance initially sized to 3% of today's data storage volume.
- Proposed staffing for the compliance program was scaled on existing compliance standards (OCIO 141.10 and RCW 46.12.630), the types of items needed to demonstrate compliance (e.g. audits and annual certifications), and the volume of work (4,100+ data recipients) needed for a full-scale compliance program. Auditor workloads were based on input from DOL's internal auditors currently supporting the program (and who must return to their responsibilities in Internal Audit). Additional FTEs are needed to staff the existing workload while also enabling the program to expand compliance to all agency data sharing recipients.

Overall, DOL believes the FTE request and the supporting technology request reflected in the DP expenditure is sized appropriately to improving its data management, data analytics, and data complaints capabilities.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

   DOL's Executive Leadership Team (ELT), is currently developing its next two-year strategic plan to determine where the agency will focus its resources and capacity. As part of the planning process, DOL conducted an assessment of the time and energy required for each initiative and the impact on each division, and finalized the top initiatives based on what can be absorbed for the next two years. Data Stewardship and Privacy Management has been identified as one of the top strategic initiatives where DOL will prioritize its 2019-2021 capacity and resources.

   DOL has also completed modernization of its major Vehicle and Driver licensing systems. The completion of these large-scale projects provides DOL the resource availability and readiness to focus on data.

   In addition, to increase the success of this new program and culture, DOL will leverage capacity from the following:
   - The DGB, a business-focused governance board serving as the decision-making authority for managing data/information/records (data) across DOL programs. The DGB will provide decision making authority for all DOL data;
   - The DOL Lean Program, a program helping to create a culture of customer focused continuous process improvement and change. The Lean program will refine business processes to address data; and
   - DOL has strong commitment to a structured method of Organizational Change Management (OCM). The OCM team will be utilized to help drive success of new changes make the culture change around data.

   For compliance, the following assumptions were used to plan resources:
   - The compliance program will be centralized for consistency across the agency in holding recipients accountable for securing confidential information;
   - Each bulk data recipient will be audited for data security and permissible use once every three years;
   - Data security audits will be performed by external third party auditors and reviewed by program auditors;
   - Program auditors will conduct all permissible use audits;
   - All 4,100 + data recipients will submit an annual self-certification on compliance; and
   - Programs with existing auditors (e.g. Subagents and Motorcycle Safety Program) will add incremental compliance work to their existing auditing duties.

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

   ☒ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.

   Reason: DOL holds the personal data of more Washington residents than any other state agency. Washington residents are at increased risk of fraud, identity theft and unsolicited marketing when

personal information is improperly accessed or disclosed. This DP proposes funding to establish a data stewardship and privacy protection program to bring DOL in compliance with privacy protections mandated by RCW 43.105.365. Many internal and external assessments, dating back to 2008, emphasize that DOL's data needs in data stewardship, analytics, and permissible use audits are not being met (see Assessment of Current State and Performance Measure Baseline). As gatekeeper of the state's personal data, and emerging factors like exponential growth in data volume and heightened customer expectations to protect data privacy, DOL must establish a data program to govern data flow across the entire data lifecycle. The need for governance and compliance is underscored with weekly news of data breaches and the misuse of personal information (e.g. Facebook).

☐ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason:

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:

Architecture/Technology Strategy Alignment

Strategic alignment

6. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

   This investment aligns with the Enterprise Technology Strategic Plan as follows:

   Efficient & Effective Government: Create constituent focused portals & increase access to open data

   Now that DOL has modernized many of its operational systems, this DP focusses on enhancing the capabilities of those systems to ensure only required data gets collected, ensuring the data is managed to standards for its effective use beyond the operational process, and enforcing permissible use (while maximizing transparency) to support broad stakeholders in the ecosystem. With a focus on data stewardship and privacy management, DOL will be able to increase data transparency while increasing trust with its customers and stakeholders. The new data office will have primary responsibility to increase data quality, data privacy, and permissible use. This includes establishing the right portals for the right stakeholders as well increasing the volume and quality of the data being shared, including making more data available through State Open Data portal.

The new data office will have a new data management environment (data lakes and warehouse) where data will be virtually and physically aggregated from various operational systems to carry out the data stewardship and privacy management tasks. Recognizing DOL has a lot of data, the focus of the group will be on early value delivery by focusing on datasets that are highest risk from privacy and quality or offer highest opportunity for open data. Data will be virtualized as much as possible to leverage the native processing power of operational systems and reduce storage footprint. This approach allows operational systems to perform what they do best as well new analytics environment to perform the data specific capabilities. The specialized data privacy and quality tools will be best-of-breed COTS products.

Accountable IT Management: Strengthen business driven governance

A key DOL challenge on data is that many data decisions are not driven by business strategy. Many decision are either made in silos by IT staff or individual business units. This DP will bring the necessary capacity to institutional business-driven data governance. The new chief data officer will lead the DOL Data Governance Board (DGB), comprised of business executives and data experts, to ensure all data decision are driven by business outcomes and in alignment with DOL and OCIO's strategic plans. The chief data officer, with help from data stewards, will also develop criteria and guidelines on which data will be centrally managed, regionally managed, and locally managed.

Enterprise Architecture: Increase capacity to manage & share information

The primary purpose of this DP directly aligns with increasing DOL's capacity to manage and share information. The people, processes, and tools focus on having DOL institutionalize industry proven practices like master data management, data minimization, and data inventory and mapping, and data quality management. Because DOL has a very large ecosystem of stakeholders with whom it shares information, the increased capacity in compliance and auditing function is mission critical to ensuring information is used only as authorized.

Security & Privacy: Improve policy & standards, building capacity for Washingtonians to protect their privacy

This DP is in direct alignment with increasing the awareness and ongoing management of privacy. The volume and risks in data privacy are growing for DOL because of the nature of data DOL collects and the various demands for the information. The new Data Stewardship and Privacy office will lead the development of policies, procedures, and standards as well as implementation of the policies to protect privacy for Washingtonians. This also includes internal organizational change management to shift DOL from reactive privacy management culture to proactive culture where data helps build trust with Washingtonians.

Technical alignment

7. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

The DP supports the Enterprise Technology Strategic Plan as follows:

- Increase Open Data – DOL's ability to publish open data will increase given this decision package will establish the program that will be primarily accountable for this task. Data shared with the public requires a mature data management program. Data stewards will work to categorize, classify, document, and work to publish DOL's data.
- Data security and privacy – Many elements of this decision package are directly related to data security and privacy. From categorizing, classifying, and documenting DOL's data to auditing data sharing contracts to ensure customers are following permissible use of the data being provided.
- Build capacity for Washingtonians to protect their privacy – In alignment with the Governor's Executive Order 16-01, establishing a Data Stewardship and Privacy Protection Program with the hiring of a chief data officer and data stewards will strengthen DOL's ability to coordinate protection and security of data across the agency.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

   DOL governance begins with the Executive Leadership Team (ELT), the agency's highest governing body chaired by the Agency's Director. In order to specifically address strategic decision-making related to data as a critical asset, the ELT established the Data Governance Board (DGB). The DGB has been vested with the authority to establish data strategies, develop and implement data related policies, review infrastructure investments impacting data stewardship and privacy, and ensure agency compliance with a broad and complex array of data-related laws.

   The DGB is currently comprised of internal DOL staff and leadership from Research & Analysis, Records & Disclosure, Enterprise Architecture, Project Management, Data Security, operations division leadership, and subject matter experts (SMEs). It is co-chaired by the Research & Analysis Administrator and Records & Disclosure Officer, and sponsored by the Agency's Deputy Director. The DGB has established a Core Data Team for identifying data that will be governed centrally ("Tier I" data), subject to direct DGB oversight. Recognizing the limits of time and resources prevent direct DGB oversight of regionally ("Tier II") and locally ("Tier III") governed data, DGB is tasked with establishing criteria and delegating authority for these tiers of data to the most appropriate positions within the agency. All project decisions with impacts to Tier I data require approval from data governance board.

   The DGB currently does not include external partners or stakeholders identified in the DOL Data Ecosystem model. However, as DOL matures it's data governance through dedicated capacity (this DP), DGB plans to include ecosystem members into the board decision making to factor in voice of customer. The governance structure is also flexible to create work teams or advisory groups to accommodate participation by representatives of external data consumers. For example, groups or teams can be established to target specific areas of policy or concern, such as a public safety data team to include Washington State Patrol representatives, traffic safety experts, and advocacy groups.

The DGB, however, currently has no dedicated resources to execute many aspects of data policies. The objective of this DP is to apply the resources necessary for effective DGB oversight of data strategies, policies, investments, and compliance through a Data Stewardship and Privacy Protection program. Because of overwhelming growth in data volume and emerging industry approaches, this DP has included oversight and quality assurance from industry expert consultant.

In addition to the DGB, other governance bodies would serve to guide the strategies, policies, investments, and compliance functions of this program, including:

- The Enterprise Program Management Office (EPMO); this office provides oversight to enterprise-level projects and initiatives. The EPMO provides project management and organizational change management support. It helps create consistency and collaboration between DOL's business needs and information technology.
- The Lean Program Office; the decision package is primarily about enhancing/implementing new data management processes. DOL Lean program has helped to create a culture of customer focused continuous process improvement and change.

Interoperability, interfaces and reuse

9. Does this proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse existing components of a solution already in use in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

This DP focusses strongly on interoperability, interfaces, and reuse and builds on the improvements already completed as part of modernization projects.

- The modernized systems will provide the point to point data transfer where data resides in a single system. While data standards and interfaces have been established as part of specific point to point use cases, the standards need to be enhanced for broader enterprise interoperability, as well there is no staff assigned to manage the data changes for continued interoperability management.
- This DP will establish the role of data stewards and put into place an enterprise-wide data catalog. Data stewards will be responsible for managing the interfaces and interoperability on an ongoing basis for their assigned data domain. The data stewards will manage both the point to point interfaces that are part of the operational systems as well interfaces from the new data warehouse where data is used for broader audience (e.g. Open Data).
- Today, the agency has no central repository of meta-data and lacks the capacity and framework needed to establish enterprise-wide data standards. Data standards will improve data quality and data compatibility, and increase DOL's capability to exchange data among its own systems and systems of other agencies.
- The data warehouse will enhance data reuse. Without a data warehouse, each analytics request requires significant data preparation time to extract data from each operational system and transform the data for integration. The data warehouse automates the extract, transform, and load processes so that data is ready for reuse. The warehouse will also enable direct publication to the state's Open Data portal for data reuse by external users.

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

In 2017, DOL formed the Data Governance Board (DGB). The DGB assessed the degree to which different data policies (quality, privacy, security, availability, and ethics) contribute to DOL's business outcomes. The DGB concluded data policies strongly correlate and highly contribute to DOL business outcomes in Consumer Protection, Traffic Safety, Customer Satisfaction, Wait Times, Records and Data Integrity, Process Improvement, Employee Engagement, and Audit Outcomes. The DGB also concluded that to achieve success for each data policy, DOL needs to implement roadmap of data initiatives, but currently there is no capacity to lead or implement the roadmap efforts. The following is a breakdown of business outcomes that would result from resources requested as part of this DP

Data Management Outcomes:

1. DOL data will be inventoried and organized into domains, and reflect DOL's improved standards for data capture, storage, security, use, sharing, retention and destruction.
2. All data domains will have assigned data stewards who enforce those standards.
3. All DOL staff with authorization to access a data set will be trained in those standards.
4. Volume of data stored by DOL will decrease, as unnecessary data is identified and removed.

Data Compliance Outcomes:

1. All entities receiving confidential data from DOL will be subject to data security and permissible use requirements as stated in contracts with DOL.
2. Bulk data and e-Services recipients will submit annual compliance attestations.
3. All bulk data recipients will be audited for data security and permissible use compliance once every three years.
4. All audit violations will be fully remediated or remediated under a corrective action plan containing compensating controls.
5.

Data Analytics Outcomes:

1. More data will be queried for analytical or reporting purposes by authorized, and qualified DOL employees using a new secured data warehouse.
2. Internal and external requests for DOL data, analysis and related research will be fulfilled more often. We are currently able to answer 5% of data requests with existing statistical datasets. We expect this to increase to 10%, 20%, then 25% within the first 3 years which will allow us to devote more resources to more in depth research and analysis.
3. Internal and external requests for DOL data, analysis and related research will be fulfilled more timely. Development of custom datasets takes 3 to 6 months today. We expect a 50% to 80% reduction in turnaround time for similar work.
4. Collocating and standardizing industry data from external sources with DOL data enables DOL staff and management to relate our work to that of the industry and to respond to industry trends in a more timely fashion.

Ultimate Outcomes:

1. Seven million driver license and Identification card holders, eight million vehicle and vessel title holders, and nearly 300,000 business professional license holders will receive greater protection of their personal data.

2. All internal and external policy makers relying on DOL data will receive accurate timely responses from DOL.

Performance Measure Detail:

Data Management: % of data domains meeting DOL's new standards for data quality and privacy

Baseline	FY20	FY21	FY22	FY23
0%	10%	20%	50%	100%

(The Performance and Planning program estimate assumes it may take four years to bring all domains up to data quality and privacy standards).

Data Compliance: % of bulk data sharing contracts audited for compliance

Baseline	FY20	FY21	FY22	FY23
16%	20%	25%	35%	35%

(The Performance and Planning program estimate assumes sufficient FTE will be funded to audit 100% of bulk data contractors every three years for data security and permissible use, after slower startup. We will also measure for 100% of contractors to submit their annual certifications).

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

    At first glance, data stewardship and privacy protection may look like it is centered on data. However, the heart of this effort is about improving customer experience through building customer trust. Through greater privacy management, sound data stewardship, and combining enterprise data, this investment will enrich customer experience for many members of the DOL ecosystem:

    - Privacy management protects attractive personal data from misuse or unauthorized use, advancing trust of Washington State citizens and residents. The need for data governance and compliance is underscored with weekly news of data breaches and the misuse of personal information (e.g. Facebook).
    - As result of system modernization with a focus on data stewardship responsibilities, both data quality and data currency will be improved based on customer feedback. As data stewards proactively identify data quality gaps, the stewards will work with front line staff to make corrections and updates in the course of any transaction with the customer. For example, the annual vehicle registration cycle allows the customer to provide updated address information six times more frequently than the driver license renewal cycle.
    - Publication of Open Datasets will be prioritized based on the number of customer requests for data. For example, DOL is experiencing an increase in the number of requests for data on electric vehicles (EVs) and plugin hybrid electric vehicles (PHEVs) from lawmakers when developing legislation, from cities to support energy certifications, Department of Transportation (WSDOT), and various public utilities districts (PUDs) and special interest groups that need the data to plan development of electric infrastructure.

- Both the House and Senate have expressed interest in having depersonalized data to use for analysis as they develop new legislation in preparation for each upcoming legislative session. DOL has provided copies of existing datasets to them. They have not been able to use them because of poor data quality, lack of intuitive organization, and insufficient documentation about the content of each field. The data warehouse will address this need.
- As part of maturing DOL's data governance, DOL plans to invite external stakeholders to join its DGB to ensure data governance initiatives are based on voice of customers.
- DOL currently receives customer feedback through many avenues with support from its Voice of Customer committee. The data warehouse will allow DOL to aggregate data from various systems to analyze Voice of Customer data and make process improvements that are based on customer data collected from multiple channels.
- The combined work of data stewardship and data warehouse will help identify and address bottlenecks in data integration tied to customer experience.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

    In 2008, a consultant study advised DOL that many internal and external data needs were not being met and data was not being managed as an agency asset. The study also recommended that DOL must first replace core legacy systems before taking on data initiatives to ensure DOL has the business process transformation readiness for data. Since then, DOL has modernized most its major systems.

    As part of the modernization business transformation, DOL undertook efforts to develop as-is and to-be processes, along with organizational change management (OCM) plans for each process. The proposed data program will leverage and build on this effort by focusing on data gaps for each process. This will include what data is being captured in the process, why and how it is being used, and standards by which it is stored, managed, and archived. The data initiatives will also address data integration by looking at how data is used across processes and how and why data is shared internally and externally. The data initiatives will not be recreating any process mapping or OCM but rather build on the work already completed to include data. As the past consultant study recommended, this approach helps make data initiatives successful by having process readiness for data lifecycle management.

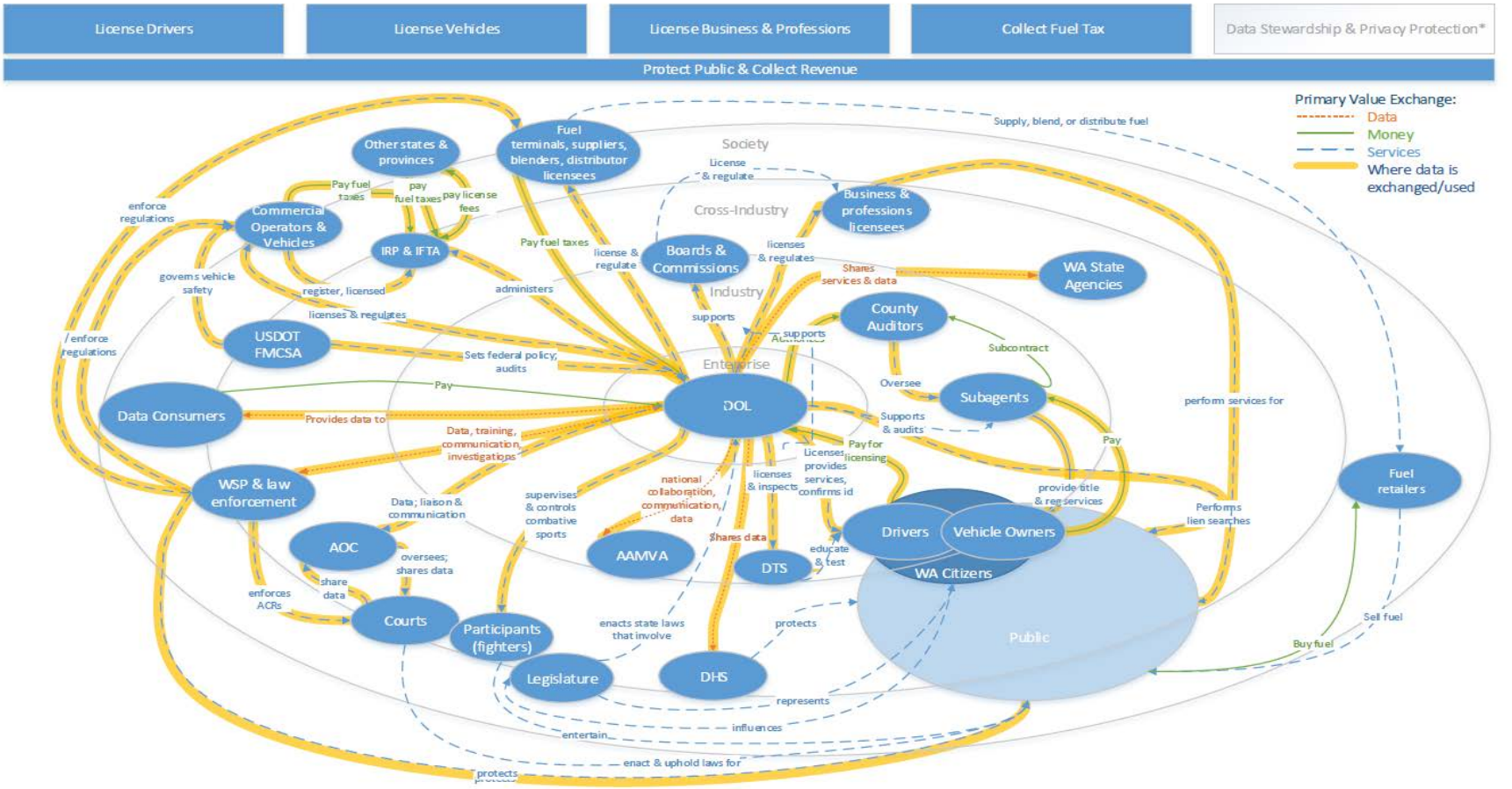
    DOL also plans to use a tiered approach to data governance. The new data program will evaluate business processes, and data that is part of each process, to establish criteria for which data is centrally governed, regionally governed, or locally governed. Any business process or technology decisions that have elements of centrally governed data, will be made via agency data governance board. As part of modernization effort, DOL has established a DARCI matrix for roles and responsibilities, and the DGB was added as decision authority for data. However, currently with the absence of data resources and expertise, many decisions are currently being made at a project level and business process improvement efforts are not proactively addressing data.

The add-on data specific technologies in this package will connect with various operational systems to conduct data inventory, data dictionary, and data flows. This effort also builds on the process mapping work that has already been completed to include data. The privacy management software (also known as governance, risk, and compliance software) will enhance business process management by integrating the risk management and compliance activities so that DOL decisions on business processes include factors such as why certain data is collected for a process, how is it used and managed, why and how is it shared.

Appendix A –DOL Data Ecosystem

DOL Ecosystem (Data Exchange/Use)

WASHINGTON STATE DEPARTMENT OF LICENSING

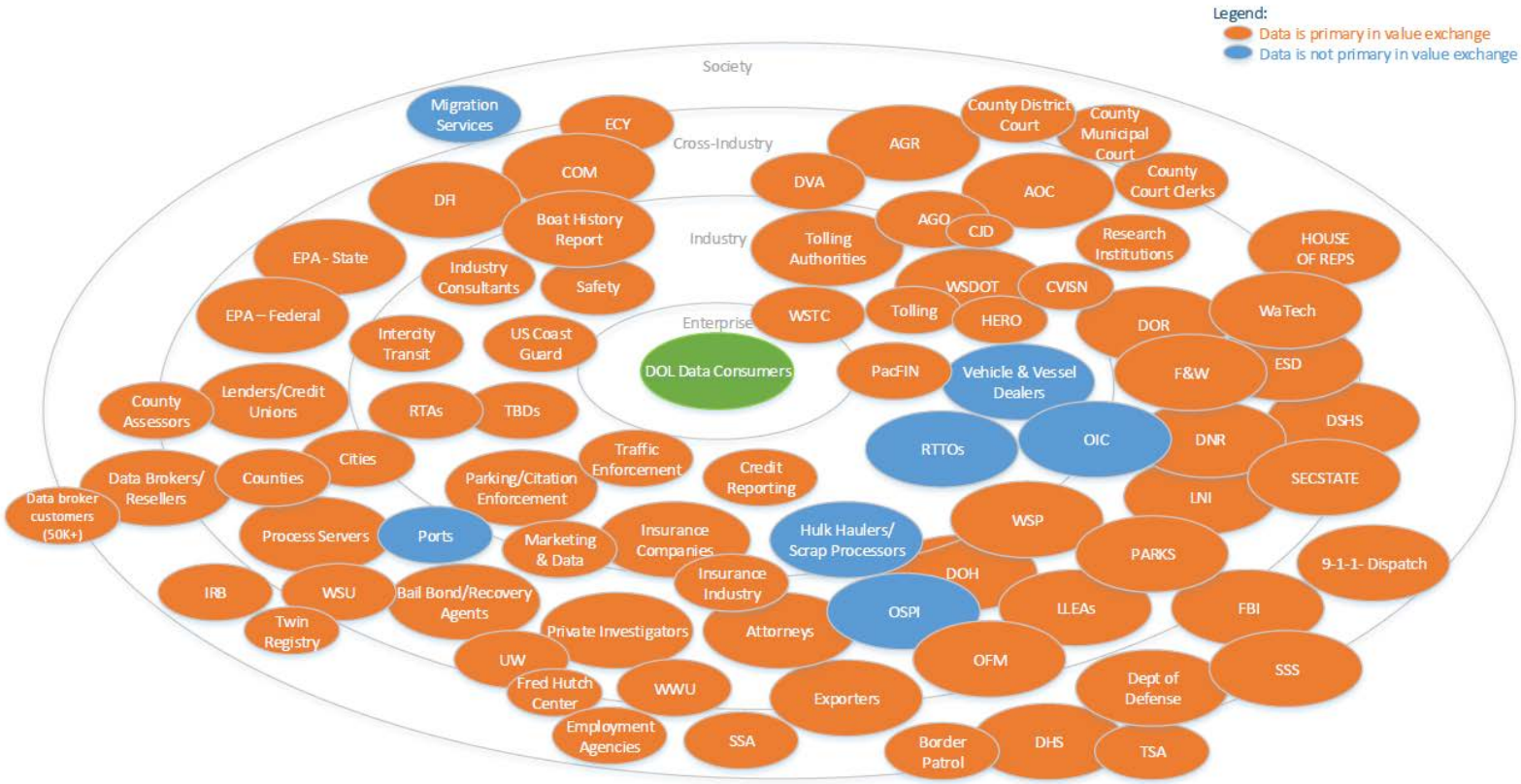


* Data Stewardship and privacy protection is not currently, and has not historically, been recognized as part of DOL's mission or core business functions, yet is vital to ecosystem members. DOL is currently engaging in strategic planning efforts to close that gap

DOL Ecosystem (Data Sharing)

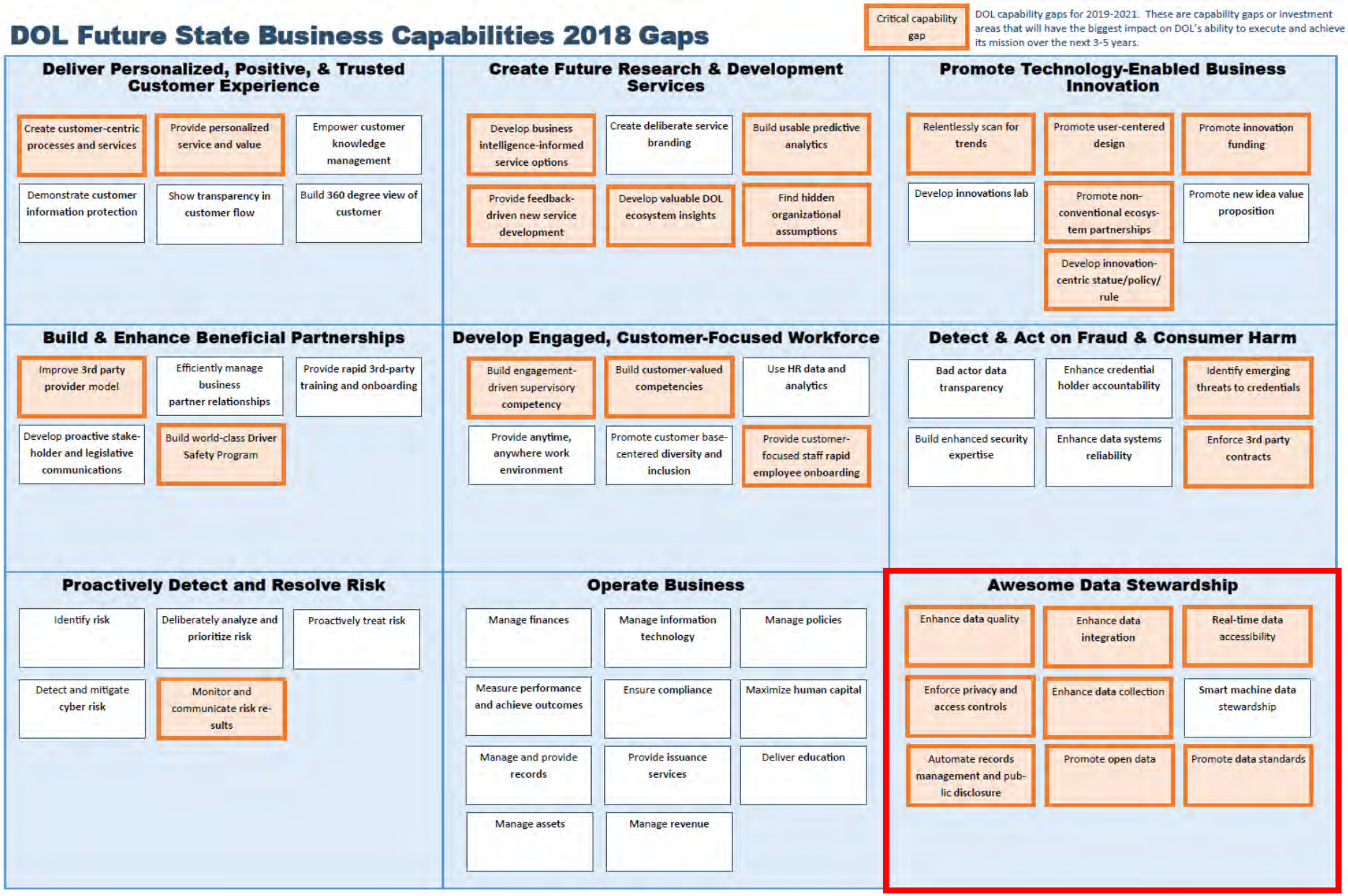
WASHINGTON STATE DEPARTMENT OF LICENSING

License Drivers | License Vehicles | License Business & Professions | Collect Fuel Tax | Data Stewardship & Privacy Protection*

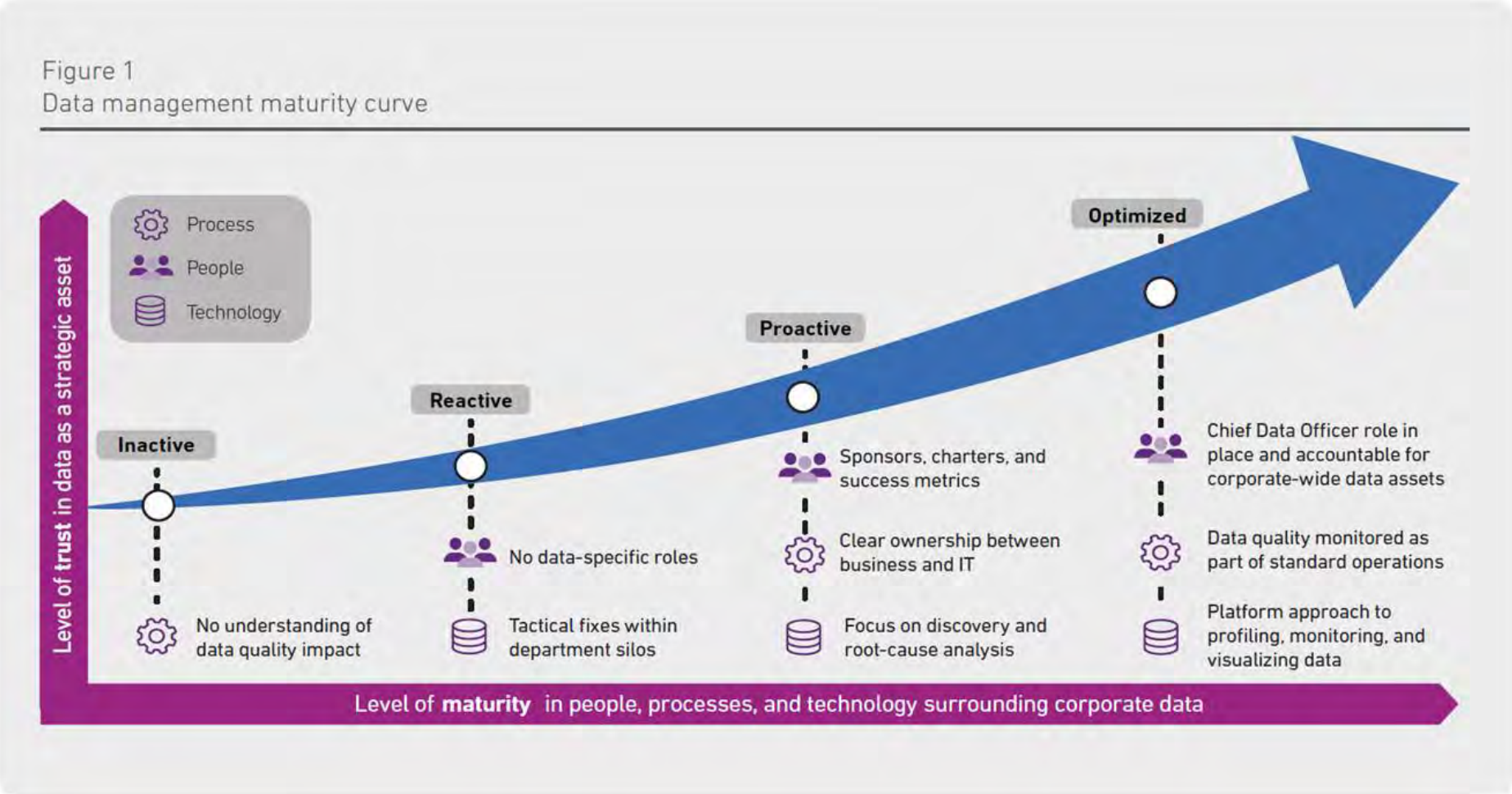


* Data Stewardship and privacy protection is not currently, and has not historically, been recognized as part of DOL's mission or core business functions, yet is vital to ecosystem members. DOL is currently engaging in strategic planning efforts to close that gap

Appendix B - DOL Future State Business Capabilities 2018 Gaps



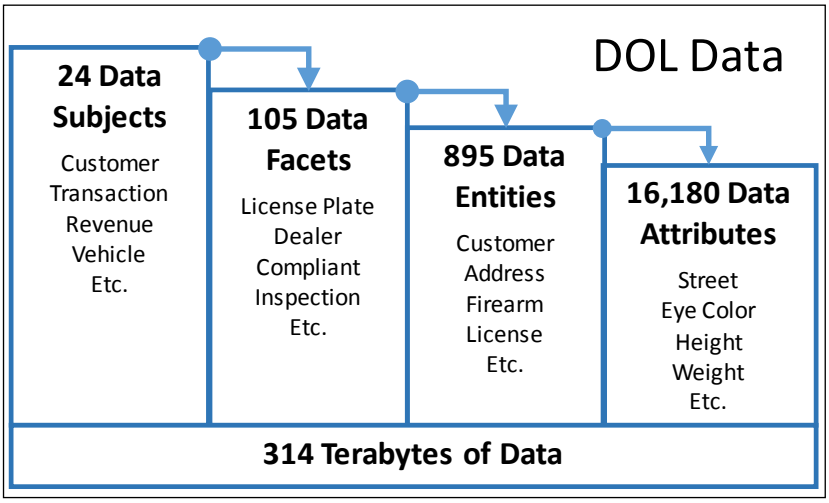
Appendix C - DOL Current State Assessed at "Reactive"



Source: The 2018 State of Data Management Report – A public sector benchmark report by Experian

Appendix D – DOL Data Steward Workload Model

Data Stewards are the people assigned responsibility for the data domains defined for the organization.



DOL has estimated data steward workload based on the internal assessments, past consultant recommendation, and recent Gartner advice. The workload model is based on number of data domains and the data encompassed by the domain. Data domains are specific subsets of data within an organization that define key objects of interest at an enterprise level. Data domains often map to real world objects (Customer, Vehicle, etc.), however, conceptual items that are key to business processes are also good candidates (Transaction, Fee, etc.). DOL's Enterprise Subject Models encompass 24 different data domains. These 24 data domains break down to DOL collecting more than 16,180 unique pieces of data. DOL currently retains and manages approximately 314 terabytes of data.

While DOL retains significant data, not all data needs to be managed at the same level. DOL will manage data using a three-tiered governance approach: Tier 1: Centrally Managed data (aka 'Master Data', Tier 2: Regionally Managed Data, Tier 3: Locally Managed Data. The DOL's data governance team has conducted preliminary assessment of 'Master Data' and based on that and the number of data domains, DOL is requesting five data stewards each being assigned to support up to five data domains each. Since DOL is in the early stages of developing data governance competency, DOL will follow industry best practice to staff data stewards in increments to allow time to first build a successful foundation on which to grow the stewardship program. As such, DOL is requesting three data stewards in year one, and two additional stewards in the year two. This is the same recommendation made by 2008 Quest Consultant Study and recent expert opinion by Gartner.

Select/Define Core Data Domains 4,647 hrs.

- Data Domains are the key building blocks to successful data governance.
- Data Domain description, model, and associated data dictionary.
- Data attributes security classification (Category 1 – 4).
- Data access authorization, acceptable use, and retention information.

Master Data Selection and Definition 4,280 hrs.

- Creates enabling infrastructure for managing agency core data.
- Identifies and inventories data critical to the agency.
- Provides a centralized and consolidated repository of agency core data.
- Provides data governance categorization (global, regional, and local).

Enabling Data Quality 2,784 hrs.

- Creates enabling infrastructure for inspecting agency core data.
- Centralize the tracking of data issues and enhancement requests.
- Identify priorities for future data quality projects and initiatives.
- Data quality standards based on business benefit assessment.

Ongoing 12,053 hrs. (yearly)

- On-going sponsorship and oversight of data activities.
- Data Governance Board participation.
- Engage with system development activities.
- Maintain the central data repository and current state documentation.

Work Load

Deliverables	
✓	Domain Models
✓	Data Definitions
✓	Data Categorization
✓	Data Classification
✓	Data Quality Standards
✓	Data Mapping

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: P7 - Replacing Firearms Legacy System
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
(360) 902-3644
jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests funding to replace the legacy Firearms system by procuring a commercial off-the-shelf solution to receive firearms applications from law enforcement, courts, and firearms dealers, maintain the records and provide the records to law enforcement electronically. The legacy Firearms system is failing and the outdated technology has resulted in a backlog of over 500,000 records requiring manual data entry. A new system will reduce manual processes, improve data accuracy and accessibility, and provide a stable, usable, and reliable system to law enforcement partners.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$2,716	$1,337	$170	$170
Total Expenditures	**$2,716**	**$1,337**	**$170**	**$170**
Biennial Totals		**$4,053**		**$340**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	4.8	4.7	0.0	0.0
Average Annual		**4.8**		**0.0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$178	$178	$0	$0
Obj. B	$71	$71	$0	$0
Obj. C	$750	$750	$0	$0

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$1,696	$337	$170	$170
Obj. J	$21	$1	$0	$0

Package Description

The Department of Licensing (DOL) requests funding to replace the legacy Firearms system by procuring a commercial off-the-shelf solution.

The proposed solution would create a web portal for law enforcement agencies to record licenses for concealed pistols, alien firearms, and firearms dealers and to access up-to-date firearms records and statistical reports. The solution would allow licensed firearms dealers to record pistol transfers, and the courts will be able to electronically provide notification when an individual is ineligible to possess a firearm. The expected outcomes include:

- Providing real-time data for law enforcement agencies and firearms dealers
- Improving public and officer safety through more accurate and timely information
- Enabling the program to keep records up-to-date with existing staffing levels

Background:

DOL delivers a diverse suite of services to our customers and Washington citizens in order to fulfill our responsibility to advance public safety and consumer protection. In the past 5 years, DOL has made great strides in modernizing our technology by replacing legacy systems for fuel tax collection, vehicle registration, and driver licensing and issuance. DOL is also actively planning replacement of legacy systems for licensing and regulating businesses and professionals.

A critical function DOL provides is maintaining firearms records for law enforcement in accordance with the following statutes:

- Per Chapter 9.41 RCW, DOL is required to: 1) keep records related to concealed pistol licenses (CPL), alien firearms licenses, and firearms dealer licenses on behalf of law enforcement agencies, and 2) provide online access to the information from these records to law enforcement.
- Per RCW 9.41.129, DOL may keep pistol transfer application records.
- Per RCW 9.41.075, when DOL is notified by the courts that an individual is ineligible to possess a firearm, the agency checks the firearms system and notifies the issuing law enforcement agency the individual has a concealed pistol license.

Although DOL is required to keep records and provide online access to law enforcement, DOL does not issue licenses or regulate firearms in any way. Figure 1 illustrates DOL's role supporting law enforcement agency partners through keeping and providing firearms records, which is:

- Coordinating Ineligible to Possess Firearms (ITPF) notifications between courts and local law enforcement agencies
- Providing Firearms Online to law enforcement agencies and firearms dealers to submit license and pistol transfer applications
- Reviewing and validating information entered through Firearms Online
- Manually entering paper license and pistol transfer applications
- Providing data to law enforcement through the WSP (Washington State Patrol) ACCESS interface.

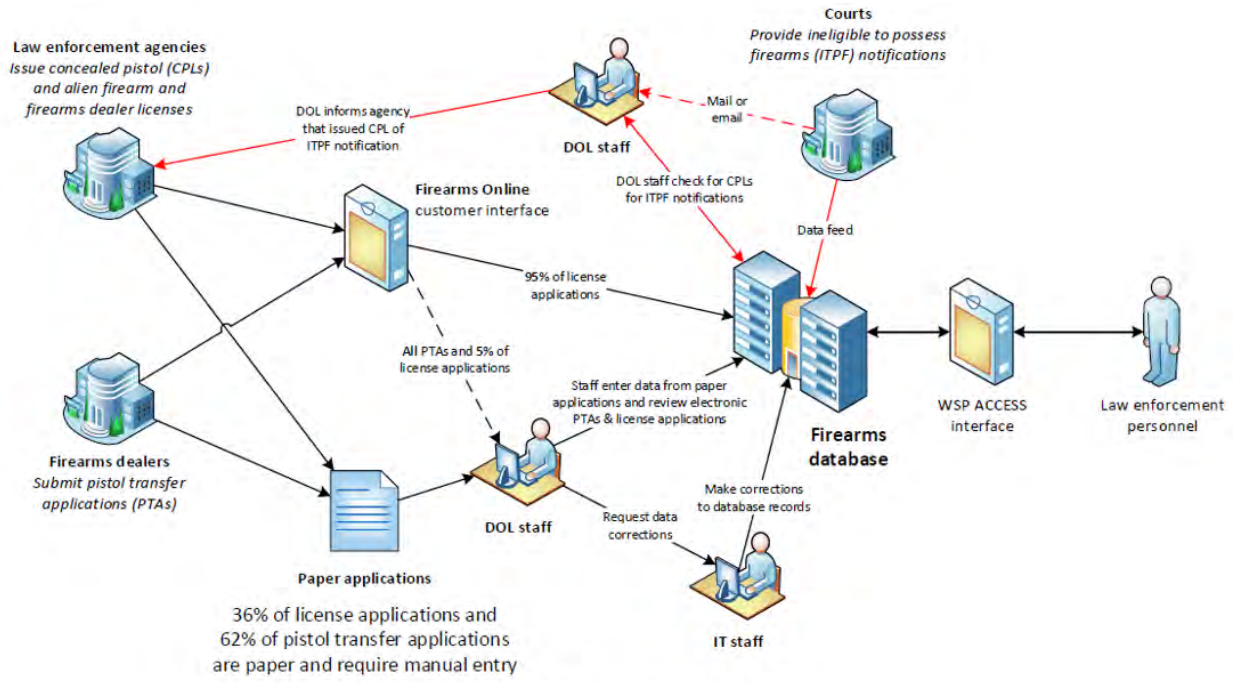


Figure 1 – Firearms System Users

Current system structure

The current Firearms system, built in-house in 2003, is made of up two computer applications: the internal Firearms application used by DOL staff, and Firearms Online, used by law enforcement agencies and firearms dealers.

Due to the issues with both systems described in this request, DOL staff must manually enter data from license applications for concealed pistols, firearms dealers, and alien firearms mailed to DOL by law enforcement, and pistol transfer applications mailed to DOL by firearms dealers. Additionally, DOL staff must verify information received electronically through Firearms Online. Information Technology (IT) staff must maintain these linked systems, meaning duplicate coding work each time a change or update occurs.

Database

The Firearms system database currently contains:

- Over 590,000 concealed pistol license records
- Over 4.7 million current and historical pistol transfer records
- 795 licensed firearms dealers
- 724 alien firearms licenses

System access

State, federal, and local law enforcement agencies access DOL's firearms system 24 hours a day, seven days a week, an average of 2 million times per year using the Washington State Patrol ACCESS portal.

Workload volume

From January through July, 2018, the Firearms program has received:

- A monthly average of 12,769 concealed pistol license applications issued by 100 law enforcement agencies
- A monthly average of 14,913 pistol transfer applications submitted by 795 firearms dealers

About 36% of concealed pistol license applications and 62% of pistol transfer applications are paper and must be manually entered by DOL staff. On average, an application take three minutes for program staff to enter into the system totaling 692 staff hours monthly.

System issues

The Firearms system was developed 15 years ago. Improvements in technology standards, processes, design, and tools have made the current system obsolete.

System is fragile:

- There is an immediate need to upgrade the database and the core application platform because Microsoft licensing support will expire on July 2019.
- The firearms system is not compatible with Windows 10 and DOL has created a workaround to allow work to continue in the business unit under Windows 7. Even with the workaround, the program freezes 3 to 5 times per day for each user which requires them to restart their computer to continue working.
- Work stoppages and system outages occur an average of 1-2 times per day for law enforcement and firearms dealers who must then contact DOL staff to resolve, directly impacting DOL's business partners, the public and DOL staff. Law enforcement agencies receive delayed or incomplete information, impacting the safety of law enforcement officers and Washington residents.

System not user friendly:

- About 70% of business partners (law enforcement agencies and firearms dealers) **don't** use the current online system, because it is slow, unreliable, and not

user-friendly. Instead they mail paper copies of the concealed pistol license and pistol transfer application to DOL which must be manually entered. The Firearms Online system issues causing low usage by business partners include:

- Components of the system, such as a feature to pre-populate data already in the system, do not function and increases data entry time for users.
- Data entry errors made by online users cause work stoppages and require IT staff to correct. This causes delays in license issuance to applicants.
- Data from the system is not readily accessible to system users and data requests must be fulfilled by IT staff.
- Slow system response is frustrating for system users when trying to serve their customers.
- Batch processing for multiple records is halted when there is an error in the revenue portion of the batch requiring IT resources to fix.
- There are no system validations to ensure system users are properly processing an application (e.g., a user selects “original” instead of “renew” for someone who is already in the system).
- There is no process to allow system users to review and correct data entry errors before submitting data electronically.

System is limited and costly to maintain:

- The current system is supported in-house by internal IT staff. It takes about 3.3 FTEs’ time to maintain the existing firearms system.
- Based on information from the standardized model used to calculate Total Cost of Ownership, in 2017 DOL spent up to $1,000,000 in IT support costs for the Firearms applications. This was just to perform data fixes, system fixes, infrastructure and software maintenance, and to resolve outages. DOL recognizes that it’s not optimal use of taxpayer dollars to maintain a system that is outdated putting data at risk. There is no option to upgrade the outdated software by Microsoft.
- The legacy system’s inability to process paper based images for search-ability and the manual data entry for each paper form has resulted in the large backlog of pistol transfer applications. DOL was awarded $382,000 to address the backlog opting for a solution that is able to index the pistol-transfer images. This is in addition to the IT support costs.
- If this effort is not funded, DOL will have to request supplemental funding continuously to address the pistol-transfer application backlogs. The cost of maintaining the Legacy Firearms application and databases will be approximately $1.3 million going forward, and would increase at the rate of $100,000 per year. (Based on the backlog accumulation of approximately 10,000 to 15,000 pistol-transfer applications per month).
- The system’s current architecture and technology limit opportunities for expansion. This prevents the addition of functionality that might be required for future firearms initiatives (e.g., public initiatives and initiatives resulting from the Governor’s Executive Order 16-02- Firearm Fatality Prevention).

Workload issues

DOL staff have not been able to keep up with increasing workload. The total number of concealed pistol license applications received increased 45% between 2015 and 2016 and pistol transfer applications increased 26% in the same time period. In 2017 and 2018, the numbers for both application types decreased from the 2016 peak, but they remain above the 2015 level. In spite of this increase in workload, there has been no corresponding increase in staff.

About 36% of concealed pistol license applications and 62% of pistol transfer applications received are paper and require manual data entry. In addition, about 5% of electronic concealed pistol license applications require staff review and correction, and 100% of pistol transfers received electronically must be reviewed by staff to ensure data was accurately transferred.

Because there are statutorily required timeframes for entering license applications for concealed pistol licenses, alien firearms, and firearms dealers, these application types are given priority for data entry. This means pistol transfer applications are entered only when staff are not working on other application types, and has resulted in a three-year backlog of pistol transfer applications. The backlog has continued to grow at a rate of 10,000 to 15,000 pistol transfer applications each month. (See Figure 3)

This backlog means the pistol transfer data in the system is incomplete, and therefore provides inaccurate information to law enforcement agencies. The data from paper applications not entered into the system is inaccessible to law enforcement. In August 2018, this backlog issue received media attention.

In the 2018 session, the legislature provided $382,000 in funding to address the pistol transfer application backlog. Two efforts in prior years to address the backlog focused on staff overtime or contracted data entry services.

Due to the size of the current backlog, and the increasing possibility of imminent system failure, DOL no longer believes staff overtime or contracted data entry services will solve the backlog problem. DOL has identified a technology solution using Optical Character Recognition (OCR) to substantially reduce the current backlog, but this is a short-term solution that does not address the many other issues that make system replacement critical. This effort is being undertaken now to ensure records are up-to-date for law enforcement users and before migrating them to a new system.

Proposed Solution

The Firearms system plays a vital role in ensuring the safety of Washington residents and law enforcement officers. To fulfill this responsibility, DOL proposes to replace the current failing system with a commercial off-the-shelf solution that would provide:

- User-friendly and accessible method for law enforcement agencies and firearms dealers to create and update records, and to access data and reports appropriate for their needs
- Ability to securely receive and share sensitive data with other authorized agencies

- Decreased reliance on manual data entry to process applications
- System functionality that meets, and in some cases exceeds, current program needs
- System flexibility to accommodate changes in the licensing and regulatory environment
- Consistent and streamlined processes
- System maintenance and technology upgrades provided by the vendor

The proposed solution must provide the following high-level functionality:

- Integrate with Secure Access Washington and/or provide multi-factor authentication access
- Allow law enforcement agencies to create initial applications and renewals for concealed pistol licenses, alien firearm licenses, and firearms dealer licenses
- Allow firearms dealers to record firearm transfers
- Manage workflow, flag records for review, and allow various user permission types
- Accept attachments and link them to a specific record
- Allow for computer-to-computer secure file transfers
- Allow law enforcement agencies and firearms dealers to reprint receipts, applications, other transaction data they entered and submitted
- Allow law enforcement agencies, firearms dealers, and DOL staff (as backup) to edit records submitted to the system
- Provide internal and external users the ability to search and export license and firearm data appropriate to the user type
- Provide an audit trail for all data
- Create and update record status based on defined triggers and generate appropriate automated letters/emails
- Provide the ability to archive or purge records after a specified amount of time
- Verify information in other systems during data entry (e.g. Driver's license number in DRIVES database and USPS Melissa Data address checks)
- Accept e-signatures, e.g. DocuSign.
- Provide capability for authorized DOL staff to build additional screens and data collection fields to help facilitate data entry for law enforcement agencies and firearms dealers
- Allow law enforcement agencies and firearm dealers to enter data once and export to approved printable forms
- Provide the ability to scan, index, and use Optical Character Recognition, import data, and provide search and filtering functionality for imaged documents

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

There are three options available to DOL:

- **Maintain the current system** – If DOL chooses this option:

    - The cost of maintaining the Legacy Firearms application and databases will be approximately $1.3 million going forward, and would increase at the rate of $100,000 per year. (Based on the backlog accumulation of approximately 10,000 to 15,000 pistol-transfer applications per month).
    - There is an immediate need to upgrade the database and the core application platform because licensing support from Microsoft ends in July 2019. The cost for this stabilization effort is estimated at $813,000. This effort would not address any of the other limitations of the current system.
    - DOL anticipates higher risk in security and system support if unable to move to an upgraded programming and platform. There is a real risk that the system could fail permanently, with no recovery because the database and the core application platform will no longer be supported by Microsoft.
    - DOL will continue to experience impaired business operation, customer service and public safety issues.
    - DOL will not be able to accommodate current business needs or any additional functionality needed to address changes in the licensing and regulatory environment.
    - Current program funding levels will not support the incoming workload, staff may not be able to meet statutorily required time-frames, and the pistol transfer backlog will continue to increase.
- **Custom In-House Build** – This option has the greatest project risk profile and would require a significant investment. This option does provide the opportunity to substantially satisfy business needs. This would not simplify DOL's application support profile due to the new technologies and applications that would be added to the portfolio.
- **Procure Commercial Off-the-Shelf Solution –** Through this approach, most business needs could be met and industry best practices would be implemented as part of the solution. Application support would be simplified as the vendor would maintain the solution with regular patches and releases.

What are the consequences of not funding this request?

Consequences of not funding this request will have far-reaching impacts.

There is a real possibility of system failure when the program running this system platform reaches end-of-life support from Microsoft. Patches and security for the Firearms database and operating system will not be available by July 2019. If DOL continues to use the Firearms system past this date, sensitive customer data will be at risk and could be compromised.

If permanent failure occurs, DOL will not be able to:

- Meet its statutory obligation for record keeping
- Provide firearms information to law enforcement agencies
- Implement new firearms laws or initiatives
- Significant cost to DOL to maintain the current systems

Public and officer safety would be impacted because law enforcement will not have access to firearm records.

Law enforcement agencies will not be able to uphold their statutory obligation when a concealed pistol license holder or individual has been deemed ineligible to possess a firearm by the courts. Currently, the courts notify DOL when an individual is found ineligible to possess a firearm, and DOL then contacts the appropriate law enforcement agency so they can make contact to ensure the individual relinquishes and doesn't have access to a firearm.

DOL is not able to address or resolve issues with the Firearms systems within current appropriation level. Since 2014, Firearms staff resources and program funding have not increased despite the increased workload.

Over the last several years, the program has undertaken many efforts to better manage workload within existing funding, including Lean projects, process improvements, revisions to internal work flows, and minor system enhancements to improve data integrity and data entry efficiencies for firearms dealers who voluntarily submit pistol transfer applications through Firearms Online. Two efforts in prior years to address the backlog focused on staff overtime and recommendations for contracted data entry services. Though many internal business processes have been improved through these efforts, none of them are adequate to address the many issues caused by failing and outdated technology of the current systems and the increasing workload.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The base for the Firearms program doesn't include the direct and indirect IT system support cost to maintain the current Firearms systems. The cost of maintaining the Legacy Firearms application and databases will be approximately $1.3 million going forward, and would increase at the rate of $100,000 per year. (Based on the backlog accumulation of approximately 10,000 to 15,000 pistol-transfer applications per month).

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
001	A035	FTE	8.1	8.1	8.1	8.7
		Expenditures	622,929	625,463	546,706	1,088,908
Total		**FTE**	**8.1**	**8.1**	**8.1**	**8.7**
		Expenditures	**622,929**	**625,463**	**546,706**	**1,088,908**

Detailed assumptions and calculations:

DOL conducted a Request for Information in March of 2018 to gauge available options and possible cost for system replacement. Vendors responded with commercial off-the-shelf options ranging from $600,000 (with requirements gaps) to $1.5 million (meeting the program's current requirements and ability to scale). Vendor licensing costs and implementation costs are in addition to the commercial off-the-shelf costs.

The intent is to engage a vendor who will host the solution with the goal of meeting current and future data-sharing, security and reporting/analysis needs that aligns with Washington State and DOL architectural and security requirements.

The project is estimated to take between 17 and 24 months. This budget request includes funding to support:

- Base vendor commercial off-the-shelf product costs
- Vendor product licensing costs
- Vendor implementation services to configure the solution
- Vendor training services
- DOL's implementation costs include:
    - Contracted project management costs
    - Change management (OCM) costs
    - Hardware for data hosting to enable data-sharing and reporting/analysis

Cost Category	Description	Rate	2020	2021	2022	2023	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 18,444	260,100	-	-	-	260,100
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 26,448	100,500	-	-	-	100,500
PROJECT MANAGER	Manage schedule and contracts	$ 27,492	329,900	-	-	-	329,900
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	$ 31,668	145,700	-	-	-	145,700
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 27,144	51,600	-	-	-	51,600
DEVELOPERS	Modify programming and coding to all major systems	$ 18,444	344,900	-	-	-	344,900
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ -	123,300	-	-	-	123,300
		Totals	1,356,000	-	-	-	1,356,000

Workforce Assumptions:

FTE Needs	Monthly Salary	2020	2021	2022	2023
Licensing Services Manager 1	$ 6,003	1.0	1.0		
Customer Service Specialist 2	$ 3,488	1.0	1.0		

Management Analyst 3	$ 5,307	1.0	1.0		
Total Direct FTEs (Round 10)		**3.0**	**3.0**	**0.0**	**0.0**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Licensing Services Manager 1	$ 6,003	72,036	72,036	-	-
Customer Service Specialist 2	$ 3,488	41,856	41,856	-	-
Management Analyst 3	$ 5,307	63,684	63,684	-	-
Total Object A - Employee Salaries (Round 100)		**177,600**	**177,600**	**-**	**-**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Licensing Services Manager 1		26,184	26,184	-	-
Customer Service Specialist 2		20,003	20,003	-	-
Management Analyst 3		24,474	24,474	-	-
Total Object B - Employee Benefits (Round 100)		70,700	70,700	-	-

- FTE License Service Manager 1 (LSM 1) to serve as business subject matter expert, liaison between business and project, partner with technical team to ensure solution development meets business needs, stakeholder communication and training, and business unit training. Program would back fill while position was dedicated to the project.
- FTE Customer Service Specialist 2 (CSS2) to backfill so that two experienced CSS2's are able to work part-time as Business Subject Matter Experts (SMEs), user-acceptance testers, and certification of the requirements traceability matrix. This ensures the final product works as expected and meets both business and customer needs
- FTE Management Analyst 3 (MA3) to assist in the creation, implementation and management of the agency's Organizational Change Management plan to position DOL for a successful implementation of the Firearms system replacement.

		2020	2021	2022	2023
Indirect Rate (Round 100)	**12.00%**	**127,500**	**125,000**	**-**	**-**
MSS Portion of Indirect (Object E)	58.33%	74,400	72,900	-	-

ISD Portion of Indirect (Object E)	41.67%	53,100	52,100	-	-
Indirect FTE Calculations					
MSS (Fiscal Tech 2)	$ 58,419	1	1	-	-
ISD (ITS 4)	$ 109,103	1	1	-	-

Strategic and Performance Outcomes

Strategic framework:

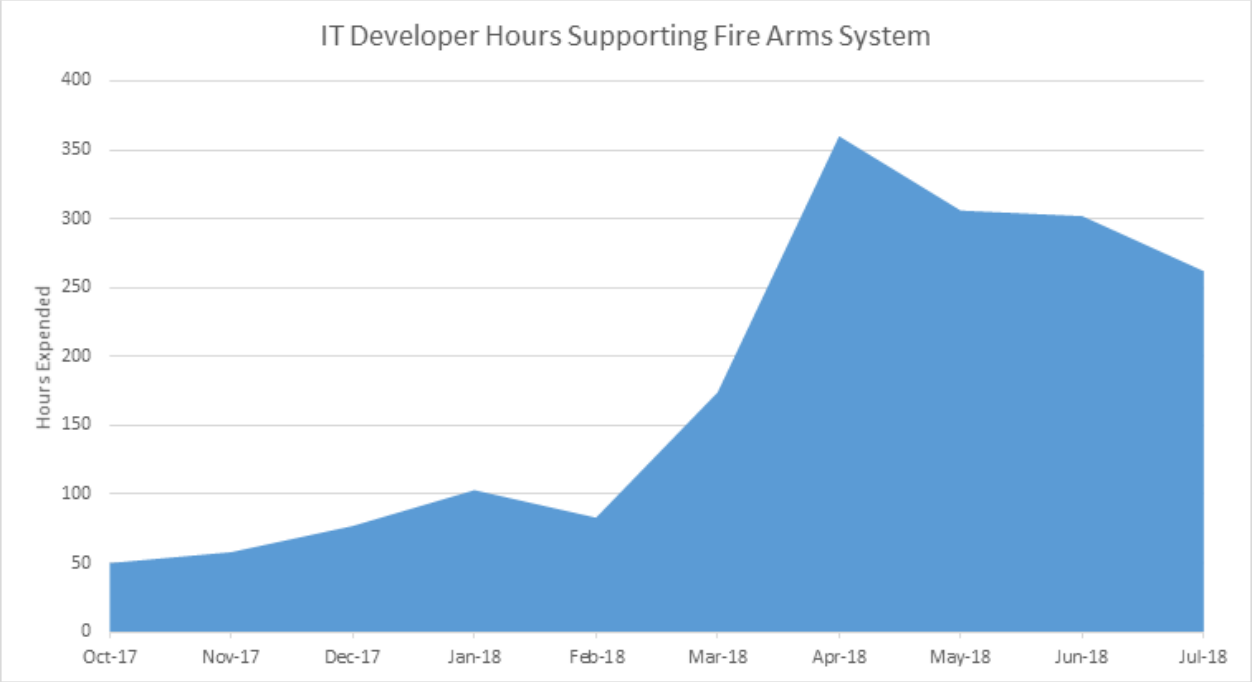
How does this request contribute to the Governor's Results WA priorities and DOL's Strategic Plan?

- Replacing the legacy firearms system supports the Governor's goal 4 for healthy and safe communities.
- Replacing the legacy firearms system supports the Governor's goal 5 for efficient, effective and accountable government.
- Replacing the legacy firearms system supports DOL's strategic vision to provide law enforcement agencies real-time electronic access to accurate firearm records.

Performance outcomes:

The funding change will enable the procurement of a commercial off-the-shelf solution that will allow DOL to:

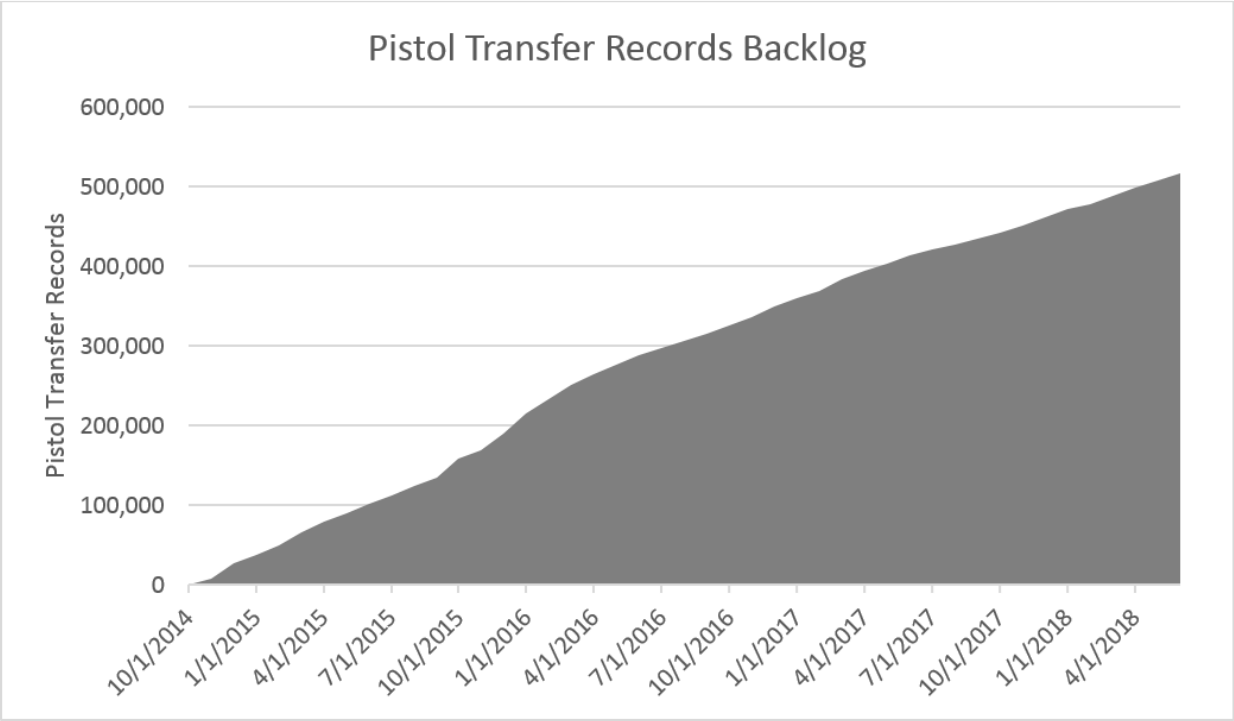
- Continue to meet statutorily required timeframes for the entry of firearms license records and improve timely entry of all pistol transfer applications from 25% to 100%. This will prevent a future backlog and to provide law enforcement agencies access to up-to-date data.
- Provide an improved online interface, with the goal of increasing the percentage of law enforcement agencies and firearms dealers submitting records online from 30% to 100% over the next four years. This would reduce reliance on manual data entry by DOL staff, improve data accuracy and security, and provide timely access to information.
- Reduce overall IT support costs for the system.
- Reduce IT support hours dedicated to the Firearms system to correct data entry errors and fulfill data requests. The chart below shows an increase in IT developer hours for supporting Firearms:



Percent of Firearms Records Entered Timely – Estimated Incremental Improvement

License Type	Baseline	FY20	FY21	FY22	FY23
Pistol Transfers	25%	100%	100%	100%	100%
Concealed Pistol Licenses	100%	100%	100%	100%	100%

Figure 2



Percent of Records Submitted Electronically

Percent of Law Enforcement Agencies and Firearms Dealers Submitting Records Electronically – Estimated Incremental Improvement

	Baseline	FY20	FY21	FY22	FY23
Law Enforcement Agencies	39%	39%	75%	100%	100%
Firearms Dealers	26%	26%	50%	75%	100%

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

Many specific groups will be affected by this change, including 240 law enforcement partners, nearly 800 firearms dealers, and hundreds of courts across Washington State. DOL has already had and continues to have conversations to gather information from customers about the business need to replace the existing firearms system.

Active collaboration with these key stakeholders will be critical to a successful implementation. DOL plans to involve customers throughout planning and apply organizational change management best practices to ensure success.

As part of the implementation process, DOL would expect the vendor to:

- Apply customer experience tools such as personas and customer journey mapping to enable improved capabilities for stakeholders, including law enforcement partners and firearms dealers.
- Incorporate IT accessibility, usability, and user-centered design principles.

The expected impacts to our stakeholders include:

- Providing law enforcement agencies with accurate, up-to-date firearms information, thus improving the safety of Washington residents.
- Ensuring personally identifiable information is securely maintained.
- Allowing DOL business partners to efficiently enter and maintain firearms records to reduce reliance on manual data entry by DOL staff.
- Eliminating the possibility of system failure due to an unsupported system platform.
- Allowing the Firearms program to operate within current funding levels.

Other Collateral Connections

Intergovernmental:
Improves public safety by providing law enforcement with accurate and timely information. Law Enforcement Agencies who access the information and/or enter information into this system. Tribal law enforcement partners who use the system can access the data. Courts who provide information to DOL on citizen who are ineligible to possess a firearm.

Law enforcement will have real-time access to all firearms records so they can revoke a concealed pistol license if there is a court order that a person is ineligible to possess a firearm. This will result in increased public safety and comply with current statutory requirements.

Law enforcement agencies that issue licenses for concealed pistols, alien firearms, and firearms dealers will be able to electronically enter, maintain, and share the information with increased efficiency and data accuracy.

Courts currently electronically notify DOL when individuals are determined to be ineligible to possess a firearm. This will remain the same with the replacement system.

Stakeholder response:
DOL has solicited feedback and regularly receives input from stakeholders who use the Firearms system; law enforcement agencies, firearms dealers, and Washington courts. Stakeholders support a system replacement that solves the many user issues outlined in this decision package. Stakeholders continue to express their need for accurate, up-to-date information, a reduction in system errors and a user friendly interface that will reduce their workload and minimize duplicate data entry on their side. DOL will focus organization change management principals to ensure a smooth transition for stakeholders.

Legal or administrative mandates:
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." A stable and efficient Firearms record keeping system is an important part of this effort.

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
Yes
Replace Firearms Records Legacy System - IT Addendum.docx

2019-21 IT ADDENDUM

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

Please itemize all 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. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Information Technology Items in this DP (*insert rows as required*)	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
TESTER	260,100	0	0	0
BUSINESS ANALYST	100,500	0	0	0
PROJECT MANAGER	329,900	0	0	0
QUALITY ASSURANCE	145,700	0	0	0
SECURITY AND ARCHITECT SERVICES	51,600	0	0	0
SERVER & NETWORK SUPPORT	344900	0	0	0
DEVELOPERS	123,300	0	0	0
CONTRACTED FAST DEVELOPER / TESTER	0	0	0	0
Total Cost	**$1,356,000**	**0**	**0**	**0**

Costs are rough order estimates; we will not know the true cost until contracts are complete.

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 the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

   This investment will impact law enforcement agencies, firearms dealers, courts, and multiple DOL internal business and technology teams. Incorporation of OCM best practices will enable staff and stakeholders to be ready and successful with the new system and business processes expected with this change. In preparation for this effort and to enable success, we are including a 1.0 Management Analyst FTE and contracted change management services for this effort, who will be supported by the DOL central OCM office. DOL will use established avenues to communicate with and gather feedback from firearms dealers and law enforcement agencies. Avenues include listservs, stakeholder meetings, and the CJTC Newsletter. DOL will also collaborate closely with those impacted in designing the future state to ensure their requirements are met. Throughout all changes, DOL will incorporate communication, sponsorship and champions, managing resistance and training to ensure directly and indirectly impacted stakeholders are ready and able to execute during and after the change.

   - **System changes.** The system will change with this effort, requiring active communication, training, and partnership with all impacted stakeholders, including DOL, Courts, law enforcement partners, firearms dealer's information technology staff, business staff, and end-user staff. Interfaces and connections will likely change with the system replacement.
   - **Business process changes.** We expect business processes to change and improve significantly with a new firearms system. Business process changes will be clearly identified and communicated to all impacted users to ensure their readiness. As-is maps have already been created for internal firearms processes. IT business processes will also change for developers, network, and data technicians, and DOL will apply lessons we have learned in past modernization efforts to manage change within IT as thoughtfully as with business teams and external stakeholders.
   - **Role changes.** DOL staff supporting the current legacy Firearms systems/databases will not support the procured vendor solution in the same manner they are doing currently. In addition, many manual workarounds by both DOL staff, law enforcement partners, and firearms dealers may be eliminated, and processes may shift between stakeholder members. Roles will be clearly defined and communicated to ensure success.
   - **Partner Readiness.** Law Enforcement Agencies and Courts are direct partners in this effort who will be impacted. Proactive communication, collaboration and partnership will be used to assess and ensure partner readiness.
   - **Stakeholder Readiness.** Firearms Dealers and other ecosystem members who are impacted will be supported through proactive communication, partnership and training.

Some OCM work has already begun on this effort, including outreach to targeted law enforcement groups and documentation of business processes. Because this system will directly impact law enforcement agencies and firearms dealers, DOL will also leverage customer experience tools such as personas and customer journey mapping to understand and improve customer experience. The investment will also seek to incorporate IT accessibility, usability, and user-centered design principles.

DOL also plans to leverage the solution vendor to deliver training in a number of different formats in order to meet the needs of stakeholders state-wide and with different levels of needs.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

- **Reduces complexity and risk.** In the enterprise DOL portfolio, Firearms is one of DOL's last legacy core business systems to modernize, after already replacing prorate and fuel tax, license issuance, vehicles, and driver's legacy systems. DOL is planning to replace existing multiple legacy firearms systems and databases with a new procured vendor solution. The existing firearms system is at extremely high operational and technical risk, because existing legacy applications are on end-of-life Microsoft platforms and there is no vendor support for these platforms. The firearms system is also not compatible with Windows 10 Operating System, forcing DOL to create a workaround to allow work to continue in the business unit under Windows 7. It does not meet current business needs, nor can meet future business needs because the software is not scalable, meaning future legislative or business enhancements cannot be added. The inability to upgrade the platform also presents a security vulnerability risk. Lastly, the current legacy Firearms does not have any disaster recovery or failover, which will disable law enforcement access to Firearms information and pose officer safety risk.

  An internal portfolio application rationalization assessment was completed by the DOL Enterprise Architecture Team on the fitness and value of the firearms systems:

	Application Value & Fit	Operation Risk	Technical Risk	Cost	DOL Architectural Principles
Firearms In-House	2.3	1.7	1.9	2.2	2.1
Firearms Online	2.6	2.3	2.7	2.8	2.3

Scale: 1 (low/worst) to 5 (high/best)

Figure 6: Firearms Portfolio Application Rationalization Assessment

These scores reflect a high-risk application that is complex to maintain and difficult to support, requires heavy reliance on internal experts, and is not scalable. Although there is statutorily-driven business need, the business value of this application indicates significant deficiencies in meeting current and future requirements. Business also has scored the

firearms applications as being unstable with deteriorating application robustness, and below average alignment to DOL Architectural Principles. The utilization is very high, as 240 law enforcement agencies use the data stored in the firearms system.

- **Enables modern technologies and reduce manual processes.** The existing Firearms legacy system was designed to manage a paper flow data entry work process for Pistols Transfers, Concealed Pistol Licenses, Alien Firearms, and Firearms Dealers. This system is expected to enable modern technologies and better business agility by allowing system users the ability to self-serve for many tasks that are currently supported manually:
    - The current format is outdated, and must be moved to modern types of data streaming such as XML/JSON to support real-time data and flexibility.
    - This system will also allow users access to their data, reducing the amount of time required for DOL IT staff to gather and provide the data, which benefits both staff and customers.
    - The system will enable automatic workflows, such as management approval of releasing data.
- **Reduces technology footprint and risk.** Moving to a vendor-built, hosted solution will bring efficiencies in faster implementation turnaround, and mitigates current risks. The solution will also ensure that the vendor keeps the product updated with the most current versions of the software to mitigate vulnerability risks. A hosted solution also reduces the hardware/software footprint that DOL must manage.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

The proposed investment will meet the current and near-future capabilities and transaction volume for the Firearms system. The investment positions DOL to procure the right-sized vendor solution, ensuring that the solution meets all the current business functionality, addresses gaps in the current legacy systems, and is scalable to meet future legislation and business needs. Many considerations were taken into account for sizing this request including responses from a Request for Information (RFI), current workload and transaction volume, and project support estimates for a small- to mid-sized application development effort. Based on vendor responses and past projects of equivalent size, the effort to implement a commercial-off-the-shelf solution will take between 17 and 24 months. The following provides some of the considerations in sizing this request:

- Vendor commercial off-the-shelf product costs.
- Vendor product licensing costs.
- Vendor implementation services to configure the solution.
- DOL's implementation costs that include:
    - Contracted project management costs
    - Change management (OCM) costs

    - Quality assurance costs
    - Requirements analysis costs
    - Test verification costs
    - Interface development costs
    - Server and Network support costs
- Hardware for data hosting to enable data-sharing and reporting/analysis

Firearms is a small- to mid-size application, which is currently used by 15-20 DOL staff. Because DOL only serves as the record-keeper of firearms data, this system also serves 240 law enforcement agencies who access firearms data through a WSP connection, and nearly 800 firearms dealers across Washington State. Firearms dealers have the option to submit applications through Firearms Online, or submit paper applications which DOL manually enters. Because the existing system is so difficult to use, 62% of 10,000+ applications DOL receives each month are paper format. We expect that the number of users will grow with the new investment due to improved usability and system performance. With increased usage adoption by firearms dealers, DOL expects that data accuracy will increase, data availability will increase, and manual business processes will decrease.

It will also support elimination of the pistol transfer applications backlog, and prevent a future backlog to provide law enforcement agencies timely access to up-to-date data. The current backlog of over 500,000 records grows at a rate of 10,000 pistol transfer application each month, which DOL plans to address by using OCR technology. Once the backlog is reduced or eliminated, DOL will use data cleansing best practices to prepare the data to migrate to our new solution. DOL incorporates a Data Quality Plan as a standard practice for modernization efforts and system replacements.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

DOL will use existing FTEs as well as consulting services and contractors/non-permanent personnel for the duration of the project until implementation. Risks of using operational staff are mitigated by using consulting services, as well as backfilling subject matter expert roles. Developers currently supporting the firearms application will be redeployed to firearms data integration efforts or other agency initiatives.

The specific resource breakdown described in the decision package was developed from consulting recommendations, in-house assessments, as well as factors in recommendations from Gartner. These recommendations were highly vetted internally by evaluating the impact of the Firearms systems modernization against other agency priorities over next two years.

<u>Specifically, resources were determined with the following considerations:</u>

- DOL uses an integrated staffing plan to ensure FTEs are not over-allocated for operations and project plans.
- Looking at the current Systems Development Life Cycle (SDLC), provisioning process for setup, installation, and configuration of network and servers.
- Looking at external stakeholder engagement to support the project and determining length of time.
- In reviewing current and future project initiatives and day-to-day operational work, DOL determined that this is a major full-time undertaking and DOL does not have the staff to facilitate this project with DOL's current resources.
- This is a critical project in order to support DOL's mission and statute requirements.

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
Reason:
N/A

☒ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason:
The firearms program is currently operating with aging and unsupported software that has impacted customer service and business support. BPD has been challenged in maintaining and improving a standard of service to support the local enforcement agencies. The technology that is used to automate that business activity has fallen out of support and the applications developed in it are brittle and difficult to maintain. Some components are not fully functioning and BPD has resorted to manual processes to fill the gap. Also, system failures, outages and errors have occurred that have directly impacted BPD's customers.

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:
N/A

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:
N/A

Architecture/Technology Strategy Alignment

Strategic alignment

6. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions

hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

This investment aligns with the Enterprise Technology Strategic Plan as follows:

Efficient & Effective Government

- Pursue brokered service options
- Create constituent-focused portals
- Develop accessible and responsive designs to enable ease of use and deliver business value faster

Enterprise Architecture

- Modernize infrastructure and applications to mitigate business and technical risk.
- Consolidation of systems/processes will reduce the complexity of DOL's systems/applications portfolio.

Security & Privacy

- Holds the strongest compliance for data security and privacy.
  Certified to protect sensitive data (category 3) and sensitive data with special handling (category 4; such as Federal Bureau of Investigation (FBI), Criminal Justice Information Services (CJIS), Criminal History Record Information (CHRI), Health Insurance Portability and Accountability Act (HIPAA).

Technical alignment

7. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

For Technical Alignment:

- A modern Firearms System can leverage cloud (SaaS) to minimize infrastructure footprint.
- DOL will ensure that the procured solution will meet data security requirements.
- DOL will ensure the selected system has Application Programming Interfaces (APIs) for all key functionality of the Firearms Record Keeping System.
- DOL will ensure that the solution is scalable to meet future business and legislative enhancements.
- DOL will ensure that the solution has a failover in place to ensure business continuity.
- This investment reduces the amount of paper and manual processes for firearms data, which not only increases privacy, but will also increase data accuracy and availability.

For rollout, this system will be replaced all at once; however, the adoption of the system by stakeholders can be staged to accommodate business cycles and other constraints of firearms dealers.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

- DOL has a mature Executive Management governance process that has been in place for the past 5 years to govern all major projects. The governance board reviews monthly status, scope, budget, risks and responds timely to decisions and risks. An integrated agency staffing plan is used to monitor resources committed to project(s) to ensure operational impacts are considered along with over commitment of resources. An internal DOL OCM Program is established and is a cultural expectation for the agency for all change including project initiatives.
- DOL has executed multiple modernization efforts to date. DOL has matured with its governance processes with lessons learned from each implementation.
- DOL IT Project Management Office (PMO) performs project planning, and monitors and controls processes aligned to OCIO Standard 112.30 Managing Information Technology Portfolio – Projects. DOL IT projects are managed by the PMO by an experienced project manager. The PMO has a defined gated process for project selection and prioritization. A project charter is developed to ensure the project is approved, funded, resourced, and prioritized to meet the requirements outlined in the strategic planning process. Projects exceeding $500,000 dollars or a six-month duration will have steering committees to provide guidance, risk review and change control. Larger projects may have separate risk review boards and change control boards. The level of rigor for a project is determined by its complexity using the DOL Portfolio management complexity matrix. QA support is planned in accordance with OCIO policies, 132, 132.10, 132.20, 132.30, and 132a. When the OCIO does not require QA, the steering committee may use internal QA resources for projects, or assume the responsibilities within the steering committee.
- DOL also has an established architecture governance in place, the Strategic Architecture & Innovation Team. The purpose of this team, comprised of business and IT strategists, is to evaluate new technology to ensure it aligns with federal and state guidelines, OCIO policy, industry best practices, and DOL's architectural principles and portfolio.
- DOL follows vendor management best practices. With current vendor relationships, Contract Managers communicate with the vendor to monitor performance and ensure deliverables are being met; review and approve invoices; and work closely with DOL Contracts experts to execute contract amendments, suspensions, terminations, etc.

Interoperability, interfaces and reuse

9. Does this proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse existing components of a solution already in use in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

This proposal will integrate with the existing DOL systems/processes to enable data interchange from the procured solution with various stakeholders. This proposal is a new proposal and DOL will ensure that the vendor procured solution will have access points/features (API's etc.) to enable integration with other DOL systems and processes.

The new system will need to interface with the following:

- WSP Switch – this the Law Enforcement Agency search that needs to be changed to no longer use the DOL Gateway but to allow the WSP to consume the DOL external service.
- Secure Access Washington – this is the security layer for externally used for state web applications
- Fortress Anonymous
- C2C (Firearms Dealers, Courts, LEAs) data exchanges
- DOL Enterprise Services
    - Email Service – used to send CPL renewals
    - Address Verification Service – used to validation the data being sent for printing
    - DOL Notification Service – interface used for the printing of documents

Because of the unique business model where DOL serves as record-keeper, and law enforcement serves as the license issuance and regulation authority, reusing an existing DOL application would not be an effective solution.

BUSINESS/CITIZEN DRIVEN TECHNOLOGY

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

This investment will support these business outcomes:

- Consistently meet statutes for firearms records entry
- Eliminate backlog of pistol transfer applications and prevent a future backlog to ensure timely access to up-to-date data
- Increase the number of law enforcement and firearms dealer partners using an online system to enter data directly into the system, thus reducing reliance on manual data entry by DOL staff
- Reduce IT support hours dedicated to the Firearms system to correct data entry errors and handle data requests

These performance measures support the greater picture of:

- Delivering DOL's mission of public safety by providing firearms records to law enforcement.

- Providing law enforcement agencies real-time electronic access to accurate firearm records.
- Improving data accuracy and accessibility.
- Improving public and officer safety.
- Protecting the information DOL is responsible to maintain.

This investment directly enables these business outcomes. The solution will enable system users to enter information directly instead of sending paper applications to DOL to be manually entered. Beyond improving business outcomes, reducing manual processes, eliminating the current and preventing future backlogs, this investment will also improve accuracy of records, improve security, and improve access to record information.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

DOL's backlog is so severe that it is beginning to attract media attention. Law enforcement partners and firearms dealers have reported the system is not user-friendly, and inaccurate and out-of-date records impact officer and public safety:

- Components of the system, such as a feature to pre-populate data already in the system, do not function and increases data entry time for users.
- Data entry errors made by online users cause work stoppages and require IT staff to correct. This causes delays in license issuance to applicants.
- Data from the system is not readily accessible to system users and data requests must be fulfilled by IT staff.
- Slow system response is frustrating for system users when trying to serve their customers.
- Batch processing for multiple records will be halted if there is an error in the revenue portion of the batch.
- There are no system validations to ensure system users are properly processing an application (e.g., selecting renew instead of original for someone who is not currently in the system).
- There is no process to allow system users to review and correct errors before submitting data.

This solution will enhance public safety by ensuring that the Firearms systems/data is available to law-enforcement on-demand. The proposed solution will provide a better, more usable interface to the law enforcement partners and other stakeholders. This solution will have the capability to provide faster turnaround in the implementation of new legislation, as well as enhance Firearms information protection.

At an agency level, the DOL Voice of Customer committee will support gathering the customer's voice through survey alignment and best practices. DOL will also leverage customer experience tools such as personas and customer journey mapping to enable improved capabilities that also include customer experience for stakeholders, including law enforcement partners and firearms dealers. The investment will also seek to incorporate IT accessibility, usability, and user-centered design principles.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

This IT investment is expected to deliver significant value through business process modifications to DOL and partners.

- Business processes will be optimized and realigned to enable partners to access and self-serve, rather than waiting on DOL staff to support requests. Law enforcement agencies and firearms dealers will be able to create and update records and access data and reports appropriate for their needs.
- Arduous manual business processes and workarounds will be replaced by streamlined system processes. This investment will reduce or eliminate work stoppages for system users, as currently IT staff support is needed to support all data requests and system errors.
- System users' manual processes will also be reduced through computer-to-computer connections, reducing or eliminating duplicate data entry for law enforcement partners and firearms dealers.
- This investment enables data entry by system users, reducing the need for data entry by DOL, which will improve data accuracy, timeliness, privacy, and mitigate future backlogs.
- Business processes will also be delivered in different avenues. System users would be able to access their firearms data from anywhere, using multiple types of devices.

In the rollout plan, DOL will collaborate closely with stakeholders and identify users' specific needs, and follow change management best practices to communicate vision, business drivers, and other context. DOL has already begun efforts to identify stakeholders impacted by this change. Current state business processes have already been documented, and law enforcement agencies and firearms dealers will be invited to help build the future state business processes. Because of the number of stakeholders impacted with this change, DOL will also incorporate training as a significant part of the system replacement effort. Data cleansing and migration is key to this effort and will be included in the project effort. In an effort to support transitioning partners, DOL will also continue to allow paper submittals for a period of time after the system becomes available.

The timing for replacing the firearms systems is strong from a knowledgeable implementation perspective. DOL is maturing our capability of modernizing legacy technology. DOL has gained experience and succeeded in replacing ProRate & Fuel Tax, license issuance, and vehicles and

drivers legacy systems over the past 5 years. DOL continues to build our capacity in supporting capabilities as well, such as automated testing.

DOL will use standard project management and best practices. The steering committee for this project will include key business partners that will influence outcomes and drive this project to successful completion.

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: P9 - Cloud - Continuity of Operations
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
(360) 902-3644
jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing is required to establish its business operations continuity to a Cloud solution or the Quincy Data Center, per the Office of the Chief Information Officer policies. The existing business continuity capability in DOL's Union Gap data center has reached its end-of-life and is not compliant with data security policies. Funds are requested to transition data storage and the primary vehicles/drivers system to a long-term solution of a Cloud service provider. This option provides enhanced security features currently not available in the state infrastructure, is better positioned to adapt to future business needs, and improves business continuity in the event of a major incident/outage, network disruption, or data breach.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$24	$14	$14	$14
Fund 003 - 1	$8	$5	$5	$5
Fund 024 - 1	$29	$16	$16	$16
Fund 026 - 1	$93	$53	$52	$52
Fund 04E - 1	$24	$14	$14	$14
Fund 06G - 1	$13	$7	$7	$7
Fund 06L - 1	$180	$101	$100	$100
Fund 082 - 1	$26	$14	$14	$14
Fund 104 - 1	$4	$2	$2	$2
Fund 106 - 1	$1,730	$974	$965	$965
Fund 108 - 1	$583	$329	$325	$325

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 14V - 1	$22	$12	$12	$12
Fund 15V - 6	$13	$8	$7	$7
Fund 16B - 1	$3	$2	$2	$2
Fund 16M - 6	$2	$1	$1	$1
Fund 201 - 1	$27	$15	$15	$15
Fund 298 - 6	$4	$2	$2	$2
Total Expenditures	**$2,785**	**$1,569**	**$1,553**	**$1,553**
Biennial Totals		**$4,354**		**$3,106**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$2,785	$1,569	$1,553	$1,553

Package Description

The Department of Licensing (DOL) needs to address its aged operations continuity data servers and the best long-term solution is a Cloud solution. Phase 1 of this request seeks funding to establish the business systems continuity on the Cloud, consulting/non-permanent FTEs, basic infrastructure costs to enable secure connectivity with the Cloud, initial set-up costs, and ongoing maintenance. Phase 2 (FY21-23) of this request seeks funding to move the primary vehicles and drivers systems infrastructure on the Cloud when this infrastructure reaches its end of life.

Moving to a Cloud solution provides additional benefits over current systems, such as lower costs over time and more responsive business operations continuity of DOL data. WaTech's Cloud Enablement Program (CEP) both enhances data security, as well as provides agencies the ability to have dedicated connections with ample bandwidth to Cloud service providers.

Other cost factors: A Cloud-based solution would save funds by eliminating equipment licensing, maintenance, and replacement costs due to the solution being hosted virtually by an outside vendor. Lastly, another cost benefit not easily shown in this request is the reduced costs associated with risk mitigation if an outside vendor is responsible for maintaining DOL's data via the Cloud.

Advantages of Cloud-based solution:

- Higher data security within Cloud environment due to additional security certificates held by mature Cloud vendors
- More stable and predictable budget, equipment cycles don't have to be managed
- Better scalability and faster recovery time

- Geographic advantage – Statewide outages would not affect DOL's ability to recover data and continue business operations
- Cloud vendors provide better data redundancy to prevent loss of data
- Cost efficiency for using services "on demand" (DOL would simply pay for services being utilized)
- Greatly reduces logistical requirement (less of a need for DOL IT employees to travel)

Table Below: Comparison of business continuity Solutions:

Table Below: Comparison of business continuity Solutions (On-premise vs. Cloud)							
Quincy Data Center (QDC) On-Premise Solution							
	FY 2019-21		**FY 2021-23**		**FY 2023-25**		
Category	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Grand Total**
WATech Ongoing Costs	155,000	155,000	155,000	155,000	155,000	155,000	930,000
Equipment	**3,225,000**	40,000	40,000	40,000	**3,225,000**	40,000	6,610,000
Licensing/Software	349,000	324,000	324,000	324,000	324,000	324,000	1,969,000
Additional Cost for Primary Applications	0	0	2,000,000	0	0	0	2,000,000
Grand Total	**3,731,020**	**521,021**	**2,521,022**	**521,023**	**3,706,024**	**521,025**	**11,509,000**
Cloud Solution							
	FY 2019-21		**FY 2021-23**		**FY 2023-25**		
Category	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Grand Total**
WATech Startup/Maintenance	1,295,100	469,100	503,300	503,300	58,300	58,300	2,887,400
Equipment	90,000	0	0	0	0	90,000	180,000
Licensing/Software	700,000	700,000	1,000,000	1,000,000	1,000,000	1,000,000	5,400,000
Consultation Fees/Training	700,000	400,000	150,000	150,000	0	0	1,400,000
Grand Total:	**2,785,100**	**1,569,100**	**1,653,300**	**1,653,300**	**1,058,300**	**1,148,300**	**9,867,400**

Please note that the above table does not capture the fact that WaTech's ongoing costs should decrease, in future biennia, when more agencies utilize WaTech's Cloud Highway. (Economy of scale). Also, $100k savings from Quincy decommissioning were left out to show true costs.

Background:

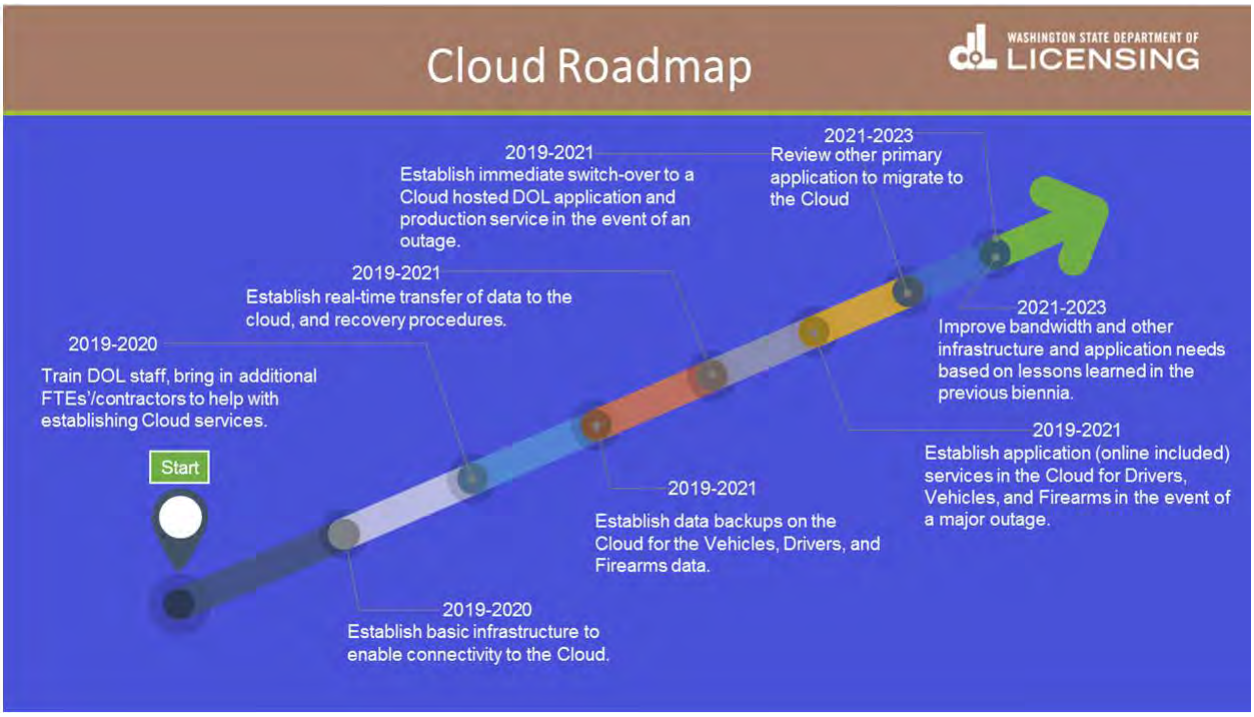
Currently, DOL has its own data center in Union Gap to support business operations continuity. This facility has outdated infrastructure and needs replacement. Per the OCIO requirements,

DOL can either move its data and applications to the Quincy Data Center or the Cloud for operational continuity.

DOL intends to utilize the services of a Cloud vendor to host its mission critical systems and the part of Information Technology (IT) services that would enable rendering 24 x 7 critical services without interruptions, in the event of any major outage. DOL highlights great risk to public and traffic safety when law enforcement, state judiciaries, border crossing and national system validations are unavailable to conduct driver identification, valid driving license use, restrictions, concealed pistol license search, stolen vehicles, authorizations for commercial driving endorsements and certifications on national highways.

As an example –Thousands of DOL's customers' were impacted in July 2018 when 56 Licensing Services Offices throughout the state were unable to function due to a major 36-hour outage. Thousands more could not be helped by the customer call center staff, who were unable to respond to customers' queries or perform transactions for them. Law enforcement would have incomplete information for their investigations. Border patrol would have backups on the border without verification systems to allow individuals to cross. Having the business continuity solution on the Cloud would allow DOL to avoid business operational disruptions like this in the future.

Below is a high-level roadmap for establishing DOL's systems business-continuity. This highlights what activities will be executed during the 2019-21 and 2021-23 biennia.



Biennium	Activities	Assumptions
2019-2021	Train DOL staff, bring in additional non-perm FTEs'/contractors to help with establishing Cloud services.	DOL will be leveraging existing FTE capacity. However, DOL does not have any in-house knowledge on managing infrastructure/IT-services on the Cloud. DOL needs consulting expertise or non-permanent FTEs' who are skilled in this arena to execute this project. As a part of this effort, DOL's existing FTEs' will be trained for future self-sustainability.
	Establish basic infrastructure to enable connectivity to the Cloud.	WaTech will provide the "Cloud Highway" to connect to the Cloud services.
	Establish real-time transfer of data to the Cloud, and recovery procedures.	DOL would use the Cloud Highway and Cloud services to transfer data immediately throughout the day to have the most complete set of data based on operational transactions.
	Establish data backups on the Cloud for the Vehicles, Drivers, and Concealed Pistol License data.	This will be DOL's primary focus in this biennia.
	Establish applications (online included) services in the Cloud that would be ready to start in the event of a major outage.	DOL will be ready with the set-up. This means, when a major outage happens, switch-over to providing online and licensing services will not be instantaneous. It may take up to a day or two to get everything functional.
	Establish immediate switch-over to a Cloud hosted DOL application and production service in the event of an outage	The level of the disruption defines the plan of business continuity to be deployed. A data corruption would be most immediate response while a major earthquake would take weeks to bring up Licensing offices. However critical interfaces would be available to support law enforcement, border and national queries.
2021-2023	Migration of Vehicles and Drivers systems application (Critical application and data since business continuity is already established in the 19-21 biennia).	Cloud Phase -1 is funded.
	Improve bandwidth and other infrastructure needs based on lessons learned in the previous biennia.	As the state population continues to grow, the amount of data and transactions DOL processes exponentially increases.

What success looks like:

- DOL will have on-demand data access to cater to traffic and public safety related services.
- All Driver and Vehicle services, in office, by phone and online, could return to full functionality within one to two days of a major outage (compared to weeks or months if not funded).
- Any operation or service could be restored within one-to-two days of its data being infected (compared to weeks or months if not funded).
- DOL will have moved from a capital expenditure model to an operational expenditure model for its business continuity. This enhances predictability of expenditures for this effort.
- DOL will be in compliance with state data center policy.

Data Security:

The Cloud environment provides additional security. WaTech data centers do not currently have several security certifications that mature Cloud vendors can provide. Typical government Cloud environments are physically isolated and compliant with federal security certifications. Currently, DOL's environment has not been certified at those levels. Therefore, connecting directly to the Cloud, by use of WaTech's "state government Cloud highway," DOL data would be protected and become more readily available during and after a disaster.

The increased demand for enhanced driver license/ID has DOL collecting more sensitive data used in verifying eligibility of enhanced documents. This increases the attractiveness of the data DOL already collects and stores in its databases by potential hackers. Some of the data DOL collects as part of its business are category 4 in nature that require special handling.

One aspect of the Cloud Enablement Program (CEP) involves creating a secured and dedicated network with sufficient bandwidth to transfer data between DOL and Cloud providers. Currently, DOL's sensitive data would need to be routed from the State Data Center and through the "public internet" in order to connect to Cloud services. This is a security risk, as the public internet provides a gateway for hackers to steal any sensitive information. The only solution to mitigate this security risk is to use a site-to-site Virtual Private Network (VPN) tunnel through WaTech, which has bandwidth limitations that cannot support this effort.

Data Resiliency and Reliability:

The Cloud ensures that data is securely stored and accessible anytime due to multiple data centers built in different geographical locations. These data centers are built with independent power, network and cooling. High availability at the global level ensures DOL from losing data, or the ability to provide information to partner organizations (Washington State Patrol, Department of Homeland Security, Courts, Federal Motor Carrier Safety Administration, American Association of Motor Vehicle Administrators, Insurance Companies, etc.) before, during, and after any incident regarding business continuity.

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

Options Explored	Decision
Washington Technical Solutions Private Cloud	**Not chosen –** • The current capacity to host DOL's robust and demanding environments exceeded service offerings at the State Data Center and at Quincy Data Center. • Required DOL to reinvest in additional capital equipment.
Washington Technical Solutions Quincy Data Center (on premise solution)	**Not chosen –** • Would require a significant upfront cost and ongoing maintenance fee for physical hardware that increase over time. • DOL would be required to invest in additional storage capacity and equipment in order to use Quincy's data center. This impacts DOL's ability to comply with OCIO policy 184 to move network and server assets out of DOL owned data center in Union Gap to Quincy Data Center.
Government Cloud Services	Chosen – • Holds the strongest compliance for data security and privacy. • Certified to protect sensitive data (category 3) and sensitive data with special handling (category 4; such as Federal Bureau of Investigation (FBI), CJIS, Criminal History Record Information (CHRI), Health Insurance Portability and Accountability Act (HIPAA). • Total cost of ownership is lowered over time, giving the agency significant savings when compared to capital expenditure for on premise cost. • The recovery time for critical systems and applications are significantly decreased. • Access to critical systems in case of a disaster are not constrained by a geographic location.

Comparison Table (Below): Table that compares pros-and-cons of data center vs Cloud-based Business Operations Continuity solutions.

Cloud Solution	Quincy Data Center Buildout
• One time investment to expand capacity for DOLs use *(benefits all state agencies using WaTech's Cloud highway)*	• Buy all hardware upfront

• Monthly fee to WaTech and Cloud vendor • No hardware replacement costs moving forward • More stable budget	• Replace hardware every two-to-five-years • Buy additional licenses for servers and software • Monthly fee to WaTech • Fund additional FTEs to support this option

The table below is a budget for an alternative business continuity solution; utilizing the Quincy Data Center. Please note, although the below solution appears cheaper up-front, this route requires periodic equipment replacement and WaTech annual invoicing should decrease as more state agencies use WaTech's Cloud Highway. Also, the below solution does not provide any of the benefits of the Cloud, including enhanced data security, decreased downtime during natural disasters, and the ability to provide continuation of business services during potential outages.

Quincy Data Center Solution				
Category	**FY 20**	**FY 21**	**FY 22**	**FY 23**
WATech Pass through Costs				
QDC Enclosures	$ 155,000	$ 155,000	$ 155,000	$ 155,000
Sub-total	*$ 155,000*	*$ 155,000*	*$ 155,000*	*$ 155,000*
Equipment				
Servers	$ 1,700,000	$ -	$ -	$ -
SAN	$ 850,000	$ -	$ -	$ -
Network	$ 475,000	$ -	$ -	$ -
MSA Backup	$ 200,000	$ 40,000	$ 40,000	$ 40,000
Additional Cost for Primary Applications	$ -	$ -	$ 2,000,000	$ -
Sub-total	*$ 3,225,000*	*$ 40,000*	*$ 2,040,000*	*$ 40,000*
Licensing/Software				
Server Licensing	$ 125,000	$ 125,000	$ 125,000	$ 125,000
Smartnet Contract	$ 62,000	$ 62,000	$ 62,000	$ 62,000
F5 BIG IP Contract	$ 5,000	$ 5,000	$ 5,000	$ 5,000
F5 Premium Service Contract	$ 37,000	$ 12,000	$ 12,000	$ 12,000
Azure Active Directory	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Sub-total	*$ 349,000*	*$ 324,000*	*$ 324,000*	*$ 324,000*
Grand Total	**$ 3,729,000**	**$ 519,000**	**$ 2,519,000**	**$ 519,000**

What are the consequences of not funding this request?

By not funding this request DOL will not have a path forward for its business operations continuity needs. At a minimum DOL would need funding to move to the Quincy Data Center (QDC).

- DOL will use limited capabilities of QDC.
- DOL's costs will increase to cover WaTech's fees and equipment associated with QDC.
- Significant delays can be expected after a major disaster to provision servers instead of business continuity being readily available in the Cloud.

If no funding is provided:

- DOL will maintain Union Gap facility with its limited capacity.
- DOL will be out of compliance with OCIO Policy 151 and 184 (Information Technology Disaster Recovery Planning and consolidation of state data center).
- DOL will not meet the demand of customers and external partners, such as law enforcement entities, to provide continuous operations for DOL's critical applications in the event of a disaster.
    - Law enforcement uses DOL data 24 hours a day – 7 days a week to run vehicle tabs and to validate driver licenses and IDs. An example would include law enforcement pulling a speeding driver over and not having access to driving history.
    - DOL would not be able to issue drivers licenses and vehicle tabs throughout the state, which would negatively impact agents and sub-agents, crippling their business operations.
- Will be out of compliance with the agency's Continuity of Operations Plan (COOP).

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity	FY 2016	FY 2017	FY 2018	FY 2019
001-1	A030	870	870	870	870
003-1	A030	290	290	290	290
024-1	A030	1,040	1,040	1,040	1,040
026-1	A030	3,350	3,350	3,350	3,350
04E-1	A030	870	870	870	870
06G-1	A030	460	460	460	460
06L-1	A030	6,450	6,450	6,450	6,450
082-1	A030	920	920	920	920
104-1	A030	130	130	130	130
106-1	A030	62,100	62,100	62,100	62,100
108-1	A030	20,950	20,950	20,950	20,950

14V-1	A030	790	790	790	790
15V-6	A030	480	480	480	480
16B-1	A030	120	120	120	120
16M-1	A030	60	60	60	60
201-1	A030	980	980	980	980
298-6	A030	140	140	140	140
	Total:	**100,000**	**100,000**	**100,000**	**100,000**

With additional funding, DOL can fully move out of the Union Gap data center by the end of next biennium. There will be a cost savings of roughly $100k per-year that DOL can reinvest into Cloud-based business continuity. The funding request in this package was reduced by $100k per-year, starting FY 2022, to adjust for these cost savings.

The table below represents savings from decommissioning a data center, which can be reinvested into a Cloud-based business continuity solution.

Savings from Decommissioning Union Gap				
Category	**FY 20**	**FY 21**	**FY 22**	**FY 23**
Equipment	*$ 53,000*	*$ 53,000*	*$ 53,000*	*$ 53,000*
Licensing/Software	*$ 47,000*	*$ 47,000*	*$ 47,000*	*$ 47,000*
Total Costs:	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**

Detailed assumptions and calculations:

Budget Summary				
Category	**FY 20**	**FY 21**	**FY 22**	**FY 23**
WATech Costs				
Initial Startup Funding	$ 826,000	$ -	$ -	$ -
Maintenance/On-going Funding	$ 469,100	$ 469,100	$ 503,300	$ 503,300
Sub-total	*$ 1,295,100*	*$ 469,100*	*$ 503,300*	*$ 503,300*
Direct Equipment				
10 gig SFP/10 gig lan card	$ 90,000	$ -	$ -	$ -
Sub-total	*$ 90,000*	*$ -*	*$ -*	*$ -*
Licensing/Software				
Cloud Vendor Services - Annual Fee	$ 480,000	$ 480,000	$ 480,000	$ 480,000
Cloud-based Active Directory	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Express Route	$ 100,000	$ 100,000	$ 400,000	$ 400,000
Sub-total	*$ 700,000*	*$ 700,000*	*$ 1,000,000*	*$ 1,000,000*
Consultation Services				
Consultation Service Contract	$ 600,000	$ 300,000	$ 150,000	$ 150,000

Training	$ 100,000	$ 100,000	$ -	$ -
Sub-total	*$ 700,000*	*$ 400,000*	*$ 150,000*	*$ 150,000*
Savings from decommissioning Union Gap			*$ (100,000)*	*$ (100,000)*
Grand Total:	**$ 2,785,100**	**$ 1,569,100**	**$ 1,553,300**	**$ 1,553,300**

Itemized Cost Explanation:

- **Initial Startup Funding** – Startup funds requested to pay for WaTech fees in order to expand the capacity for DOL use of Cloud Enablement Program (CEP).
- **Maintenance Funding** – Ongoing costs associated with using WaTech's CEP.
- **DOL Network Equipment** – DOL will need to increase network bandwidth in order to transfer data into the Cloud – additional network traffic for data being transferred from DOL's network onto the Cloud Highway.
- **Cloud annual fee** – DOL will use Cloud services to store data and applications (at rest).
- **Cloud Active Directory** – Active directory needed to allow employees access to applications and data through Cloud environment.
- **Express Route** – Private connection between Cloud vendor data centers and WaTech's Cloud-highway.
- **Consultation Services** – Provide consulting services when transitioning into a Cloud-based environment.
- **Training** – DOL staff will need cloud-specific training.
- **Savings** – DOL will be moving out of Union gap and will re-invest savings into Cloud-based business continuity.

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
This request supports the Governor's Goal 4 sub-topic "Safe People" because it protects the continuity, availability and privacy of the DOL data that law enforcement relies on.

Moving to the Cloud is essential for DOL to complete implementation of strategic initiative 8 "Implement adaptable technologies" and 11 "Protect our systems and customer data from compromise, fraud and cyber threats".

Decision Package Justification and Impacts

Union Gap data center's current capability only allows for law enforcement inquires for vehicles data. DOL currently doesn't have on premise equipment at Union Gap or at the Quincy Data Center to host DOL critical applications. Therefore, if there was a major outage that impacts business operations at the State Data Center, DOL would not be able to provide any mission critical services.

What specific performance outcomes does the agency expect?

Business Continuity: DOL expects improved business continuity by reduction in system down time. On average, DOL and its customers experience 44 hours of down time per month for vehicle and drivers licensing application (based on actuals May'18-July'18). After moving to the Cloud, DOL anticipates reaching the goal of under 5 hours on average per month. (Note: System down time includes partial or full outages. Impacts may be to some or all of staff, customers, stakeholders, business partners, law enforcement and courts).

Business Recovery: DOL expects to be fully able to recover driver and vehicle data, applications and services if a major outage should occur after moving to the Cloud, Currently, DOL can recover data via Union Gap, but cannot interact with that data or provide services because DOL applications are not backed up.

Security: DOL expects greater data security and privacy protection. Currently, DOL is 20% compliant with data security practices [based on the metrics – encryption at rest, encryption in transit, Service Organization Control 2 (SOC2) compliance, Federal Risk and Authorization Management Program (Fedramp), and the Criminal Justice Information Service (CJIS)]. DOL will be 100% compliant with these security metrics for the business continuity data with Cloud phase 1.

Speed: In the Cloud, turn-around time for deploying business solutions is quicker. This includes computing, storage, purchasing and deploying new technology. For instance new applications and infrastructure can be deployed in hours instead of days. DOL expects faster recovery from system down time, recovery after major outages, purchase and launch of new technology, and implementation of legislation that requires system changes.

Performance outcomes:
1. % compliance with federal data security standards (listed in Security outcomes above):

Baseline FY18: 20%. Estimates: FY20 at 20%, FY21 at 20%, FY22 at 100%, FY23 at 100%.

2. # of hours per month of driver and vehicle system downtime:

Baseline FY18: 44 hours. Estimates: FY20 at 29, FY21 at 29, FY22 at 5, FY23 at 5

Other Collateral Connections

Intergovernmental:
Department of Homeland Security (DHS)

Border Control (including Transportation Security Administration) and the Judiciary will benefit from having the ability to access DOL information with minimal interruption.

Law Enforcement Agencies

Continuity of essential Information Technology infrastructure services and functions which are critical to law-enforcement requests coming to DOL.

Tribal Government and Police will benefit from having the ability to access DOL information in the event of a disaster or network interruption.

Other state agencies such as the Washington State Patrol (WSP) and Department of Fish and Wildlife Police (WDFW) that need licensing information will benefit from having the ability to access this information in event of a disaster or network interruption. Washington State Patrol (WSP) and other federal, state and local law enforcement jurisdictions have a direct connection into DOL in order to verify identification as well as driver's licenses, concealed pistol license inquiries, driver history inquiries, stolen and abandoned vehicles, and vessel inquiries. This connection is critical at all times, especially during an emergency. Other law enforcement agencies depend on the WSP system (SECTOR).

Stakeholder response:
N/A

Legal or administrative mandates:
Complete and demonstrable compliance with Directive by Governor 13-02, OCIO Policy 151 Information Technology Disaster Recovery Planning, and Governor's Initiative 16-01.

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

Reference Documents

- Addendum A.docx
- IT Addendum.docx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
Yes
IT Addendum.docx

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 (*insert rows as required*)	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Expansion costs to support WaTech's Cloud highway	$826,000	$0	$0	$0
WaTech maintenance funding	$445,000	$445,000	$445,000	$445,000
Virtual Connects/Backup VPN	$24,100	$24,100	$58,300	$58,300
Equipment: 10 gig SFP/10 gig LAN card	$90,000	$0	$0	$0
Licensing/software: Cloud Service annual fee	$480,000	$480,000	$380,000*	$380,000*
Licensing/software: Active Directory	$120,000	$120,000	$120,000	$120,000
Cloud Express Route	$100,000	$100,000	$400,000	$400,000
Consultation Services (contract)	$600,000	$300,000	$150,000	$150,000
Training	$100,000	$100,000	$0	$0
Total Cost*	$2,785,100	$1,569,100	$1,533,300	$1,533,300

**Actual Costs in FY22-23 are $480k-per-year. Cost savings ($100k) from decommissioning Union Gap are reflected here.*

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.

Part 3: IT Project Questions
Agency readiness/solution appropriateness
Organizational change management

1. **Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.**

Organizational Change Management methodologies will be used to help internal and external stakeholders to adjust to the modernization. DOL's proven and preferred methodology for change management is an ADKAR model which DOL has used to successfully complete large, complex IT projects as well as smaller but impactful change within the agency. This methodology focuses on awareness, desire, knowledge, ability and reinforcement. DOL anticipates using internal and external OCM resources for up to a year to prepare and transition stakeholders to the new solution.

Impacts that requires OCM support for this effort:

- Decommissioning Union Gap and moving to Cloud.
- Department of Homeland Security and local and state law enforcement system interfaces will change.
- Coordination with WaTech to use new services.
- New critical skillsets are required to support Cloud.
- Processes and procedures for service levels and compliance will change.

Organizational changes include:

- Reducing hardware and software footprint on infrastructure by reassigning current staff to learn about Cloud provisioning.
- Process and procedure changes on budgeting for business continuity via moving from capital to operating expenditures.
- Bring in governance on how to manage data on the Cloud.
- Communicate and educate business partners and train users on how to use Cloud services.
- Working with external partners to connect during emergencies.

Agency technology portfolio risk assessment

2. **How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.**

   This project is designed to further DOL's IT agenda to move to hosted solutions to reduce the hardware/software footprint DOL has to manage. Additionally, this solution will seamlessly integrate with DOL's new Driver and Vehicle System to synchronize applications and data. Phase 1 of this request seeks funding to establish the business systems continuity on the Cloud, consulting/non-permanent FTEs, basic infrastructure costs to enable connectivity with the Cloud, initial set-up costs, and ongoing maintenance. Phase 2 (FY21-23) of this request seeks funding to move the primary vehicles and drivers systems infrastructure on the Cloud when this infrastructure reaches its end of life.

Business & Technology risks mitigated –

This project integrates into the overall health of the agency's IT portfolio by providing business continuity for mission essential functions at an alternate site when incidents or major outages occur at the State Data Center. Having this capability allows the agency to continue operations and support for DOL's external partners. Department of Licensing (DOL) does not have business continuity in case of natural, human caused, or technological disasters that would render the State Data Center inoperable.

This decision package is needed to improve continuity of essential information technology infrastructure services and functions which are critical to law-enforcement requests coming to DOL from the Washington State Patrol (WSP), Department of Homeland Security (DHS) Border Control (including Transportation Security Administration) and the Judiciary. This reduces downtime for business operations, streamlines, streamlines access points, increases data security, and increases traffic safety.

Solution scale

3. **Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.**

   This investment is scaled appropriately to solve the agency problem of not having business continuity. This is done by measuring the requirements against the DOL Continuity of Operations (COOP). DOL addressed these requirements by identifying the discrepancies that fall short of providing a functioning site that can be operational in case of a major outage for DOL's Mission Essential Functions.

The agency took into consideration the return on investment with vetting options that were on premise (onsite) and options that were Cloud based computing. Long term, Cloud services were determined to be a better return on investment in terms of lower cost over time and the capability to recover systems and applications faster because of the Cloud elastic, scalable, and capability to ramp up operations on demand quickly in hours, instead of days.

This investment is scaled to acquire a Cloud vendor solution which will meet DOL's immediate needs but also allows for scalability. New business systems could be added to enhance the economy of scale in the future biennia.

Phase 1 of this request seeks funding to establish the business systems continuity on the Cloud, consulting/non-permanent FTEs, basic infrastructure costs to enable connectivity with the Cloud, initial set-up costs, and ongoing maintenance. Phase 2 (FY21-23) of this request seeks funding to move the primary vehicles and drivers systems infrastructure on the Cloud when this infrastructure reaches its end of life.

For further details, please see Comparison Table on page 11 of the decision package.

Resource availability

4. **How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?**

Initiation for this project will be July 1 of 2019. DOL will use existing FTEs as well as consulting services, contractors/non-permanent personnel for the duration of the project until implementation. Risks of using operational staff are mitigated by using consulting services. DOL has extensive experience with backfilling positions and is prepared to supplement our staffing as necessary for the success of the project.

The specific resource breakdown described in the decision package was developed from consulting recommendations, in-house assessments, as well as factors in recommendations from Gartner. These recommendations were highly vetted internally by evaluating impact of this effort against other agency priorities over next two years.

Investment urgency

5. **With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:**

☒ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.

Reason: Absence of systems Business continuity posing business disruption risks, Business continuity is required by OCIO policy 184, OCIO Policy 151.10.

☒ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason: DOL does not have sufficient capability or funding for infrastructure to provide continuity of business.

☒ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason: This investment provides business continuity of data and applications off site in a more secure and modern environment.

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:

Architecture/Technology Strategy Alignment
Strategic alignment

6. **Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.**

   DOL has a Cloud-first strategy and our objective is to leverage Cloud solutions for business continuity that will seamlessly integrate with our new Driver and Vehicle Systems.

   This investment aligns with the Enterprise Technology Strategic Plan as follows:

   Cloud-first Security & Privacy Advantages:

   - Holds the strongest compliance for data security and privacy than any other Cloud provider on the global market
   - Certified to protect sensitive data (category 3) and sensitive data with special handling (category 4; such as Federal Bureau of Investigation (FBI), Criminal Justice Information Services (CJIS), Criminal History Record Information (CHRI), Health Insurance Portability and Accountability Act (HIPAA).

   State Data Center Migration

- Collaborate with WaTech to expand the Cloud Highway and their Cloud Enablement Program.
- Ensure DOL follows OCIO policy of adopting a Cloud-first solution for business capability.

Technical alignment

7. **Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.**

   Infrastructure as a service provides vendor hosted hardware and software. This solution reduces the risks of maintaining outdated hardware and software. Cloud vendors provide the capability to publish data to meet open-data requirements. Cloud solutions also make it easier to incorporate mobile solutions by eliminating the need to build those solutions in-house and on premise.

   Cloud meets a broad set of international and industry-specific compliance standards, such as General Data Protection Regulation (GDPR), ISO 27001, HIPAA, FedRAMP, SOC 1 and SOC 2 that will protect DOL assets, privacy, and data. Mature Cloud vendors have the most vetted, endorsed, and certified security of any organization, which will incorporate well into DOL's requirements to protect DOL's sensitive data and privacy, to include being in compliance.

Governance processes

8. **What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.**

   DOL has a mature Executive Management governance process that has been in place for the past 5 years to govern all major projects. The governance board reviews monthly status, scope, budget, risks and responds timely to decisions and resolve risks. An integrated agency staffing plan is used to monitor resources committed to project(s) to ensure operational impacts are considered along with over commitment of resources. Internal Change Management Program is established and is a cultural expectation for the agency for all change including project initiatives.

DOL has executed multiple modernization efforts to-date (Prorate and Fuel Tax, Drives Vehicles, Central Issuance, Drives Drivers). DOL has matured with its governance processes with lessons learned from each implementation.

DOL IT Project Management Office (PMO) project planning, and monitor and control processes are aligned to OCIO Standard 112.30 Managing Information Technology Portfolio – Projects. DOL IT projects are managed by the PMO by an experienced project manager. The PMO has a defined gated process for project selection and prioritization. A project charter is developed to ensure the project is approved, funded, resourced, and prioritized to meet the requirements outlined in the strategic planning process. Projects exceeding $500,000 dollars or a six month duration will have steering committees to provide guidance, risk review and change control. Larger projects may have separate risk review boards, change control boards and steering committee. The level of rigor for a project is determined by its complexity using the DOL Portfolio management complexity matrix. QA support is planned in accordance with OCIO policies, 132, 132.10, 132.20, 132.30, and 132a. When the OCIO does not require a QA the steering committee may use internal QA resources for projects, or assume the responsibilities within the steering committee.

The project will follow an established Vendor Management Framework to help manage the vendor services and ensure DOL is receiving the services that have been contracted for.

Interoperability, interfaces and reuse

9. **Does this proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse existing components of a solution already in use in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.**

   This is a new solution that will integrate with current systems/interfaces to support to provide interoperability for DOL business systems operational continuity. DOL is working with other agencies including WaTech to leverage the lessons learned and use some core infrastructure. The funding includes WaTech circuit provisioning as well. The solution is architected to meet the architectural guidelines and principles of the OCIO and Office of Cyber Security (OCS). There will be periodic reviews conducted with OCIO and OCS as the solution is being implemented.

   The proposed solution will integrate with the existing DOL systems/processes to enable data interchange from the solution with various stakeholders. The new solution will have access points/features (API's etc.) to enable integration with other DOL systems and processes.

Business/Citizen Driven Technology
Measurable business outcomes

10. **Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.**

- Investment Portfolio and Roadmap –
    - This solution will improve the investment portfolio by reducing on premise hardware and software costs by leveraging the Cloud's economies of scale.
    - This solution is part of a scalable Cloud roadmap which includes moving DOL's primary data center on the Cloud as applicable.
- Metrics – Key Performance Indicators (KPI's) that are focused on the business
    - Reduces business outages and increases recovery time
    - Reduce customer impacts by not impacting license issuances when there are major outages
    - Ensure data availability
    - Established service level agreements
- Risks – Well understood risk profile. Risk are defined and a mitigation strategy will be implemented.
    - Security risks (5 metrics - Encryption at rest, encryption in transit, CJIS compliance, FedRamp certification, SOC2 compliance) will be measured as a KPI to ensure DOL has mitigated this risk in its business continuity solution with this implementation.
    - System availability
    - Improving overall business resiliency

Customer centered technology

11. **Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.**

    In an event of a major outage –

    - Residents will continue to receive DOL services including license issuances
    - Law enforcement, judiciaries and Homeland Security will continue to have access to driver's license inquiries, court adjudications and enhanced drivers' license inquires for border crossings.
    - WA State citizen's data will be more secure given the Cloud compliance with security principles.

    DOL will leverage its current customer feedback processes and surveys regarding wait-times and availability of services.

Business process transformation

12. **Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.**

    DOL has recent success implementing large, complex IT projects. DOL has project management staff, product owners, contract managers and steering committee members (leadership) which understand their roles in delivering a successful implementation.

Business Process Transformation

- Accessing systems by the business would be transparent and access from anywhere is a strong feature for the business. Expanding the business capability to operate from anywhere to continue providing services to WA State citizens.
- Deliver application or enhancements faster through Cloud services because solution provisioning using the Cloud is faster.
- Strong vendor management framework that includes Business, Technology, and Vendors participating in decision making on any changes to the solution.
- Ensuring changes in current applications and data are propagated to the Cloud.

DOL will use standard project management and best practices. The steering committee for this project will include key business partners and voice of the customer that will influence outcomes and drive this project to successful completion.

This effort will provide expected improvements to the vehicles and driver's licensing business processes.

- Investment Portfolio and Roadmap –
    - This solution will improve the investment portfolio by reducing on premise hardware and software costs by leveraging the Cloud's economies of scale.
    - This solution is part of a scalable Cloud roadmap which includes moving DOL's primary data center on the Cloud as applicable.
- Metrics – Key Performance Indicators (KPI's) that are focused on the business and results DOL.
    - Reduces business outages and increases recovery time
    - Reduce customer impacts by not impacting license issuances when there are major outages
    - Ensure data availability
    - Established service level agreements
- Risks – Well understood risk profile. Risk are defined and a mitigation strategy will be implemented.

- Security risks (5 metrics - Encryption at rest, encryption in transit, CJIS compliance, FedRamp certification, SOC2 compliance) will be measured as a KPI to ensure DOL has mitigated this risk in its business continuity solution with this implementation.
- System availability
- Improving overall business resiliency

Appendix A – Business Objectives

Business Objectives	Outcomes
Consider all new business IT request through a cloud first strategy. Explore cloud solutions that are sustainable and obtainable for business capability. Operate and serve as soon as possible after disaster service interruptions. Appropriate redundancy. Resilience. Providing improved ability for business continuity.	DOL Business has expanded technology that is scalable and flexible enough to change as technology changes.
Faster delivery of systems to business. By truncating the hardware provisioning process out, as well as implementing a new and improved process for provisioning platforms and applications. Reduce DOL's capital expenditures for server and network hardware.	Information Services will provision systems at a much faster rate by eliminating the need to purchase hardware and waiting for it to be shipped.
Investment Portfolio and Roadmap – processes aggregated into goal-oriented programs and portfolio's staged over a mid-range period in the form of a roadmap that reflect the Return on Investment (ROI)	The ROI of Cloud Services are realized by the efficiencies and reliability. The reduction in time to deliver, solve issues, and reduce resource allocation gives the agency a competitive advantage not realized previously.
Metrics – Key Performance Indicators (KPI's) that are focused on the business.	Reliability, Security, SLA Requirements & Compliance are the four critical success factors will measure this effort to success and continual process improvement
Risks – Well understood risk profile.	DOL data and privacy will have the most secure protocols in place to include the segmentation of data by classification. Identity management, audits, and access control will be the foundation of the risk profile.

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: P8 - Testing System Replacement
Budget Session: 2019-21 Regular
Budget Level: Policy Level
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Agency Recommendation Summary

The Department of Licensing requests funding to replace a 20-year old driver license testing system to improve driver license test efficiency and security, score reporting, and data collection. The new system would integrate with DOL's driver license system and provide timely testing data from licensing service offices, driver training schools, commercial driver training schools and motorcycle safety schools and support Target Zero traffic safety initiatives.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106 - 1	$1,404	$27	$27	$27
Total Expenditures	**$1,404**	**$27**	**$27**	**$27**
Biennial Totals		**$1,431**		**$54**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. C	$1,223	$0	$0	$0
Obj. E	$181	$27	$27	$27

Package Description

The Department of Licensing (DOL) requests funding to replace the driver knowledge testing system with a modern system to meet the needs of actual work flows and processes and extend secure, computer-based testing to the locations where the vast majority of these tests are actually taken.

The computer- or tablet-based system will have knowledge tests with randomized questions to reduce the potential for tests to be compromised and the flexibility to update test questions as

laws or training curriculums change. It will be much more efficient than the cumbersome, paper-based system private-industry partners are now required to use and it is estimated the solution would save stakeholders approximately 11,000 hours by not having to manually score exams.

DOL could issue licenses more quickly as the scores would be transmitted to DOL in real time without having to be manually graded and entered. This means commercial drivers can begin working sooner.

Tests will be accessible in more languages to enable residents of Washington to take the exam in their native language which will result in all drivers understanding traffic rules.

An immediate benefit of modern testing systems is the ability to generate customized test result pages after a test is taken. This type of product can serve as a study guide for individuals who don't pass the test or an indicator of areas of additional study necessary for those who do.

Data would be more accurate and available for analysis and provide insight to testing failures. This information would be used to improve training in support of Target Zero initiatives to reduce traffic fatalities.

Modern testing systems generally include, or can be expanded to include, mobile, tablet-based on-the-road skills test scoring modules to extend the benefits of electronic testing. Many states are beginning to use this type of software to meet the federal law requiring CDL examiners use preapproved test routes. Electronic test scoring using secure mobile tablets can produce highly auditable test results by using GPS functionality. Currently DOL has a grant from the Federal Motor Carrier Safety Administration for the purchase of tablets to implement the mobile CDL skills (road based) testing.

Finally, the new system would be scalable to add professional testing in the future. DOL licenses approximately fifty different professions, many of which could be added as additional modules to the new system further leveraging the investment.

Background:

In 1999 the DOL acquired a testing system for driver knowledge testing in the agency's licensing service offices (LSOs). In the 2011 legislative session, ESHB 1635 passed which outsourced 89% of testing to private driver training schools. DOL has a maintenance-only contract with the current testing system vendor, and therefore cannot expand use of this system to private driver training and testing locations or add new functionality to the system without engaging in a competitive bid process.

The current system functionality is limited to computer testing stations in LSOs which typically account for 11% of the driver knowledge tests taken annually (26,956 in 2017). The remaining 89% of these tests are conducted in private driver training schools using paper tests (220,199 in 2017).

As a result of limited functionality, the 89% of driver knowledge tests administered in private driver training schools rely on a paper-based system requiring driver training school partners to print and manage multiple versions of paper tests and scoring keys. This paper-based system is

highly inefficient for private testing partners who must maintain physical security of the tests, manually score them and enter the scores through a DOL internet portal system. Multiple tests are required to ensure individuals who take the test multiple times do not get the same test over and over. It also ensures tests are available in the event a test or scoring key is lost or stolen. A missing test or key is reported to DOL immediately and results in invalidating the test for use in all other testing sites statewide. A replacement test is then created by DOL staff and distributed to replace the compromised test.

DOL is committed to the Target Zero plan, which focuses on five key areas, including education to reduce traffic fatalities. The current system has no functionality to aggregate data for analysis. Not having access to this data impacts DOL Target Zero endeavors. An example of this would be identifying specific areas in training curriculums that are statistically tied to fatalities in order to improve the curriculum to reduce fatalities. Being able to determine a young driver failed the portion of the curriculum centered around intersections and was subsequently killed due to turning into the wrong lane at an intersection would enable DOL to improve curriculum based on data.

Another current system limitation is the inability to track Commercial Driver License (CDL) tester's geolocation on a test drive, which would assist DOL in verifying that a tester follows preapproved test routes per federal law. Additionally, CDL test results must be entered manually into three separate systems – a process that would be automated by a new system. None of the results are real-time which causes delays in issuance and impacts commercial driver's livelihood.

Finally, there are ongoing complaints from customers regarding limitations of translated tests. Washington State has a diverse population and DOL has a responsibility to offer tests to non-English speakers in their native language. Modern testing systems have far greater support for offering additional languages. This improves safety for all Washingtonians.

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

1. Use the new Driver and Vehicle System (DRIVES):

   DOL approached our current vendor, FAST Enterprises, who is implementing our new Driver and Vehicle System, but they indicated this is outside the scope of their current capabilities.

2. Keep the current system:

   The current system is not meeting agency needs for the reasons outlined in this Decision Package. The agency can't modernize the system under our current contract.

3. Go out for bid:

   The agency conducted a thorough review of current processes and identified areas of improvement. Subsequently posting a Request for Information (RFI) to identify solutions. This option was chosen as it met the most business needs to carry out the agency mission.

What are the consequences of not funding this request?

DOL would continue with the manual, paper-based testing processes resulting in:

Public safety risks due to:

- Inability to update exam questions to reflect changing laws or training curriculums.
- Inability to provide exams in more native languages;
- The potential for fraud and cheating presented by the paper-based format and manual scoring;
- Lack of data to analyze and improve curriculum and address preventable accidents.

Increased customer dissatisfaction and lack of confidence in government due to:

- Long, manual paper process;
- Lack of data accuracy regarding customers and scores.

Continued inefficiency due to:

- Manually scoring tests;
- Manually entering test scores in multiple locations;
- Time consuming knowledge test creation, distribution, and management of multiple paper versions of paper tests;
- Inability to verify test questions in foreign languages;
- Necessity to print and scan rather than saving to the system.

Assumptions and Calculations

Expansion or alteration of a current program or service:

DOL currently has $73,000 per year allocated for a maintenance contract with the current vendor. This funds necessary patching of the current system and maintenance of the vendor-owned testing workstations located in LSOs. It does not fund upgrades, new functionality or even adding or changing test questions within the system. Although unknown at this time, it is likely a similar maintenance agreement ($50,000 to $100,000) will be required in future biennia following the acquisition of a new system.

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
106	A031	FTE				
		Expenditures	$73,000	$73,000	$73,000	$73,000
Total		FTE				
		Expenditures				

Detailed assumptions and calculations:

DOL estimates $1,000,000 for the systems cost based on conducting a Request for Information (RFI), but will not know true costs until a formal Request for Proposal (RFP) is conducted. The initial RFI indicates a sufficient pool of potential bidders is available to ensure a successful bid process and a variety of business models used to price these systems. Some vendors use a per-

test model with low up-front costs and significant ongoing costs. Others have a model of up-front purchase with ongoing maintenance. This estimate is based on the latter, which most closely aligns with the current contract model.

DOL anticipates the need for project management, project staff, organizational change management (OCM) support, Vendor Management and contracted Quality Assurance (QA) support.

- Full time monthly OCM support is included for six months. On average, the current monthly rate for contracted OCM is $21,500 per month. DOL's OCM internal program has just started. The potential to staff experienced OCM with FTE will be assessed at the beginning of the project. Otherwise contracted resources will be needed.
- This decision package includes one third of a QA contractor for nine months. The current monthly rate for contracted QA support is $31,668.
- DOL has an existing FTE who manages the contract and ensures the vendor adheres to service level agreements and meets deliverables as dictated by the contract and the business need. This FTE would continue in this role.

A new system will require modifications to other DOL information technology systems. To complete a successful transition to a new system. DOL will require $181,300 for contracted project management and project staff support to implement the following changes:

1. Clarify requirements for configuration into the new system, testing, data conversion and implementation.
2. Create new interfaces for Driver Training Schools, the Motorcycle Safety Program, Commercial Driver Licensing, and DRIVES systems
3. Perform an architecture design review and security review.

The resources necessary to implement the new system and to make modifications to other information technology systems are outlined in the table below.

Cost Category	Description	Rate	2020	2021	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 18,444	49,800	-	49,800
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 26,448	21,200	-	21,200
PROJECT MANAGER	Manage schedule and contracts	$ 27,492	16,500	-	16,500
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 27,144	10,900	-	10,900
DEVELOPERS	Modify programming and coding to all major systems	$ 18,444	66,400	-	66,400
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ -	16,500	-	16,500
		Totals	**181,300**	-	**181,300**

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

- Reducing manual submission workload for Driver Training Schools supports the Governor's Goal 5 for efficient, effective and accountable government.
- Online Knowledge test submission supports DOL's strategic vision to implement adaptable technology systems and processes to meet emerging needs of customers, stakeholders, and employees.
- Collect data for analysis to support Target Zero and support DOL's Open Data plan.

Performance outcomes:
Electronic driver knowledge testing will extend from just DOL LSOs (26,956 knowledge test in 2017) to the privately owned Driver Training Schools (220,199 knowledge tests in 2017). All driver knowledge tests will be conducted electronically and scores and test data will immediately transmit to the DOL driver licensing system.

Over the next several years, all knowledge tests (approximately 250,000 per year) will be securely administered with randomized questions to reduce the potential for tests to be compromised and the flexibility to more easily update test questions as laws or training curriculum change.

If driver training schools and third-party testers save three minutes per test by eliminating the need to manually grade and enter scores manually into the web-based portal, they would save 11,000 hours. Additional time savings would be realized by eliminating the need to print, staple and securely handle paper tests and scoring keys.

Performance Measure detail:

Percent of secure, electronic knowledge tests automatically submitted online

Baseline	FY20	FY21	FY22	FY23
11% (LSOs only)	25%	50%	75%	100%

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

DOL anticipates modernizing this system will have numerous positive impacts across the state. Primarily, DOL anticipates an increase in public safety for all Washington residents due to the ability to target curriculum based on test results creating safer driving conditions. Additionally, being able to offer tests in more residents' native languages, DOL can ensure more drivers understand the rules of the road. Having test questions randomized and securely delivered mitigates the risk of fraud and cheating and ensures drivers are qualified to receive the licenses they are testing for.

Secondarily, the system will allow commercial drivers to begin working sooner. By having an automated testing system, exams are scored automatically and instantly entered into the DRIVES system. Customers are able to go directly to a licensing office to complete their licensing process. This efficiency will also extend to every first time driver and driver training school owner/employee. Rather than having to manually score a paper test, the system will do it for the drive training school immediately and accurately saving them time to focus on their business of training. For first time drivers to be able to go directly to a licensing office after their test gives DOL the opportunity to make a positive first impression on young customers.

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
DOL partners with private driver training schools, CDL examiners and motorcycle safety schools who will be impacted by this proposal. Due to the amount of time savings this solution will offer, DOL anticipates the majority of stakeholders will embrace this change. One drive training school stakeholder replied to our inquiry regarding the change writing, *"This sounds like a great idea if it would result in more consistent, uniform and accurate testing across the state. That would be a win, win! I think it meets a real need. Two thumbs up if it can be accomplished efficiently."* Potential opposition would be with smaller schools who are technologically behind and don't intend to ever move to computer based training/testing.

Legal or administrative mandates:
Working toward Target Zero through a systematic approach to curriculum and crash data. A new system can collect more reliable data by having test results electronically submitted. It can create the ability to update the curriculum based on crash data to address specific areas identified through data analytics to help meet the goal of Target Zero. DOL will work with all

potential users of the new testing system to gain insights into their expectations and needs and to develop transition plans smoothly

Changes from current law:
Requires a new contract. The current contract is outdated and limited in scope which prevents DOL from adding necessary modern functionality. An RFP is needed to find the best solution for current and future needs.

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

Reference Documents

- Testing System ITaddendum2019-21_Final.docx

IT Addendum

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

2019-21 IT ADDENDUM Testing System Replacement

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

Please itemize all 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. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Information Technology Items in this DP (*insert rows as required*)	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
New ATS acquisition; vendor costs	1,000,000	0	0	0
Quality assurance; contracted	63,000	0	0	0
DOL contractor support; project staff and mgmt	181,300	0	0	0
Org. Change Management; contracted	64,500	0	0	0
Total Cost	**$1,308,800**	**Enter Sum**	**Enter Sum**	**Enter Sum**

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 the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

   Organizational Change Management methodologies will be used to help internal and external stakeholders to adjust to the modernization. DOL's proven and preferred methodology for change management is an ADKAR model which DOL has utilized to successfully complete large, complex IT projects as well as smaller but impactful change within the agency. This methodology focuses on awareness, desire, knowledge, ability and reinforcement. DOL anticipates using internal and external OCM resources for up to a year to prepare and transition stakeholders to the new solution.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

   This project is designed to further DOL's IT agenda to move to hosted solutions to reduce the hardware/software footprint DOL has to manage. Additionally, this solution will seamlessly interface with DOL's new Driver and Vehicle System to aggregate data which mitigates the risk of data loss.

   Technology risks mitigated -

   - DOL has an aging legacy Drivers Knowledge Testing System. A modern system will improve DOL data accuracy, staff efficiencies, and provide data to DOL's data analytics platforms.
   - Existing legacy applications are on end-of-life Microsoft platforms and there is no vendor support for these platforms. The inability to upgrade the platform presents a security vulnerability risk.
   - Future legislative or business enhancements cannot be done with the current legacy system platform.
   - Going to a vendor built/hosted solution will bring in efficiencies in terms of faster implementation turnaround, and mitigates current risks.
   - The solution will also ensure the Vendor keeps the product stack updated with the most current versions of the software to mitigate vulnerability risks.

Business Risks mitigated -

- When customers (CDL, DL) take their test, there is a 24 to 48 hour time period before examiners get the scores in the system. With a modern Testing System scores would go in immediately.
- Due to the manual nature of the current system and the number of places scores need to be entered, there is a large margin of human error.
- DOL currently manually prints, tracks and distributes paper exams. With a modern system DOL would be able to reduce the amount of time and resources spent on producing paper exams which are easily compromised.
- The current testing system is specifically targeted to drivers and does not have the scalability to add professional testing for a more efficient and enterprise approach.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

This investment is scaled to acquire a vendor solution which will meet DOL's immediate need in Driver Training Schools and Licensing Services Offices but also allows for growth. DOL licenses approximately fifty different professions, many of which could be added as additional modules to the new system which would add efficiency and economy of scale at a later date.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

DOL will use existing FTEs as well as consulting services, contractors/non-permanent personnel for the duration of the project until successful implementation. Risks of using operational staff are mitigated by using consulting services. DOL has extensive experience with backfilling positions and is prepared to supplement DOL staffing as necessary for the success of the project.

The specific resource breakdown described in the decision package was developed from consulting recommendations, in-house assessments, as well as factors in recommendations from Gartner. These recommendations were thoroughly vetted internally by evaluating the impact of the Drivers Knowledge & Skills testing systems modernization against other agency priorities over next two years.

<u>Specifically, resources were determined by:</u>

- DOL uses integrated plan to ensure FTEs are not over-allocated for operations and project plans.
- Looking at the current Systems Development Life Cycle (SDLC), provisioning process for setup, installation, and configuration of network and servers.

- Looking at external stakeholder engagement to support the project and determining how long that would take.
- Reviewing current and future project initiatives and day to day operational work. Determined this is a major full time undertaking and DOL doesn't have the staff to facilitate this project with current resources.
- This is a critical project in order to support DOL's mission.

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
Reason:

☒ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason:
The current Drivers Testing application has software that has reached the end-of-life. This solution will replace an antiquated legacy testing system which doesn't allow us to scale business requirements. The inability to enhance Driver Testing processes poses a significant risk to driver and traffic safety.

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:

Architecture/Technology Strategy Alignment

Strategic alignment

6. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

DOL has a cloud-first strategy and the objective is to acquire a COTS/MOTS hosted solution that will seamlessly integrate with the new Driver and Vehicle System.

This investment aligns with the Enterprise Technology Strategic Plan as follows:

Cloud-first Security & Privacy Advantages:

- Pursue brokered service options, create constituent focused portals, develop accessible and responsive designs to enable ease of use and deliver business value faster.
- Modernize infrastructure and applications to mitigate business risk.
- Holds the strongest compliance for data security and privacy.
- Certified to protect sensitive data (category 3) and sensitive data with special handling (category 4; such as Federal Bureau of Investigation (FBI), Criminal Justice Information Services (CJIS), Criminal History Record Information (CHRI), Health Insurance Portability and Accountability Act (HIPAA).
- Consolidation of systems/processes to improve the systems/applications portfolio of DOL.

Technical alignment

7. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

For Technical Alignment:

- A modern Drivers Testing application can leverage cloud (SaaS) to minimize infrastructure footprint
- DOL will ensure the procured solution will meet data security requirements.
- DOL will ensure the selected system has Application Programming Interfaces (APIs) for all key functionality of the Drivers Testing application.
- DOL will ensure the solution is scalable to meet future business and legislative enhancements.
  DOL will ensure the solution has a failover to ensure business continuity.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

DOL has a mature Executive Management governance process in place for the past 5 years to govern all major projects. The governance board reviews monthly status, scope, budget, risks and responds timely to decisions and risks. An integrated agency staffing plan is used to monitor resources committed to project(s) to ensure operational impacts are considered along with over

commitment of resources. Internal Change Management Program is established and is a cultural expectation for the agency for all change including project initiatives.

DOL has executed multiple modernization efforts to-date. DOL has matured with its governance processes with lessons learned from each implementation.

DOL IT Project Management Office (PMO) project planning, and monitor and control processes are aligned to OCIO Standard 112.30 Managing Information Technology Portfolio – Projects. DOL IT projects are managed by the PMO by an experienced project manager. The PMO has a defined gated process for project selection and prioritization. A project charter is developed to ensure the project is approved, funded, resourced, and prioritized to meet the requirements outlined in the strategic planning process. Projects exceeding $500,000 dollars or a six month duration will have steering committees to provide guidance, risk review and change control. Larger projects may have separate risk review boards and change control boards. The level of rigor for a project is determined by its complexity using the DOL Portfolio management complexity matrix. QA support is planned in accordance with OCIO policies, 132, 132.10, 132.20, 132.30, and 132a. When the OCIO does not require a QA the steering committee may use internal QA resources for projects, or assume the responsibilities within the steering committee.
The project will follow an established Vendor Management Framework to help manage the vendor services and ensure DOL is receiving the services that have been contracted for.

Interoperability, interfaces and reuse

9. Does this proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse existing components of a solution already in use in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

The proposed solution will integrate with the existing DOL systems/processes to enable data interchange from the solution with various stakeholders. The new solution will have access points/features (API's etc.) to enable integration with other DOL systems and processes.

The new system would be scalable to meet DOL's testing needs in the future. DOL licenses approximately fifty different professions, many of which could be added as additional modules to the new system further leveraging the investment.

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

DOL uses a Testing System which does not have automated test distribution, score tracking or test results. As a result of limited functionality, test results must be manually created, distributed and scored increasing length of time until a customer can be licensed and decreasing the accuracy of test results. The current system does not support tracking a CDL tester's geolocation on a test drive which would assist DOL in verifying a tester follows pre-approved test routes per federal law.

CDL test results must be entered into three separate systems – a process that could be automated by a new system. None of the results are real time resulting in delays in issuance.

The current system which is almost entirely manual has no functionality for aggregating data to analyze. An example of this would be identifying specific areas in curriculum which are statistically tied to fatalities and then being able to improve curriculum based on that data to reduce accidents.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

- Washington drivers will be able to take their test and have the scores entered accurately and immediately into the DOL system and receive their license right away. This means commercial drivers can begin working sooner.
- All Washington residents should benefit from the improved safety of better exams and targeted curriculum though analytics.
- All Washington residents should benefit from cost savings and efficiencies of having tests securely and automatically distributed to examiners/examinees in accessible languages rather than manually copied and mailed.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

This investment will support driver examining in Licensing Service offices, the Motorcycle Safety Program, CDL program as well as independent drive training schools. Additionally the modular scalability will allow addition of other professions requiring testing in the future. This will further leverage the investment and expand efficiencies for staff, stakeholders and customers. Labor intensive, manual paper processes will transition to immediate and digital processes allowing for DOL programs and partners to focus on primary lines of business.

DOL conducted a LEAN workshop in August of 2017 with internal and external stakeholders identifying common business areas of improvement opportunity. While stakeholders have indicated a modern testing solution is necessary, DOL is sensitive that the community of stakeholders is diverse and not all may agree. To this end, DOL is planning a gradual

implementation by making the software available to everyone upon implementation but allowing our partners to adopt the solution on their own timeline. Regular and ongoing communication with stakeholder indicate the majority are ready and or receptive to this transition.

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: P6 - Facility Six-Year Plan
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

The Department of Licensing requests $2,155,700 to relocate five Licensing Service Offices identified in the 2019-2025 Agency Desired Six-Year Facilities Plan submitted to the Office of Financial Management. This plan responds to operational and emergent facility needs that accommodate increasing population in Washington State, which affect workload volumes due to increased demand for driver licensing services. Properly placed, right sized facilities are necessary to support and implement workplace strategies that maximize productivity and maintain or improve business operations and customer service in a modern work environment.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106 - 1	$397	$1,758	$134	$237
Total Expenditures	**$397**	**$1,758**	**$134**	**$237**
Biennial Totals		**$2,155**		**$371**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$172	$1,065	$134	$237
Obj. J	$225	$693	$0	$0

Package Description

Funding for one-time project costs to relocate five Licensing Service Offices (LSOs) on the Interstate 5 (I-5) corridor will:

- Place offices in appropriate geographical customer areas to support increasing population in Washington State which affect driver licensing services workload volumes.
- Provide right-sized facilities with adequate parking and access to public transportation to support the business needs of customers, the agency and the state.
- Provide efficient office layouts to support customer workflows and improve wait times.
- Create modern work environments that benefit customers and staff that use shared or multipurpose workspaces that are adjustable and ergonomic.

Proposed Solution

To meet operational and facility needs consistent with OFM's six-year plan goals, DOL will relocate five LSOs in the 2019-21 biennium, and two LSOs in the 2021-2023 biennium. These relocations respond to changes in population density, parking limitations, accessibility issues, and general office space restrictions that will not allow DOL to expand in place or implement workplace strategies for a modern work environment. All projects have been vetted for approval with OFM through the Modified Pre-design process.

Common contributors to current facility inadequacies include:

- A new space design will integrate identified process improvements; legislative mandates; and best practices for improved customer experience and wait times, including adjustable and ergonomic customer service counters and shared work areas, and provide adequate access to mobile transportation and parking to accommodate considerable current and projected customer volumes.
- Lobby capacity restrictions - As our customer service style changed over the years we went from a stand in line, first in/first out style to a lobby management system with chairs for customers to sit while waiting. Both adding chairs and adding additional work counters in existing space has reduced lobby occupancy capacity and during high volume periods we are out of compliance with local fire code. Fire Marshalls enforce the maximum lobby occupancy of 45 persons if there is only one exit entrance/exit. During high customer volume periods the local Fire Marshall required a security guard or staff member dedicated to monitoring lobby capacity to ensure customers don't exceed capacity levels. As the population and customer demand continues to grow DOL will be forced to do this on a regular basis. The result is that customers will either have to line up outside or leave and come back.
- Testing areas – To meet past customer demand for knowledge testing, most offices have a large knowledge testing area placed to be monitored by staff working the counter. In 2012 Legislation removed the majority of knowledge and drive testing from our Licensing Services Offices leaving us with oversized testing areas. While all LSOs still offer Commercial Driver License (CDL) knowledge testing, only 11 LSOs statewide offer full testing for Personal Driver License (PDL).
- Process Improvements approved in a separate decision package - New processes and best practices including (workflow; additional counter cameras; mobile lobby coordination; expanded hours; increased supervisor staffing; and other pending and

ongoing improvements such as updated Signature Pads; Checkout Room computers; EDL/EID workload, centralize public phone calls, and Centralized CDL skills test scheduling) within the LSOs has allowed us to reduce wait time and transaction times by moving customers through our lobbies more efficiently.

- Back offices - Past DOL business placed many staff from other divisions in LSO back office spaces across the state. Over the years these positions have been utilized differently and often pulled into central locations in Olympia. These back offices now take up space at LSOs and that space is not always usable with the layout of the facility.
- Drop-in space will be available to staff whom are in travel status.
- Staff supervisors will share one office to aid in communication and ease of access for staff.
- A training room will be available so staff can access online training rather than at the service counter with customers waiting in the lobby which is their only current option.

Renton – This project relocates and expands the operating capacity of the Renton LSO located in east King County. The office provides driver licensing services to residents of the City of Renton and surrounding area. The following data supports this action.

- The Renton LSO serves 9,308 more customers annually than it did five years ago, a 15% increase. As a result, customer volume climbed from 62,606 in fiscal year 2013 to 71,914 in 2017. To mitigate the growing customer volumes, 2 additional staff were added to work in the Renton office in 2016, which required the addition of customer counters, having an unintended consequence of encroachment to the customer lobby space.
- Population in the City of Renton has grown 35% between the years 2000 and 2015 and is expected to increase an additional 8% by 2020.
- The City of Renton's Demographics Summary Profile notes their population grew from 72,903 in 2000 to 98,678 in 2015, and estimates population will grow to 106,553 in 2020.
- DOL Research and Analysis and Forecast Offices project the Renton office will serve an additional 28,200 to 35,700 customers annually during fiscal years 2018 through 2022 as a result of population growth and increased demand for enhanced driver licenses (EDLs) and enhanced ID cards (EIDs). To prepare for this growth, DOL plans to add 3 staff to the Renton office. Staff level is greater than the number of service counters, and they float to maintain the maximum transaction levels through breaks, lunches and absences.

The current facility has the following site specific issues:

- Space does not accommodate identified process improvements and best practices
- Tight spaces in the counter, camera, and testing areas make it challenging for some ADA customers.

- Multiple remodels over the years have maximized all possible growth and space opportunities. The "V" shaped layout of the building space restricts our ability to

implement workflow improvements or express lines that would increase our capacity to move customers through service transactions more quickly.

- Coupling past remodels with current customer volume growth has created safety issues to staff and customers. A public testing area is located behind the staff counters and limited building exits from the lobby resulted in citations from the local Fire Marshal that required us to hire Security Guards to enforce limited occupancy to prevent being shut down.
- Parking is restricted with the neighboring business who often complain that our customers are blocking their customers from being able to visit their business.

Tacoma - This project relocates and expands the operating capacity of the Tacoma LSO located in Pierce County with increased square footage in the customer lobby, service counter areas, back office and customer parking. More space is needed to serve the volume of customers from Pierce, south King, and north Thurston counties, as well as Joint Base Lewis-McChord. The following data supports this action:

- OFM's Forecasting and Research Division notes Pierce County population estimates have grown 10,703 persons between 2010 and 2017, an increase of approximately 5%.
- DOL Research and Analysis and Forecast Offices project the Tacoma LSO will serve an additional 39,900 to 52,800 customers annually during fiscal years 2019 through 2023 as a result of population growth and increased demand for EDLs and EIDs.

The current facility has the following site specific issues:

- Eleven FTEs have been added at this office since 2014, bringing the total to 28 FTEs. Staffing levels are greater than the number of service counters. Breaks, lunches and planned absences are floated to maintain maximum transaction levels. Additional counters would allow us to utilize staff to move more customers through more quickly.
- Plumbing issues at this location have caused us to close on a business day on two separate occasions within the past 60 days when the public restroom's plumbing backs up into the facility causing health and safety concerns.
- This is a "Full Testing' office, conducting both knowledge and drive tests for personal driver license, requiring a large knowledge test area and a parking lot conducive to queuing driving tests.
- Front-line supervisors were added to larger offices as part of the approved LSO Workload Decision Package. In Tacoma we have 3 supervisors that are sharing space that is also used as the Check-out room because there is no other space available.
- Staff meetings are held in the lobby because there is not room in the meeting room space for more than 12 people.
- Other than the Lunch room that also houses 20 employee lockers there is no space to be away from the public area as would be in a modern work environment.

Mount Vernon – This project relocates and expands the operating capacity of the Mount Vernon LSO to serve customers from both Skagit and north Snohomish counties.

The following data demonstrates the current and projected demand for driver licensing services at this location due to increased population.

- The Mount Vernon LSO served 2,546 more customers during the past year than five years ago, a 7% increase. As a result, customer volume rose from 33,471 in 2013 to 36,017 in 2017.
- DOL Research and Analysis and Forecast Offices project the Mount Vernon LSO will serve an additional 14,200 to 18,800 customers annually during fiscal years 2019 through 2023 as a result of population growth and increased demand for EDLs and EIDs.

The current facility has the following site specific issues:

- DOL has occupied the current Mount Vernon space since the early 1980s. The facility no longer meets business needs. The current location is difficult to find, and requires customers and staff to often park on a gravel strip next to the facility.
- The building is split between front and back areas with large office spaces previously used by DOL Dealer Investigators that are not physically near the front of the building to be incorporated into the front office space.
- The office is located between railroad tracks and the back of an apartment building. It is difficult for customers to find. We share a small gravel parking lot with the apartment building with no room for expansion

Seattle West – This project relocates the Seattle West LSO located in King County which provides customer service to a large geographical area. The office provides customer service to areas such as Vashon Island, the greater south and west Seattle communities, White Center, and Burien.

- DOL Research and Analysis and Forecast Offices project the Seattle West office will serve an additional 29,000 to 38,300 customers annually during fiscal years 2019 through 2023 as a result of Washington's population growth and increased demand for EDLs and EIDs.

The project will reduce the overall square footage of the facility and improve operating capacity, while providing adequate access to public transportation and parking.

The current facility has the following site specific issues:

- This office was expanded in 2008-2009 to accommodate implementation of Enhanced Driver Licenses. Much of the space that DOL took over was left intact, which worked for the office at the time, however that business has been relocated to Olympia. We do utilize this space with back-office technical support staff.
- Despite numerous improvements, the current office layout is inefficient and the customer service counters cannot be arranged in a manner that allows for effective use or to incorporate new furniture needed to support a modern work environment

- Over the years, with population growth and increased customer demand for service counters have been added to manage customer wait times.
- There is very limited public and employee parking with odd angles in two small and broken up parking areas

Lacey – This project relocates and expands the operating capacity of the Lacey LSO. This location is the only LSO within Thurston County, serving an increasing population of both county residents and military service members from Joint Base Lewis-McChord. The following data supports this action:

- OFM's Growth Management Act Population Change data notes Thurston County population has grown by 38,900 between 2007 and 2017, an increase of 16%.
- The Lacey LSO is serving 8,724 more customers annually than five years ago, a 13% increase. As a result, customer volume climbed from 68,682 in 2012 to 77,406 in 2017. Average customer wait time (CWT) also increased 14%, from 28 minutes in 2012 to 32 minutes in 2017.
- DOL Research and Analysis and Forecast Offices project the Lacey office will serve an additional 30,000 to 37,900 customers annually during fiscal years 2018 through 2022 as a result of Washington's population growth and increased demand for EDLs and EIDs.

The current facility has the following site specific issues:

- The Lacey customer lobby and service counter area have been redesigned multiple times over the years to maximize space. However, by trying to work with what the current space will allow, customer counters have been forced to be split into two separate areas in the facility. Three customer counters are located away from the customer lobby in an adjoining storage room making it difficult for customers to know where to go for service and isolating customers and staff from the main lobby and workflow. Increased workstations for staff allow us to move more customers through more quickly.
- Centralized new LSR Training is conducted at this office. This training is vital and allows us to have staff fully trained to work the counter in five months (down from 12 months without centralized training). This training effort does increase our need for parking and a large training room
- Plumbing issues in the employee and customer restrooms are ongoing at this location requiring staff to address and post out of order signs multiple days each week during high customer volume times.

Sunnyside and Kennewick –Both the Sunnyside and Kennewick LSOs serve the Tri-Cities area. Increased population growth in this geographical area requires a population density and growth assessment for potential relocations to appropriate areas. The estimated cost for each are included in this request for informational purposes only. Detailed information and data will be included in the 2021-2023 DOL Six-Year Facility Plan when more information is available with regard to one-time project costs.

Background

Factors contributing to proposed relocations include:

Population Growth and Net Migration. Based on the November 2017 Forecast of the State Population published by the Office of Financial Management (OFM), Washington's population has increased over the past two years, with a net migration (the difference between in- and out-migration) totaling 150,883. During the 2019-2021 biennium, Washington's population is forecasted to increase by an additional 200,730 residents. Of this total, 125,789 are a result of net migration.

Source: https://www.ofm.wa.gov/sites/default/files/public/dataresearch/pop/stfc/stfc_2017.pdf

Equally as significant, DOL's Washington State Drivers Report supports this trend. During the month of June 2018, a total of 17,428 out-of-state drivers obtained a Washington driver license. This is 3,809 more than the 13,619 who obtained licenses in June of 2017 (four weeks from May 27, 2017 to June 24, 2017). For the 12 months ending June 2018, 194,516 out-of-state drivers obtained a Washington driver license, an increase over the same period a year ago by 2.2 percent. Source: https://www.dol.wa.gov/about/docs/driver-reports/2018-06-WDL-report.pdf
A DOL Licensing Service Office is typically a new resident's first encounter with a Washington State government service. A positive experience from the facility environment, to the friendly staff and customer wait times is an important part of DOL's agency culture.

Enforcement of Federal Identification Requirements. During the 2017 Legislative Session, ESB 5008 was signed into law allowing Washington State to seek full compliance with the Federal REAL ID requirements. The bill repealed statutes prohibiting state agencies from complying with REAL ID, authorized the department to place a distinguishing identifier on non-REAL ID-compliant documents and reduced the cost of EDL/EID documents. The Department of Homeland Security is requiring final compliance by October 2020.As a result of the enforcement of the REAL ID Act, DOL offices are experiencing a higher demand for Enhanced Driver Licenses (EDLs) and Enhanced Identification (EIDs). First time EDL/EID transactions take longer to process and must go through four required system verifications prior to issuing the document. If either the Social Security On-Line Verification (SSOLV) or Systematic Alien Verification for Entitlements (SAVE) systems are down, the EDL/EID cannot be processed. Customers are currently required to make a personal appearance every other renewal cycle. A workload supplemental budget request was funded for additional staff resources to keep up with this on-going demand.

Acceptable Lobby Wait Times. DOL's performance target of customers experiencing a statewide average initial wait time of 30 minutes has been in place more than ten years. This target has been confirmed via survey feedback as an acceptable wait time for DOL services; beyond a 30 minute wait, customers confirmed they are highly dissatisfied. Increased customer volumes occur between May and September and also preceding and after holidays. Increased volumes also cause wait times to increase over our target of 30 minutes.

Workplace Strategies. The LSOs identified in this request correspond to facility site need projections identified as many as thirty-five years ago. Each facility has been reviewed for actual

Workplace Strategies. The LSOs identified in this request correspond to facility site need projections identified as many as thirty-five years ago. Each facility has been reviewed for actual use and function and require relocation in order to modernize and support the needs of the DOL and reflect how space should actually be used to maximize driver license services productivity.

Current space is not optimal for implementation of new workflow efficiencies being implemented across the state such as express lanes for expedited transactions, cameras at all workstations, and lobby coordination using mobile technology to assist customers arriving for service. The facilities identified cannot accommodate the number of customer service counters needed for available staff without encroaching into the lobby waiting area. Customer lobbies and service counter areas have been redesigned multiple times over the years to maximize space. However in many cases this expansion has encroached in the lobby space. The result is a reduction in lobby occupancy capacity. The overcrowding issues have forced several offices to adhere to maximum occupancy restrictions by using staff or security guards to monitor customer entry until an equal number of customers have left the building. The result is that customers have to line up outside or leave and come back.

Utilization of existing office space is no longer efficient, testing areas in most cases are too large since the majority of knowledge tests are now conducted at Driver Training schools. Back office space is not able to be reconfigured to meet business needs due to building constraints. Space is needed to allow for drop-in stations for staff who are not permanently assigned to offices.

DOL needs facilities with flexible environments near public transportation that are designed to support customer workflows, adjustable and ergonomic furniture that is reconfigurable, and offers flexible technical infrastructure that will adapt to shared use, future business needs, changing work practices and employee growth.

Geographical Customer Areas – Historically DOL has used a geographical area audit to site LSOs in appropriate areas with considerations such as growth in population and demographics, proximity to public transportation, accessible drive test routes, and adequate parking. In 2009 DOL was forced to close five King County offices due to budget reductions. These office closures reduced annual lease costs by nearly $300,000 but the net loss of almost 12,000 square feet left a large void in the county, and specifically on the east side of Lake Washington. The DOL is experiencing the impacts of these reduced service locations due to the exponential population growth in this region. Overflow parking issues persist at the Bellevue office and overcrowded lobby problems at Renton continue.

According to information obtained from OFM, Washington State's population has grown by 703,000 since the 2010 decennial census and King County experienced the most growth. Between 2010 and 2018 King County grew by 259,000 bringing the total population to 2,191,249. Per a news archive posted on OFM's web page, 50% of the top ten cities for Washington population growth are located in King County.

The growth in this area demonstrates it is imperative DOL must maintain and improve LSOs in this geographical area. Offices throughout the county have been remodeled in their current footprints and customer service counters have been expanded to their fullest extent. With

further options exhausted, DOL must consider relocation of several offices in order to maintain the desired levels of service and keep up with the growing population.

The table below illustrates annual lease costs and square footage of LSOs in King County prior to the five office closures in 2009 as well as for the current and proposed relocations. The Consumer Price Index for the Seattle-Tacoma-Bremerton area estimates current lease rates would be $1,853,886 and 65,436 square feet if all locations were still open today. Leases for the proposed relocations in the 2019-21 biennium are estimated at $1,694,967, and 56,793 square feet. A difference of $317,838 and a smaller footprint by 8,643 square feet.

Office	Status Before Five Office Closures in 2009					Prior Biennium Lease Costs			Potential Costs Effective 2019 Using Seattle CPI-U % Increase			2019-21 Proposed Status		
	Lease Start	Action Date	Action Taken	Lease SF	Annual Base Lease	Lease Start	Lease SF	Annual Lease cost	Lease Start	CPI-U % Increase	Estimated Lease Costs Per Year	Proposed Action	Est. Lease SF	Est. Annual Lease cost
Auburn	11/1/03	4/1/09	Closed	3,888	$63,180		0	$0	7/1/19	44%	$90,812	n/a	0	$0
Bothell	9/1/05	9/26/09	Closed	4,555	$91,100		0	$0	7/1/19	38%	$125,802	n/a	0	$0
Kirkland	4/1/06	5/11/09	Closed	4,588	$87,172		0	$0	7/1/19	33%	$116,086	n/a	0	$0
Seattle East	6/1/05	11/17/09	Closed	5,782	$125,201		0	$0	7/1/19	38%	$172,892	n/a	0	$0
Greenwood (LSO)	5/1/04	4/24/09	Closed (LSO only)	11,060	$217,716	05/01/14	7,641	$168,102	5/1/19	12%	$188,944	Colocation	0	$0
North Bend	8/1/06	n/a	Renewed	1,917	$38,237	08/01/11	1,917	$38,237	8/1/16	10%	$41,892	Renewal	1,917	$51,663
Seattle West	8/1/05	5/5/08	Expansion	6,147	$111,685	11/01/15	9,604	$209,367	5/1/19	11%	$232,117	Relocation	9,400	$216,200
Bel-Red	8/1/04	10/1/09	Relocated	5,150	$262,657	10/01/14	12,050	$307,275	10/1/19	12%	$345,372	Relocation	11,268	$450,000
Seattle Downtown	12/1/02	11/19/07	Relocated	2,716	$89,628	11/01/12	3,508	$108,748	11/1/17	10%	$119,708	Relocation	10,121	$374,000
Shoreline	2/1/08	2/1/08	Opened	3,346	$70,612	02/01/13	3,346	$70,612	2/1/18	12%	$79,160	Relocated '18	6,741	$209,308
Kent	9/1/06	11/13/15	Remodeled	5,360	$103,531	01/01/16	4,780	$102,770	12/31/20	n/a	$102,770	Renewal	4,780	$102,770
Federal Way	10/1/06	n/a	Renewed	5,704	$128,340	10/01/11	5,704	$96,968	10/1/16	10%	$106,237	Renewal	5,704	$96,968
Renton	4/1/07	n/a	Renewed	5,223	$100,595	04/01/12	5,223	$120,000	4/1/17	10%	$132,094	Relocation	6,862	$194,057
				65,436	**$1,489,653**		**53,773**	**$1,222,079**			**$1,853,886**		**56,793**	**$1,694,967**

Decision Package Justification and Impacts

Requested funding will:

1. Relocate offices in appropriate areas that support increased population in the geographical areas that are experiencing growth in workload volumes.
2. Provide right-sized facilities within the most fiscally conservative footprints, with adequate parking and access to public transportation to support the business needs of customers, the agency and the state.
3. Provide efficient office layouts to support implementation of workplace strategies for efficient customer workflows that sustain 30 minute wait times.
4. Create modern work environments that benefit customers and staff that use shared or multipurpose workspaces that are adjustable and ergonomic.

If funding is not received, or if partial funding is received, wait times, customer satisfaction, and employee engagement may deteriorate.

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 efficiently.

Options:

1. Do Nothing. This option does not maintain DOL's ability to serve customers.
2. Conduct major reconfigurations of current space. DOL has already done all remodeling possible at for the proposed relocations. There are no additional significant efficiencies to be gained.
3. Co-locate with other state agencies. DOL takes co-locations into consideration when working with OFM and DES on relocations. However, typically this option isn't a good fit with many other agencies due to high customer volumes which result in traffic congestion and parking impacts to neighboring businesses.
4. Preferred option. Invest in the strategic relocation of five offices. The option aligns with the six-year facilities planning goals and proactively responds to DOL's strategic and operational needs by addressing the following: population, changes in density, geographical customer areas, parking limitations, efficient customer workflows, acceptable office workflows, office ergonomics, health and safety, accessibility issues, general space restrictions and wasted space.

What are the consequences of not funding this request?

DOL will not be able to successfully implement workplace strategies (process improvements) such as cameras at every counter, express lanes, and lobby coordination. This will result in inefficient staff and equipment utilization, higher customer wait times, and unsatisfied customers. DOL will be forced to hire security guards or assign staff to monitor and restrict lobby capacity during times of peak volumes. Customers will be forced to wait outside the lobby until other customers leave or leave and return later. Once customers are waiting in the lobby, many of them may need to leave before they've been served due to long wait times, causing them to make a return trip to the office, further congesting offices.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request is linked to the DOL maintenance level lease rate decision package (8L), which includes lease rate and annual service rate adjustments for renewals and new space projects less than 20,000 square feet. DOL has not received a maintenance level lease rate adjustment compensating for increased rates since the 2013-2015 enacted budget.

Table 3 represents the base funded levels for lease and annual services that correspond to the five relocation projects in the DOL Agency Desired Six-Year Facility Plan for the 2019-2021 budget period (Highway Safety Account-State (106) activity code A031 Driver Licensing, Regulation and Records). Figures are rounded to the nearest hundredth.

Table 3

Fund	Activity	Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
106	A031	Leases	$592,700	$592,700	$592,700	$592,700
106	A031	Annual Services	$133,900	$133,900	$133,900	$133,900
Total Base Budget			$726,600	$726,600	$726,600	$726,600

At current base funded levels, the DOL is unable to pay for one-time project costs to relocate the offices described in this request.

Detailed assumptions and calculations:
One-time project costs specific to each LSO that DOL plans to relocate in the next four years are addressed in Table 1. Costs by expenditure type for all locations are displayed in Table 2. Information for the 2021-2023 biennium is provided for supplemental planning purposes only, and is not included in the amount requested for the 2019-21 biennium.

Note: Tables throughout decision package may differ slightly due to rounding.

Table 1

				Biennium 2019-2021		Biennium 2021-2023	
Date of Action	**Office Title**	**UFI**	**Action Type**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
4/1/2020	Renton	A01719	RELOCATION	$ 397,400			
7/1/2020	Tacoma	A10552	RELOCATION		$ 453,385		
11/1/2020	Mount Vernon	A07796	RELOCATION		$ 197,017		
11/1/2020	Seattle West	A06649	RELOCATION		$ 548,064		
6/1/2021	Lacey	A06055	RELOCATION		$ 559,819		
12/1/2021	Sunnyside	A10530	RELOCATION			$ 134,000	
9/1/2022	Kennewick	A01526	RELOCATION				$ 237,000
Grand Total				**$ 397,400**	**$ 1,758,285**	**$ 134,000**	**$ 237,000**

Table 2

Expenditure Type	Biennium 2019-2021		Biennium 2021-2023	
	FY 2020	FY 2021	FY 2022	FY 2023
DES Fees	$ 23,400	$ 150,830	$ -	$ -
Furniture (New)	$ 225,000	$ 693,500	$ -	$ -
Furniture Relocation	$ 3,000	$ 6,000	$ -	$ -
IT Infrastructure	$ 35,000	$ 354,200	$ -	$ -
Other	$ -	$ -	$ 134,000	$ 237,000
Tenant Improvement	$ 100,000	$ 496,155	$ -	$ -
Moving/Supplies		$ 14,600	$ -	$ -
Building Security/Access	$ 11,000	$ 43,000	$ -	$ -
Grand Total	**$ 397,400**	**$ 1,758,285**	**$ 134,000**	**$ 237,000**

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

- Funding will support the Results Washington goal of efficient, effective and accountable government, subtopics of customer satisfaction, workplace culture and fiscal responsibility.
- Funding will 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.
- Funding will support the implementation of process and workload improvements funded separately through an approved workload supplemental budget request.

Performance outcomes:
1. Performance Outcomes: *What specific performance outcomes does the agency expect?*

Requested funding will:

1. Solve current health and safety risks associated with overcrowded, aged and poorly sited LSOs from impacting hundreds of employees and thousands of customers every month.

2. Solve inefficient use of space by relocating several of our most overcrowded customer service offices resulting in:

- better designed lobby space to prevent customers having to wait outside

- increased number of service counters, to reduce customers waiting
- improved customer flow, to reduce customer waiting and service time and increase the total number of customers served
- implementing 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 transaction time.

4. Prepare space for projected growth within the most fiscally conservative footprints, and support the modern workplace initiative.

If funding is not received, or if partial funding is received, DOL expects 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.

DOL must respond responsibly to the persistent complaints from employees and customers regarding unsafe and unsanitary offices.

2. Performance Measure Detail: *What will you measure and what incremental improvement do you expect each fiscal year?*

DOL will continue measuring LSO efficiency and customer satisfaction after implementing projects by analyzing office-specific data within these Results DOL measures:

- Percent of customers with combined wait and service time within 45 minutes (OP2f)
- Percent of customer comment card responses that are positive (drill down in OM2a)

Measure	Baseline from FY18	Target	FY20 estimate	FY21 estimate	FY22 estimate	FY23 estimate
OP2f	**77%**	**90%**	**80%**	**85%**	**85%**	**90%**
OM2a	**93%**	**90%**	**93%**	**93%**	**93%**	**94%**

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
These relocations will support improved customer service in their specific region or county. Relocated offices will promote the support of increased workload volume of driver transactions due to population growth, acceptable lobby wait times, work place strategies (including workflow efficiencies), and geographical customer areas.

Legal or administrative mandates:
Executive Order 16-07: Building a Modern Work Environment

Changes from current law:

N/A

State workforce impacts:
N/A

State facilities impacts:
Relocations are needed to support population growth, acceptable lobby wait times, work place strategies (including workflow efficiencies) and geographical customer areas.

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: PD - Target Zero - Motorcycle Safety Edu
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
(360) 902-3644
jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests funding to improve the motorcycle safety program and support Washington State's Target Zero plan. The proposal, presented as agency request legislation, adds the requirement of basic skills testing before permit issuance, and increases the skills requirement testing before endorsement. The goal is to increase rider experience and decrease risk of collisions. (082-1 Motorcycle Safety Education Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 082 - 1	$185	$0	$0	$0
Total Expenditures	**$185**	**$0**	**$0**	**$0**
Biennial Totals		**$185**		**$0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$185	$0	$0	$0

Package Description

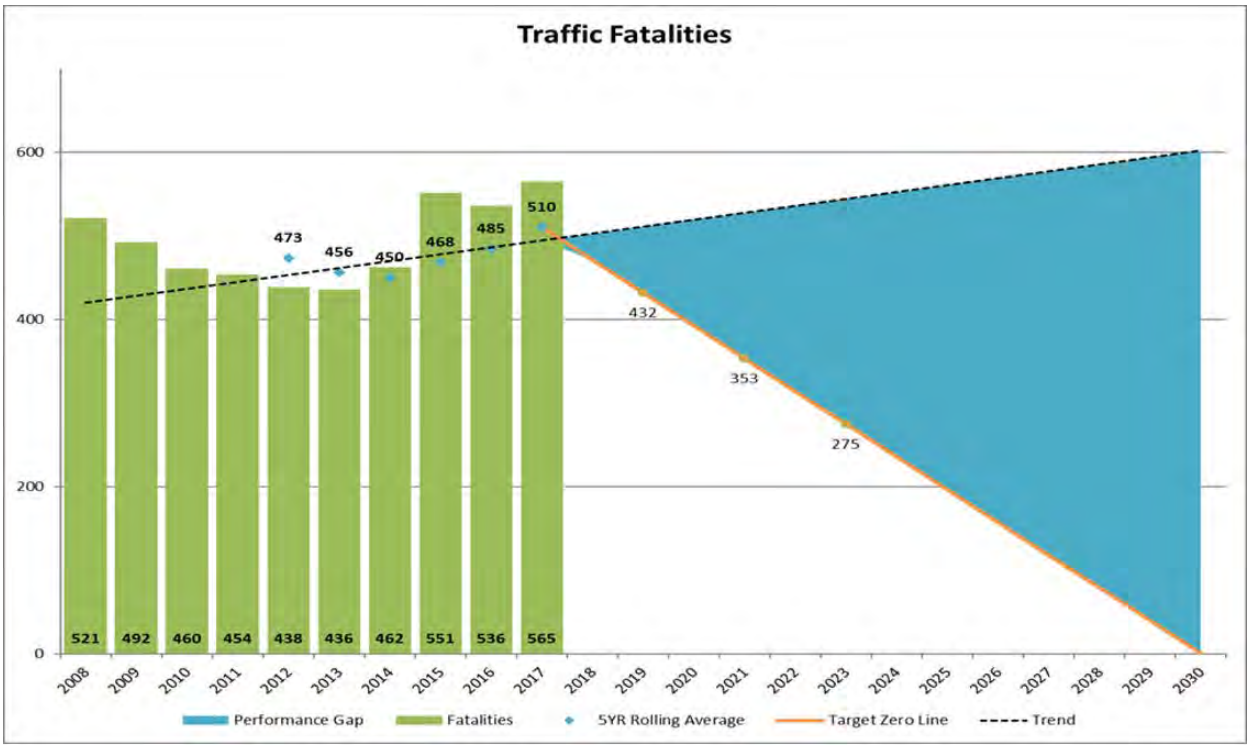
The Department of Licensing (DOL) is proposing agency request legislation to help reach Target Zero's ultimate goal of zero deaths and serious injuries from collisions through improved education, training, testing, and administration. DOL is the lead agency for the Target Zero Strategic Highway Safety Plan as it relates to motorcycle safety.

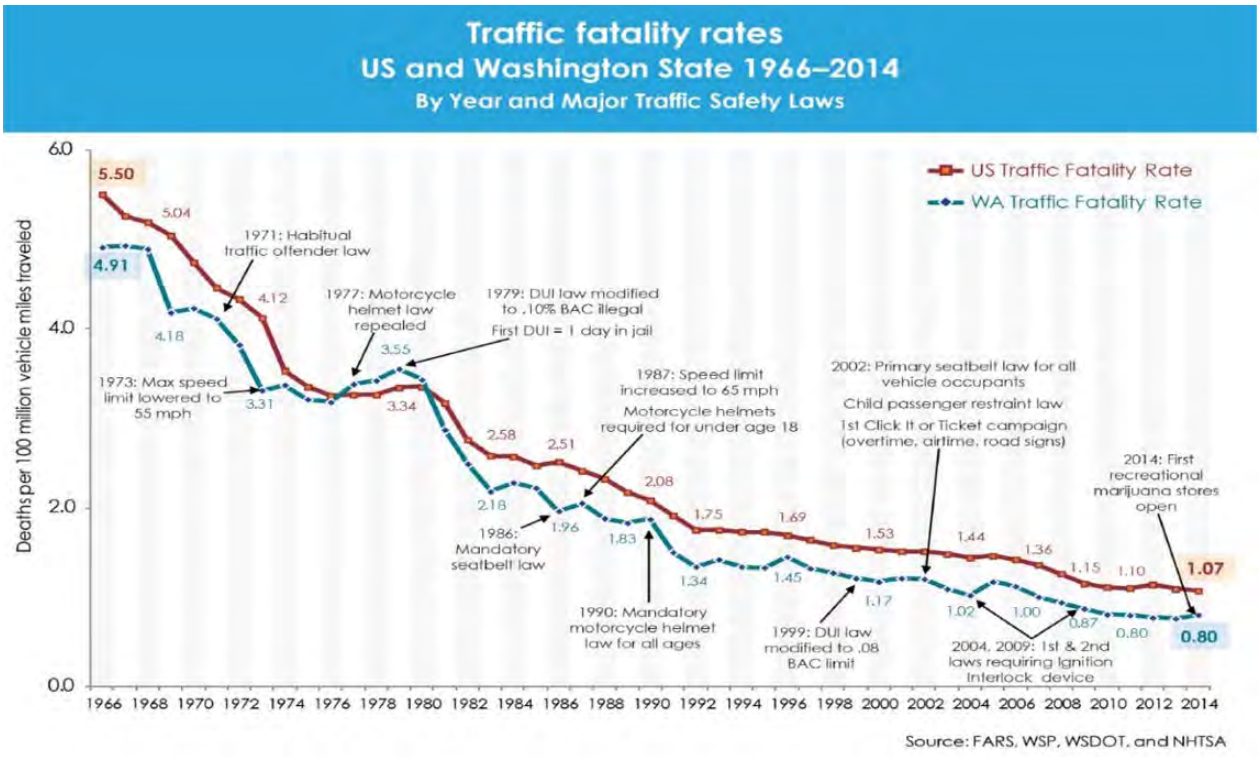
Background:

The Federal Highway Administration requires that each state develop a Strategic Highway Safety Plan (SHSP) as a component of the Highway Safety Improvement Program (HSIP) (23 U.S.C. Section 148). The Fixing America's Surface Transportation (FAST) Act continues the HSIP

as a core Federal-aid program with the requirement for states to develop, implement, evaluate, and update an SHSP that identifies and analyzes highway safety problems and opportunities on all public roads. In Washington State, the required SHSP is called Target Zero (link provided). The goal of Target Zero is zero deaths and serious injuries on Washington roadways by 2030, because any number above zero is too high; every life counts.

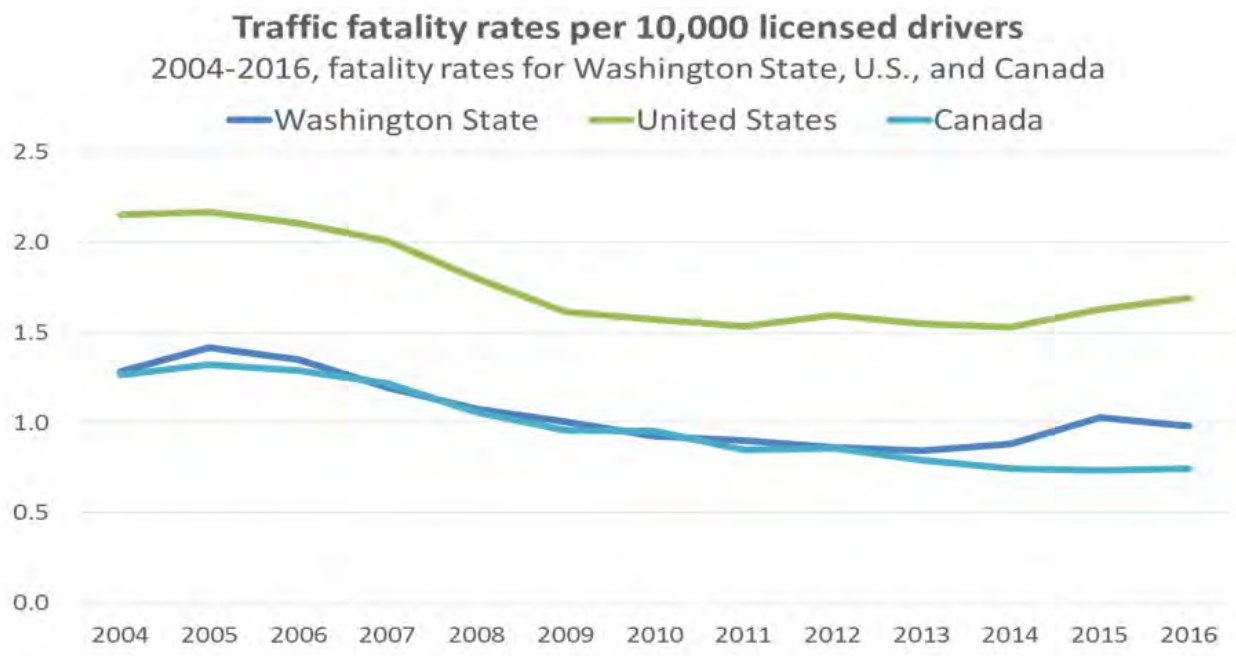
Tragically, Washington traffic fatalities are trending up since 2014. Reaching zero by 2030 appears unlikely, as seen by actual and projected fatalities in chart below. Reversing the upward trend is possible if every research-proven strategy in enacted. Traffic safety law changes have been very effective, as shown over recent decades (in chart below).





In terms of traffic fatality rates (fatalities per 10,000 licensed drivers), Washington State consistently performs better than the United States as a whole. Washington also has very similar rates to Canada. Over the long-term (starting in the mid-1990s) traffic fatality rates have trended down – this has occurred in Washington, the U.S., and Canada, as well as other Western countries. This long-term trend is largely due to safer vehicles and roads (due to technology and engineering), as well as reductions in alcohol impaired driving.

However, for the U.S. and Washington State, this trend began to turn the other way starting around 2013 – fatality rates began to trend upward. Partially, this could be attributed to a strengthening economy (lower unemployment) and increasing vehicle miles traveled (more people on the road equal more exposure and potential for fatalities).



DOL engages in a variety of activities across several disciplines that contribute to public safety, including those that directly impact traffic safety through the education and licensing of competent motor vehicle operators. New ideas need to be implemented for the state to reach its Target Zero goal of zero roadway fatalities by 2030.

Current Status:

Target Zero is a data-driven strategic plan developed and implemented by several Washington State organizations and agencies. The first plan was introduced in 2000 and was most recently updated in 2016.

DOL is focusing on two of Target Zero's key areas with this proposal:

- Education: Give road-users the information to make good choices, such as driving unimpaired, wearing a seatbelt, and avoiding distractions.
- Leadership/Policy: Change laws, agency rules, or policies to support safer roads and driving.

Coordination, collaboration, and communication among traffic safety partners are key to the implementation of the strategies. The efforts of traffic safety partners across the state are focused on implementing strategies that will help achieve the Target Zero goal. The strategies call for five types of approaches that vary in their timeframe for implementation, their long-term effectiveness, and their responsible parties.

DOL worked with traffic safety professionals and stakeholders from across the state, in conjunction with federal agencies, to evaluate, analyze and report on progress towards our Target Zero goals, what is contributing to crash occurrences and identifying appropriate

countermeasures to reduce those crashes. That analysis has identified two areas where change can be made to reduce fatalities on Washington roads. Both concerns center on a lack of training, skills, and experience that contribute to fatal crash involvement. According to a NHTSA study, 94.4% of fatal collisions in the U.S. are the result of human error.

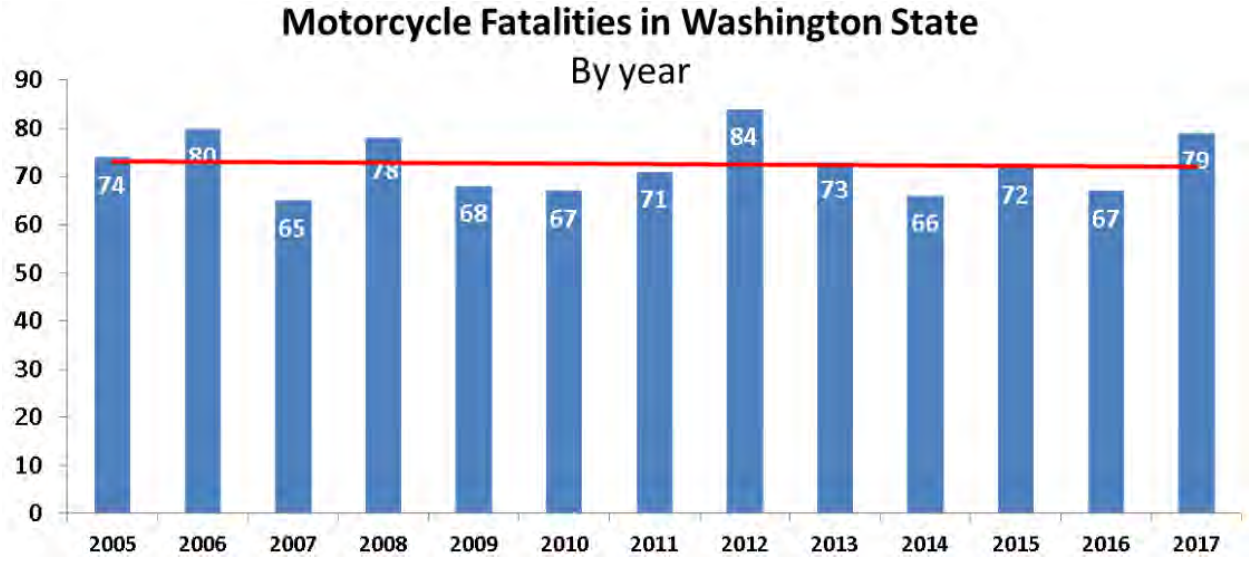
This proposal seeks to better equip motorcycle riders in Washington with the best opportunities to gain necessary education and experience to stay alive.

Motorcycle Safety

DOL's Motorcycle Safety Program (MSP) facilitates the Motorcycle Safety Education program for the public, conducts audits of third party training schools, and works closely with various business partners to promote rider safety through education and awareness.

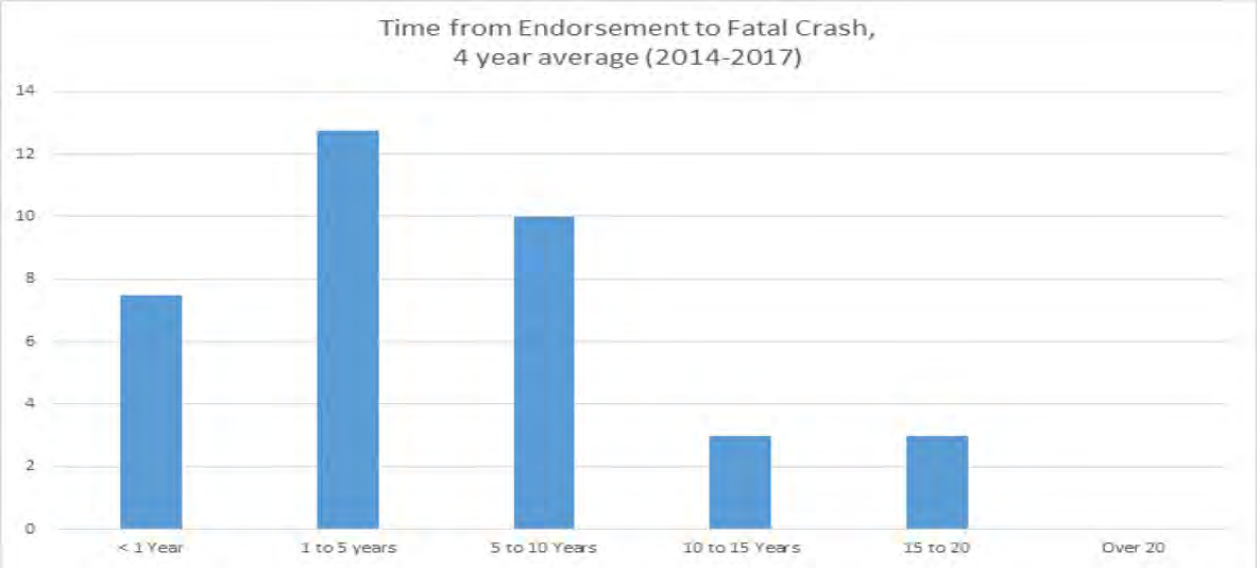
There continues to be a need for Washington State to enhance its MSP by adopting and incorporating the emphasis areas associated with a comprehensive MSP.

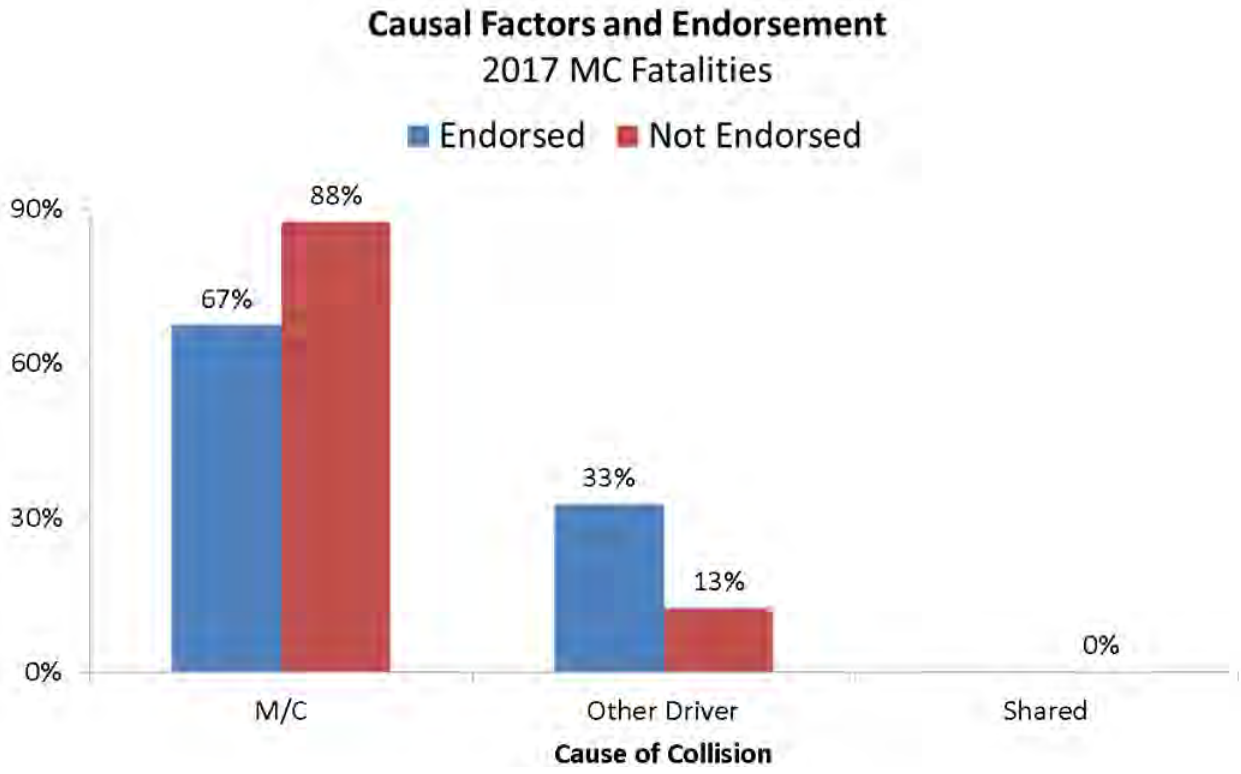
More than 450,000 residents hold a motorcycle endorsement and more than 236,000 motorcycles are registered in Washington State. While motorcycles account for just over 2 percent of the total vehicle crashes each year, motorcyclists make up almost 16 percent of the fatal and 20 percent of the serious injury crashes. On average, 73 riders die every year in motorcycle collisions.



Areas of Concern

1. Lack of experience is a motorcycle rider's greatest risk. In 75% of the crashes involving motorcycles the rider is at fault, but endorsed riders do so at significantly lower rates. Likewise, most fatal crashes occur within five years of endorsement. With more training and experience gained, the risk of involvement in a collision is reduced. New riders need more training, meaningful testing, and experience before they are fully endorsed.





2. The current system allows a potential rider to get a permit without any demonstration of skill.

The endorsement test consists of a few maneuvers at 12mph in a controlled environment with ideal conditions (parking lot). Both of these allow the rider to operate with minimal to no restrictions. The current endorsement training and testing allows an inexperienced rider to receive a full endorsement in the space of two days and be endorsed to ride any motorcycle

without restriction. There is no required intermediate period to allow for experiential learning and skills development as there is with other motor vehicles. For example, one rider in 2017 died the day he received his endorsement and the contributing factors in the collision point to a lack of experience and skill to handle the situation that led to the collision.

3. The current law caps training at 16 hours and sets a maximum fee, which does not allow for the use of new and improved training curriculum as provided by the Motorcycle Safety Foundation (MSF).

4. Current advisory board as required by law has not been productive in the past several years. The makeup of this board is limited to three active motorcycle riders or members of nonprofit motorcycle organizations, one Washington State Patrol motorcycle officer, and one member of the public. Past years' attendance consisted of board members and minimal public representation with no recommendations for program improvement submitted.

DOL has identified areas in the programs listed above where statutory changes would yield improved results and better drivers on Washington's roads.

Proposed Solutions:

Washington State has plateaued in our efforts to eliminate traffic deaths and serious injuries. We must find new, innovative ways to reduce fatal crashes on our roads and highways. DOL is proposing research-backed agency request legislation that aims to reduce roadway deaths by increasing the training required to obtain a Motorcycle Instruction Permit and instituting more meaningful testing for a Motorcycle Special Endorsement.

Components of the proposed initiatives are outlined below.

There has been no meaningful reduction in motorcycle fatalities for 13 years, with an average of 72.6 fatalities annually since 2005. There were 79 fatalities last year. The majority of motorcycle fatalities (approximately 75 percent) were caused by rider error, with the subset of "Endorsed – No Training Record" being the largest contributor. DOL's legislative request works towards NHTSA's April 2017 program assessment's recommendations by:

- Requiring a demonstration and assessment of skills to obtain a Motorcycle Instruction Permit
- Requiring a demonstration of higher skill level to obtain a Motorcycle Endorsement.
- Removing the maximum fees for two- and three-wheeled motorcycle skills education courses
- Revising the makeup of the motorcycle safety education advisory board by increasing from 5 members to 7 and including representation from Washington Association of Sheriffs and Police Chiefs (WASPC) and Washington Traffic Safety Commission (WTSC).
- Changing length of validity for a permit and number of permits that can be issued in a 5-year period: from 3, 90-day permits to 2, 180-day permits.
- Repealing the maximum hours of instruction; and
- Encouraging endorsements by increasing the base monetary penalty for riding without the proper endorsement.

All recommendations from the NHTSA report are "intended to increase motorcycle safety and help the Washington Traffic Safety Commission and DOL carry out their life-saving mission of achieving Target Zero by 2030." The NHTSA report further states that "aggressive pursuit and implementation of the recommendations will significantly improve the overall safety of motorcyclists and reduce the likelihood of suffering fatal injuries while enjoying the roadways and scenic locations in Washington."

The Major Recommendations DOL is pursuing were identified as the greatest life-saving measures with the lowest cost to the state and impact to Washington State drivers.

As noted in a July 13th 2018 media story (link below), motorcyclists continue to be an area of critical concern: "The number of deaths and injuries from motorcycle crashes is spiking in the Puget Sound region as warmer summer weather lures more bikers out onto the roadways, the Washington State Patrol reports".

https://komonews.com/news/local/state-patrol-injuries-deaths-from-motorcycle-crashes-spiking-in-w-wash

What are the consequences of not funding this request?

If no additional action is taken, the tragic trend of traffic fatalities are likely to continue trending up. Reaching zero by 2030 appears unlikely.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
082	A031	FTE	6.00	6.00	6.00	6.00
		Expenditures	$1,868,968	$1,957,274	$1,917,617	$1,714,703
Total		FTE	6.00	6.00	6.00	6.00
		Expenditures	$1,868,968	$1,957,274	$1,917,617	$1,714,703

Detailed assumptions and calculations:
Revenue

The cash receipts impact of the supporting bill is indeterminate. The provisions of section 4 that increase the fine for riding without a motorcycle endorsement may prompt unendorsed riders to get a motorcycle endorsement. DOL does not have sufficient data to provide an estimate of additional revenue based on an increase in endorsed riders. Trend data will be tracked, and applied during future revenue forecast cycles. Revenue from motorcycle endorsements is deposited in the Motorcycle Safety Education Account (082-1).

Motorcycle Safety Program

DOL's Motorcycle Safety Program will not have any increase in workload associated with this proposal. Therefore, the program will not require an increase in the number of FTEs or other expenditures. The only costs that will be incurred are related to DRIVES programming.

Information Services

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Table 1 summarizes the contracted information technology support required to implement the bill.

Table 1

Cost Category	Description	Rate	2020	2021	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 18,444	48,000	-	48,000
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 26,448	15,900	-	15,900
PROJECT MANAGER	Manage schedule and contracts	$ 27,492	13,700	-	13,700
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	$ 31,668	28,500	-	28,500

SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 27,144	8,100	-	8,100
DEVELOPERS	Modify programming and coding to all major systems	$ 18,444	53,500	-	53,500
PROJECT CONTINGENCY	Office of the Chief Information Officer designated rate of 10%	$ -	16,800	-	16,800
		Totals	**184,500**	**-**	**184,500**

The following information technology systems modifications will be accomplished:

DRIVES

- New logic to allow two new skills and knowledge examinations types.
- New logic to add new skills and knowledge examinations requirement before issuance of permit.
    - Modifications required to the issuance logic to validate permit and endorsement eligibility.
- Modify logic for permit expiration length and number of permits a customer can be issued.
- Update motorcycle examination report to add the new skills and knowledge examination types.
- New logic for eServices portal to add new transaction types for the skills and knowledge examinations. This modification will include a check to verify that the user is authorized to enter the examinations scores.
    - The system must validate the examiners authority to conduct the examination.
    - Modifications required to the school, instructor/examiner table to approve the type of examination they are authorized to conduct.
    - Modifications required for possible subsidized examinations.
- Screen changes to eServices portal for submission history and exams reports.

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
DOL's motorcycle safety legislation and funding requests directly support:

- Governor's Goal 4 measure 2.4 to reduce traffic fatalities to zero by 2030, because fatalities involving motorcycles should decrease when riders' skills increase following the tougher requirements for earning a permit or endorsement.
- DOL's strategic initiatives 13 and 14 to reduce fatalities and serious injuries involving motorcycles by improving the motorcycle safety program.
- DOL's Target Zero Action Plan 2017-2020, an addendum to our Strategic Plan 20017-2020, which includes steps we're taking to improve motorcycle education, testing, regulation, policy and culture.

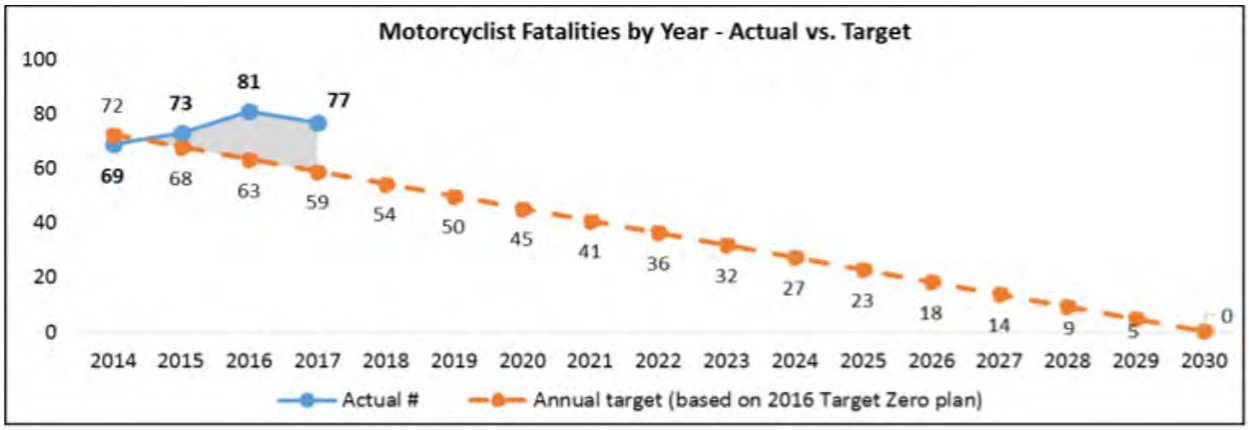
Performance outcomes:
Increasing rider experience will decrease rider mistakes. Lawful motorcycle riders will:

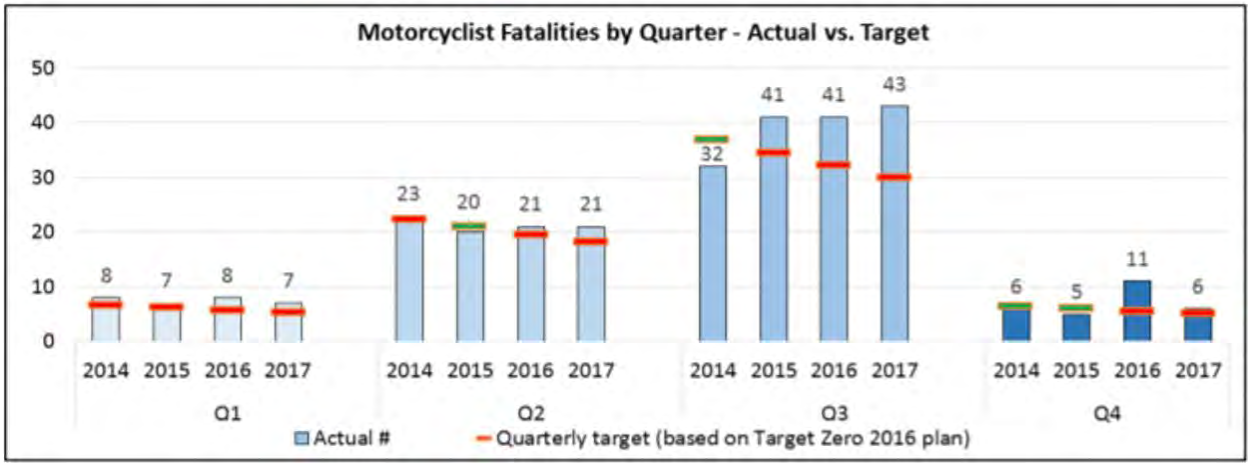
- gain basic riding experience before they earn their permit
- gain advanced riding skills before they earn their endorsement
- lower their risk of harming themselves or others on the road

DOL expects to implement these proposed changes on time and on budget, while engaging the stakeholders who can positively influence rider decisions.

Performance Measure detail:

DOL will continue measuring the quarterly and annual gaps between actual motorcyclist fatalities and the declining number needed to reach zero by 2030 (Results DOL measure OM5c).We project continuing to be off target until at least two years following substantive law changes such as this current proposal.





Other Collateral Connections

Intergovernmental:
WSP and WTSC will appoint one person each to the motorcycle advisory board.

Additionally, WSP will have impacts related to enforcement.

Stakeholder response:
N/A

Legal or administrative mandates:
Target Zero and RESULTS WA: Goal 4. This decision package and related agency request legislation are directly connected to RESULTS WA goal 4 to promote healthy and safe communities by decreasing the number of fatalities on public roads. These initiatives support Target Zero, the state's goal to reduce traffic related deaths and serious injuries to zero by 2030.

Changes from current law:
Statutory authority is needed to implement the proposed solutions.

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

Reference Documents

- DOL Target Zero Action Plan 2017-2020
- Target Zero - Motorcycle Safety Education - IT Addendum

IT Addendum

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

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2019-21 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 (*insert rows as required*)	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Contractor Costs	184,500	0	0	0
Total Cost	**184,500**	**0**	**0**	**0**

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.

WASHINGTON STATE DEPARTMENT OF LICENSING

Target Zero Action Plan 2017-2020

our May 2017 supplement to the DOL Strategic Plan 2017-2020
to reduce traffic fatalities and serious injuries
involving young, motorcycle, senior, and commercial drivers,
and provide world-class driver safety programs for all Washingtonians

Why this plan is important

People are dying from preventable traffic collisions. And it's getting worse.

- We lost 567 people in 2015, a 23 percent increase from 2014, and the worst year since 2007.
- Young driver involved fatalities have been increasing for three years.
- Motorcycle involved fatalities have not decreased for over 10 years.
- Senior driver involved fatalities may increase substantially, as their population is expected to grow 76 percent by 2030.
- Commercial vehicle involved fatalities have not trended down for six years despite new safety regulations.

DOL can and must assist and influence drivers to reduce collisions, injuries, and fatalities. This plan spells out how we will do that.

Our agency-wide approach

This plan brings experts, energy, and resources together across divisions and programs, so that we learn and accomplish more together than we can separately. Over four years, we will use this plan to implement DOL's strategic initiatives 13 and 14 to:

- Reduce traffic fatalities and serious injuries involving young drivers, motorcycles and senior drivers by implementing this Target Zero Action Plan.
- Assess and review statewide Driver Safety Programs and develop this long-term plan to provide world-class Driver Safety Programs.

Actions will be focused on the **highest risk groups** we serve, as validated by Washington's Target Zero Plan:

- young drivers
- motorcyclists
- senior drivers
- commercial drivers

Actions for each high risk group will reach across several of our **core processes**:

- education
- testing
- regulation
- policy management

Actions for each core process use the "**plan, do, check, adjust**" model of performance management.

The **framework** on the following page reflects this scope and our agency-wide approach. The framework will be implemented for each of the four high-risk driver groups by our corresponding driver programs. Each program will provide their more detailed action plan and monthly progress reports to DOL executives.

Results expected

Implementing this plan will contribute to the ultimate result we desire for Washington – zero traffic fatalities and serious injuries. Intermediate results we expect from this plan include:

- **For drivers:** world-class training, testing, and outreach to inspire a safer driving culture.
- **For driver safety programs, schools, instructors, and examiners**: development and training on new curricula, tests, and delivery standards, and related improvements to audits and contracts.
- **For employees and executives**, unified plan, shared resources, and up-to-date clear concise action status reports.

WASHINGTON STATE DEPARTMENT OF LICENSING TARGET ZERO ACTION PLAN 2017-2020	for our highest risk driver groups [1]			
	Young	Motorcycle	Senior [2]	Commercial
EDUCATE: Develop world class driver safety education				
1 Assess current and alternative curricula and delivery methods for greatest impact on safe driving competencies, using a hired or contract curriculum	2017	2017		2017
2 Develop improved curriculum, delivery method, and delivery standards with the curriculum specialist.	2018	2018		2018
3 Educate licensed[4] instructors on improved curriculum, delivery method, and delivery standards, and set their implementation deadline.	2019	2019		
4 Assess implementation of improved curriculum content and delivery, review latest research on best practices, and recommend driver education improvements at least biennially to ELT.	2020	2020		2020
TEST: Develop testing that validates all safety competencies are attained				
5 Assess current and alternative knowledge and skills test content and delivery methods for greatest impact on safe driving competencies, using a hired or contract education specialist.	2017	2017	2017	2017
6 Develop improved test content, delivery method, and delivery standards with the education specialist.	2018	2018	2018	2018
7 Train licensed[4] examiners on improved test content and delivery, and set their implementation deadline.	2019	2019	2019	2019
8 Assess implementation of improved testing content and delivery, review latest research on best practices, and recommend driver testing improvements at least biennially to ELT.	2020	2020	2020	2020
REGULATE: Ensure schools, instructors and examiners comply with world class standards				
9 Amend licensing requirements for schools, instructors, and examiners to reflect improved driver curriculum and testing standards.	2019	2019		
10 Amend contracts with schools to reflect improved curriculum, tests, and delivery standards.	2019	2019		2019
11 Develop improved audit process and schedule for instructors and examiners.	2019	2019		
12 Complete the first cycle of improved audits of instructors and examiners.	2019	2019		
13 Assess implementation of improved regulation, review latest research on best practices, and recommend regulation improvements at least biennially to ELT.	2020	2020		
MANAGE POLICY: Develop and deliver research-based traffic safety policy				
14 Conduct research and report annually to ELT on: fatal collisions, causal factors, changes/trends, correlation if any to recent changes in law or DOL or partner actions; and related external studies or best practices. Include recommendations for new or revised actions and laws.	2017-20	2017-20	2017-20	2017-20
15 Assess all driver safety related RCWs for effectiveness to improve driver safety. Develop research-driven justification and submit requests to change RCWs accordingly.	2018	2018	2018	2018
16 Develop and request legislation to impact driver behavior, requirements, restrictions, and/or penalties, based on research and assessments.	2017-20	2017-20	2017-20	2017-20
17 Seek funding for new actions or legislation through internal reallocation of existing funds, grants, or decision packages.	2017-20	2017-20	2017-20	2017-20
IMPACT CULTURE: Influence public culture to place higher value on safe driving behaviors				
18 Develop and deliver influential communications to reduce distracted driving, using innovative as well as proven approaches to impact public culture and behaviors.	2017-20	2017-20	2017-20	2017-20
19 Develop and deliver influential communications to improve Washington's overall culture of safe driving.	2017-20	2017-20	2017-20	2017-20
20 Establish methodology to study impacts of DOL's Target Zero Action Plan on driver behavior and culture.	2020	2020	2020	2020

1 "Highest risk driver groups" are based on Washington's Target Zero partnership using 2012-14 fatality and serious injury data to rank priority one for drivers aged 16-25, priority two for motorcyclists and drivers aged 70 and above, and priority three for heavy truck drivers.
2 "Senior" drivers do not have a DOL program specifically serving their needs. A program or sub-program may develop.
3 "Name" will be provided by ADs or relevant executive, and accountable for action coordination, communication and completion.
4 "Licensed" includes private-sector professionals who are either licensed or certified by DOL, and authorized DOL Licensing Services Representatives.

How we'll monitor and communicate implementation

All four action plans were written using a template that also functions as an action status report (like the early draft shown below). Action owners will regularly enter status updates. The template calculates progress and generates charts (mock-up below), which become part of Results DOL reporting for strategic initiative 14.

Action Status Report (early draft)

Department of Licensing Strategic Initiative 13

Target ZERO Action Plan for Young Drivers

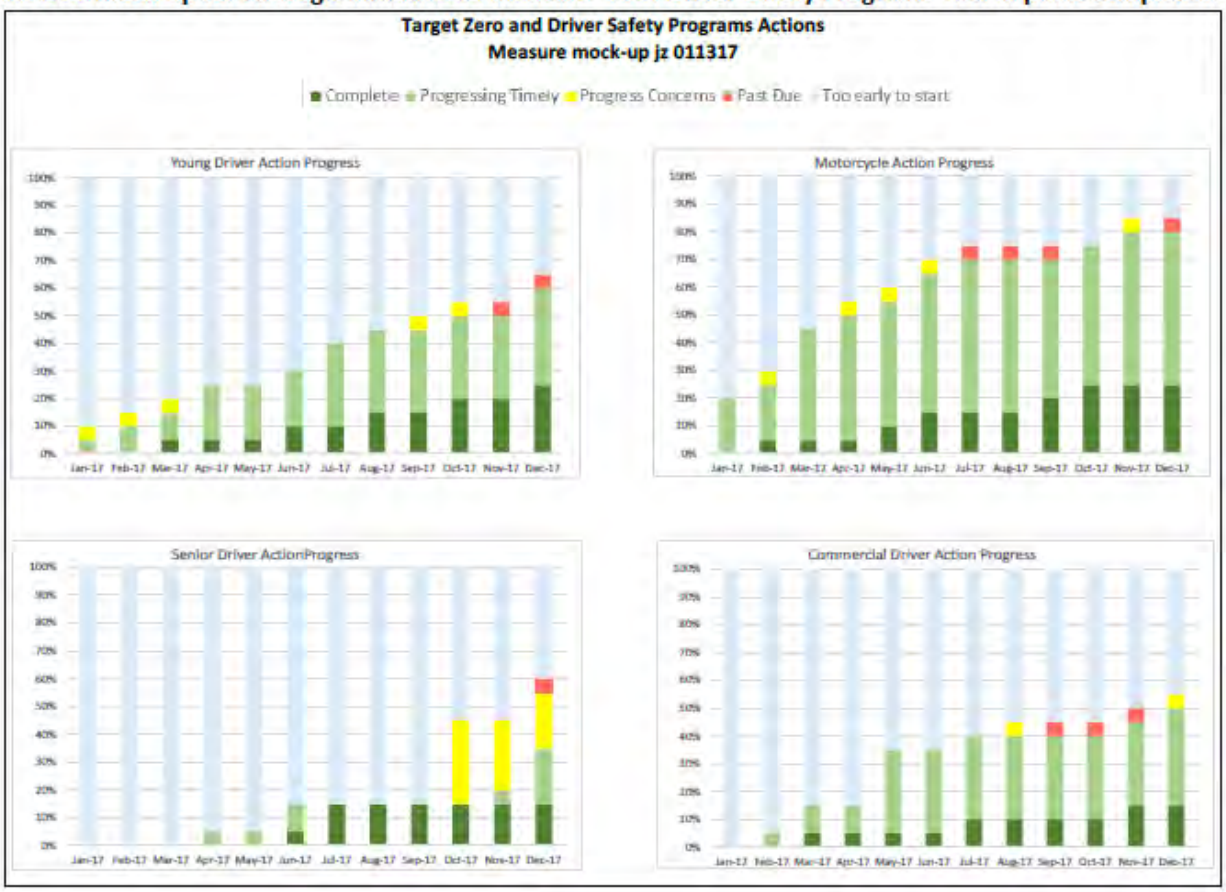
early draft for illustration purpose only.

Plan Owner: Action Planning Team is drafting

Action Plan Status:	
13%	of actions are complete or progressing timely
0	Complete
1	Progressing timely
2	Progress concerns
0	Past due
5	Too early to start
10	status is blank

	Action (State the purpose followed by specific, brief, plain talk so any reader can picture the action and understand its value. Use bold on key words).	Owner (last, first)	Target Date (mm/dd/yr)	Status (click below for drop down)	Monthly Status Update (mm/dd/yr followed by specific yet brief monthly progress notes)
1	**Propose new legislation**: Lead the passage of DOL's "New Driver Requirements" bill to expand driver training, restrictions and requirements based on research of young driver risks associated with inexperience, lack of maturity, and tolerance for risky driving behavior.	Sermonti, Tony	09/01/16	Progress concerns	12/16/16: "New driver requirement"s bill sponsored by DOL/WST/WTSC is at risk. See Tony S for details.jz
2	**Rework unpassed legislation**: Resolve barriers that prevented passage and resubmit what didn't pass in 2017 session.	Sermonti, Tony	09/01/17	Too early to start	
3	**Request funding**: Develop and submit budget request to implement the "New Driver Requirements" legislation.		09/01/16	Progress concerns	12/16/16:DP at risk due to revenue loss from delayed licenses.
4	**Reduce impairment**: Develop and distribute impairment deterrence materials through licensing offices to young drivers seeking their adult-style license, using the 21st Birthday Grant Project. Submit quarterly reports per IAA.		06/01/17	Progressing timely	*Grant agreement oversight transferred from Brady to Fred? jz*
5	**Reduce impairment**: Conduct research to determine the impact of impairment-related	Zhang,	12/31/19	Too early to start	

Results DOL mock-up for strategic initiative 14 measure "% of Driver Safety Programs' action plans completed"



Planning Process Information

Principles used by DOL's Target Zero Action Planning Team

- Leverage expertise, innovation and resources **across programs** to learn and accomplish more together than we can separately.
- Begin by collecting all **research-validated actions** DOL is already required or committed to take in the next few years, for which we have the authority and resources or the political capital to seek.
- Add actions to fill in any gaps, up to but not exceeding **DOL capacity** to take the actions.
- Seek input, clarity and buy-in from internal **stakeholders** while drafting the plan.

Team milestones led by Fred (through 2/1/17), Dory (after 2/2/17), and Janet:

12/13/16: Action Planning Team work session for draft content
12/28/16: Draft to Core Team for input
12/31/16: Draft to Jeff for input
01/12/17: Buy-in from ADs on cross-program framework
01/27/17: Draft to Pat and Jeff for input
02/28/17: Updates of 2/1 drafts due from Core Team with AD approval and alignment to framework
05/16/17: Seek input and buy-in from ELT to finalize the plan with action owners and dates
12/27/17: Action Status Report to ELT

Additional information available through Janet Zars, Planning and Performance Manager.

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: PB - Appraisal Management Companies
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
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jleppa@dol.wa.gov

Agency Recommendation Summary

A change in federal law now requires Appraisal Management Company licenses to be renewed on an annual basis. The Department of Licensing requests funds to address a one-time system update to convert from a 2-year license to a 1-year license and cover increased ongoing costs for annual regulatory activities. (16M – Appraisal Management Company Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 16M - 6	$134	$58	$58	$58
Total Expenditures	**$134**	**$58**	**$58**	**$58**
Biennial Totals		**$192**		**$116**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.6	0.6	0.6	0.6
Average Annual		**0.6**		**0.6**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$33	$33	$33	$33
Obj. B	$12	$12	$12	$12
Obj. E	$85	$13	$13	$13
Obj. J	$4	$0	$0	$0

Package Description

The Department of Licensing (DOL) requests funding to comply with a federal law change to have an annual licensing requirement for appraisal management companies (AMC). This change increases the frequency of application reviews and audits. It also requires a one-time system change to modify the renewal cycle.

Background:

DOL regulates the activities of AMCs and conducts audits and investigations. An AMC is a business that contracts with Washington appraisers to carry out real estate appraisal assignments on behalf of other entities. AMC services include administering an appraiser panel, negotiating fees, and conducting quality control. Individuals conducting business as an AMC or engaging in appraisal management services must receive a license from DOL.

In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act to improve accountability and transparency in the financial system. The Dodd-Frank Act included minimum regulatory requirements for AMCs and provided federal oversight of State appraiser regulatory programs to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC).

The ASC is completing the implementation of the Dodd-Frank Act and will require each AMC to pay an annual national registry fee beginning June 4, 2020. This annual national registry fee is to be collected by the State regulatory program and transmitted to the ASC, similar to the current appraiser national registry fee.

Additionally, the ASC conducted a preliminary review of Washington's AMC statutes and found adjustments were needed in order to be fully compliant with the intent of federal statutes (Title XI and the Dodd-Frank Act).Specifically, amendments are needed regarding transparency around company ownership requirements. DOL applied for an extension to the federal requirements and was granted an extension beginning June 2018.Washington must become compliant by August 10, 2019.

Decision Package Justification and Impacts

This decision package is tied to agency request legislation that will bring the appraisal management company statutes and program in compliance with federal requirements. The funding will be used for technology and program staffing needs to implement the changes. The technology systems will need to be configured to accommodate the change in renewal cycles effective June 4, 2020 and staffing needs will increase to accommodate additional ownership requirements audits effective July 31, 2019 and the increase in renewal transactions as a result of the yearly renewal cycle.

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

There will be more transparency regarding who has an ownership or interest in the companies. The AMC companies will be required to provide additional information on persons with interest in the companies. The changes in the law would help protect the federal interest in real

property loans, ultimately benefiting Washington residents in having objective and factual appraisals to collateralize their loans.

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

Other than alternative effective dates there were no alternatives explored; this change in law and practice.

No alternatives were explored. These changes are necessary for Washington to remain compliant with the federal oversight agency of the program.

What are the consequences of not funding this request?

Washington State will be found in non-compliance with the federal requirements. If the changes are not made the program will be found out-of-compliance in the 2020 audit. Ultimately the federal government could stop all lending on real property that is insured, guaranteed or purchased by the federal government. However the ASC would likely find the state out of compliance and start with a higher risk rating, attempt to work with DOL to resolve findings and be progressive before the ultimate sanction.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY2017	FY 2018	FY 2019
16M	A033	FTE	1.0	1.0	1.0	1.0
		Allotment	91,106	87,894	100,349	83,651
Total		FTE	0.8	0.8	0.8	0.8
		Allotment	91,106	87,894	100,349	83,651

Detailed assumptions and calculations:

The annual licensing requirement will create an additional workload in:

- Annual certification audits (research national/state data bases for disciplinary actions on controlling persons in other states)

The number of disciplinary actions requiring investigation support. (application denials, renewal denials, suspensions or revocations)

- The number of cases going for administrative action (Formal or Brief Adjudicative Process)

Based upon the above, the following FTE classifications will be needed:

- 0.3 FTE Professional License Manager 2 will be used to review initial and renewal applications, audit for disciplinary action in other states, draft and issue charges, write and send correspondence and hold settlement conferences.

- 0.2 FTE Investigator 3 will be used to investigate the disciplinary actions carried out in other states and obtained certified copies of the disciplinary authority's actions.

Legal Services workload impact:

The Attorney General (AG) support would be very minimal and will be absorbed within the current allocation.

Standard FTE goods and services (object E) costs are included on Table 3.A.1. Standard FTE costs do not include objects EM (AG services), ER (contractual services), and EZ (indirect) which are also shown in Table 3.A.1.

Information Services:

- Description: Change renewal cycle for Appraisal Management Companies for the RCW change. Anticipate price change via Rules.
- Cost: $70,300
- Duration: 3 months
- Effective date: June 2020

What IS will implement:

- Change renewal cycle in Venture from 2 years to 1 year for Appraisal Management Company profession, including the review and update of batches as needed.
- Test to ensure the new effective dates are implemented through the systems (Venture/SOLAR).
- Expected rules update.
- Change renewal fee in Venture to reflect one-year renewal.
- Test to ensure the new renewal rates are implemented through the systems (Venture/SOLAR/Revenue legacy systems).

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Cost Category	Description	Rate	2020	2021	2022	2023	2024	2025	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 18,444	14,800	-	-	-	-	-	14,800
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 26,448	5,300	-	-	-	-	-	5,300
PROJECT MANAGER	Manage schedule and contracts	$ 27,492	5,500	-	-	-	-	-	5,500
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	$ 31,668	19,000	-	-	-	-	-	19,000
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 27,144	2,700	-	-	-	-	-	2,700
DEVELOPERS	Modify programming and coding to all major systems	$ 18,444	16,600	-	-	-	-	-	16,600
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ -	6,400	-	-	-	-	-	6,400
		Totals	**70,300**	**-**	**-**	**-**	**-**	**-**	**70,300**

Workforce Assumptions:

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Professional Licensing Manager 2	$ 5,053	0.3	0.3	0.3	0.3
Investigator 3	$ 6,003	0.2	0.2	0.2	0.2
Indirect FTE		0.1	0.1	0.1	0.1
Total Direct FTEs (Round 10)		**0.6**	**0.6**	**0.6**	**0.6**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Professional Licensing Manager 2	$ 5,053	18,191	18,191	18,191	18,191
Investigator 3	$ 6,003	14,407	14,407	14,407	14,407
Total Object A - Employee Salaries (Round 100)		**32,600**	**32,600**	**32,600**	**32,600**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Professional Licensing Manager 2		7,131	7,131	7,131	7,131
Investigator 3		5,218	5,218	5,218	5,218
Total Object B - Employee Benefits (Round 100)		12,300	12,300	12,300	12,300

Indirect Calculations		**2020**	**2021**	**2022**	**2023**
Indirect Rate (Round 100)	**12.00%**	**6,800**	**6,300**	**6,300**	**6,300**

MSS Portion of Indirect (Map to EZ)	58.33%	4,000	3,700	3,700	3,700
ISD Portion of Indirect (Map to EZ)	41.67%	2,800	2,600	2,600	2,600

Strategic and Performance Outcomes

Strategic framework:
Being in compliance supports DOL's goal of being a trusted, credible partner to all government entities as our stakeholders, and the Governor's goal of efficient, effective and accountable government.

Performance outcomes:
1. Performance Outcomes: *What specific performance outcomes does the agency expect?*

DOL expects to be in full compliance with federal and state requirements for appraisal management companies.

Due to the change to a one-year expiration, there will be fewer instances of lapsed bonds for the companies, since the license and bond expirations will be more closely aligned.

2. Performance Measure Detail: *What will you measure and what incremental improvement do you expect each fiscal year?*

No performance measure will be activated. The program can manage compliance using their internal processes.

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
RCW 18.30.040 will be amended and rulemaking will occur regarding the calculation of the fee to be collected. Appraisal Subcommittee is establishing a federal oversight over appraisal management companies and is relying on state regulatory agencies to collect the national registry fee to fund the federal oversight. This relationship is similar to the current appraisers situation where DOL collects a fee for the ASC.

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

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

No

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: PC - Facility Minor Works
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Justin Leppa
(360) 902-3644
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Agency Recommendation Summary

The Department of Licensing requests $460,800 for two minor works projects in the 2019-21 biennium. This plan responds to new workflow efficiencies being implemented in offices across the state such as express lanes for expedited services, cameras at all workstations, and lobby coordination using mobile technology to pre-screen customers arriving for service. Upon review, five License Service Offices were determined to have an ineffective space layout to implement new workflows for process improvement. DOL plans to remodel the five office lobbies over the next two biennia to accommodate the changes. (106-1 Highway Safety Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106 - 1	$204	$257	$500	$0
Total Expenditures	**$204**	**$257**	**$500**	**$0**
Biennial Totals		**$461**		**$500**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$50	$50	$150	$0
Obj. J	$154	$207	$350	$0

Package Description

This request will fund minor works for multiple locations, adding additional counter locations and provide resources for minor renovations to improve customer service at two locations in the 2019-21 biennium, and three locations in the 2021-23 biennium.

One-time funding for minor works projects will:

- Provide efficient office layouts to support customer workflows and improve wait times.
- Create modern work environments that benefit customers and staff and use shared or multipurpose workspaces that are adjustable and ergonomic.

Proposed Solution

In the 2019-21 biennium, the Bellingham and Arlington Licensing Services Offices (LSOs) will be reconfigured to enhance customer experience, improve office workflows and reduce wait time by:

- Reducing the square footage of or relocating knowledge testing areas to allow for more efficient use of existing office space.
- Redesigning current customer service counter area to allow improved customer workflows such as cameras at every work station and express lanes.
- Improving dedicated space for a lobby coordinator.

With the passage of ESB 1635 in 2011 (RCW 46.82.450) the majority of drive and knowledge tests were transferred to driver training schools. As a result, many DOL knowledge testing areas occupy more space than needed. It is necessary to use this extra space for improvements to customer workflows and better serve a growing population.

Current space layouts are not optimal for implementation of new workflow efficiencies being implemented across the state such as express lanes for expedited transactions, cameras at all workstations, and lobby coordination using mobile technology to assist customers arriving for service. The facilities identified cannot accommodate the number of customer service counters needed for available staff without encroaching into the lobby waiting area.

Decision Package Justification and Impacts

One-time funding for minor works projects will:

- Solve inefficient use of existing space by reducing or relocating knowledge testing space, supporting the redesign of office lobby and counter space for improved customer service.
- Support modern work environments that benefit customer workflows, and allow staff to use shared or multipurpose workspaces that are adjustable and ergonomic.

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 efficiently.

Options:

1. Do Nothing. This option does not maintain DOL's ability to serve customers.
2. Preferred option. Invest in the strategic minor works projects for two offices in the 2019-21 biennium. The option aligns with the six-year facilities plan which identified these offices as renewals, and proactively responds to DOL's strategic and operational needs.

What are the consequences of not funding this request?

DOL will not be able to successfully implement and realize efficiencies from workplace strategies such as cameras at every counter, express lanes, and lobby coordination. This will result in inefficient staff and equipment utilization, higher customer wait times, and unsatisfied customers. Overcrowding could become an issue in these locations resulting in customers having to wait outside or leaving and returning later.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The table below represents the base funded levels for lease and annual services for the five facilities requesting funds for minor works over the next four years. These offices were identified as renewal in the 2019-25 DOL Agency Desired Six-Year Facility Plan. Figures are rounded to the nearest hundredth. DOL has not received a maintenance level lease rate adjustment compensating for increased rates since the 2013-15 enacted budget; therefore the base budget does not reflect current contract rates.

Fund	Activity	Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
106	A031	Leases and Annual Services	$618,800	$618,800	$618,800	$618,800
Total Base Budget			$618,800	$618,800	$618,800	$618,800

Detailed assumptions and calculations:

One-time minor works project costs specific to each LSO that DOL plans to reconfigure over the next four years are addressed in Table 1.

Table 1

				Biennium 2019-2021		Biennium 2021-2023	
Action Date	Office Title	UFI	Action Type	FY 2020	FY 2021	FY 2022	FY 2023
9/1/2019	Bellingham	A00825	Minor works	$204,000.00			
12/1/2020	Arlington	A08616	Minor works		$256,800.00		
7/1/2021	Everett	A06658	Minor works			$204,000.00	
7/1/2021	Port Angeles	A05151	Minor works			$120,000.00	
10/2/2021	Federal Way	A07992	Minor works			$176,000.00	
Grand Total				$204,000.00	$256,800.00	$500,000.00	$0.00

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
Funding these facility improvements contributes to the Governor's Goal 5 of efficient, effective and accountable government, and DOL's strategic initiative 8 for implementing adaptable technology (i.e. lobby tablets) and processes (i.e. express lines) to meet customer needs (i.e. short wait times).

Performance outcomes:
1. Performance Outcomes: *What specific performance outcomes does the agency expect?*

DOL expects the Bellingham and Arlington LSOs to sustain their customer service levels at the FY18 averages of less than 15 minutes initial lobby wait times and less than 30 minutes combined wait and service times.

2. Performance Measure Detail: *What will you measure and what incremental improvement do you expect each fiscal year?*

DOL will continue measuring customer wait and service times. We expect incremental improvement will be evident when customer volumes increase but wait and service times do not.

Results DOL measure OP2f	FY18 baseline	FY19-23 estimate
Initial wait time	< 15 minutes	< 15 minutes
Combined wait & service time	< 30 minutes	< 30 minutes

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
Renovating offices supports process and workflow improvements that will allow DOL to serve increased regional customers with greater efficiency.

Legal or administrative mandates:
Executive Order 16-07: Building a Modern Work Environment. Renovated offices will promote the support of increased workload volume of driver transactions due to population growth, acceptable lobby wait times, work place strategies (including workflow efficiencies and modern workspace).

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
Minor works renovations that are less than 50% of the office space.

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: 8L - Lease Adjustments < 20,000 sq. ft.
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
(360) 902-3644
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Agency Recommendation Summary

The Department of Licensing requests $1,155,700 in the 2019-21 biennium for the net ongoing increased lease and annual services costs for several Licensing Services Offices throughout Washington State, and one Administrative Office in the north Seattle area. These funds are also necessary to support the 2019-2025 Agency Desired Six-Year Facilities Plan submitted to the Office of Financial Management. (106-1 Highway Safety Account, 108-1 Motor Vehicle Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106 - 1	$636	$840	$480	$353
Fund 108 - 1	$0	$-320	$-320	$0
Total Expenditures	**$636**	**$520**	**$160**	**$353**
Biennial Totals		**$1,156**		**$513**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$636	$520	$160	$353

Package Description

This package requests the net ongoing and increased lease and annual services costs for both current facilities and the proposed relocations referenced in the 2019-21 DOL Six Year Plan DP.

Data for current locations was validated by the Washington State Facility Portfolio Management Tool (FPMT). Estimated lease and annual services costs for those pertaining to office relocations are based on Modified Predesigns for projects that have been vetted and approved by OFM.

With support from OFM, DOL has reset the lease adjustment model that was previously based only on executed lease costs, to a new model that now projects costs using the Consumer Price Index – Urban for leases that will be renegotiated mid budget cycle. The 2018 supplemental request submitted during transition was not funded. This request captures the difference between known and estimated future costs, and prior rates after the last funded lease increase for DOL to OFM with the 2017-23 Agency Desired Six-Year Facilities Plan. This package brings DOL into alignment with an enterprise format that most state agencies have or are in the process of switching over to.

Background:

DOL leases are negotiated by the Department of Enterprise Services (DES). Inflation and market conditions affect the increased lease costs across the state. Most leases are negotiated for five-year periods, with some scheduled increases for certain variable periods. Not all leases have the same lease end date, and not all leases include annual services.

Approximately 25% of all DOL non-state owned leases are full service contracts, which include janitorial services and utilities. About 75% of these non-state owned leases are not full service contracts; per the terms of these leases, in order to provide janitorial and other annual services, stand-alone contracts are necessary. These services are obtained through the mandatory two tier master contract for janitorial services (DES contract 00508).

DOL facility planners and DES work together to reduce and eliminate costs through careful space planning. As program needs change, sites are reviewed for appropriate size, location, and current market rates. The goal is to lease space at or below the standard market rate; however, DOL does not have control over current market rates, which in the Seattle area and along the I-5 corridor will continue to rise. To help offset increased costs and keep lease rates low facility footprints are condensed where possible.

Efforts made by DOL through review of current location weighted against business needs are described below:

- The Bel-Red LSO (Bellevue) is planned to be relocated in June of 2019, reducing the facility footprint by 783 square feet.
- The Seattle-Greenwood, Seattle-Downtown, and Seattle EDL offices will be consolidated reducing the overall footprint by 1,028 square feet.

At current funded levels, DOL is unable to pay for the ongoing, increased lease and annual services costs described in this request.

Decision Package Justification and Impacts

Funding is needed to ensure DOL can meet its contractual lease and annual services obligations negotiated by DES. Facilities are the primary locations customers come to receive services. DOL provides services to millions of customers a year, and over 1.3 million transactions were completed for them in LSOs in FY 2018.Proper funding provides for healthy, safe and comfortable environments for those customers and hundreds of DOL staff.

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

DOL facility planners and DES work together to reduce and eliminate costs through careful space planning. As program needs change, sites are reviewed for appropriate size, location, and current market rates. It is a complex process. The goal is to lease space at or below the standard market rate. When possible facility footprints are condensed as well.

The leases for the offices in this request are where customers come for drivers, hearings and business services. There is no other viable or adequate alternative for staff in the field to provide customer service than in these offices.

What are the consequences of not funding this request?

Lease and annual services agreements are binding. If funding is not received for these adjustments, funding that supports other areas of the agency will be used. Funding this request will prevent any negative impact on the services DOL provides to the public and other state agencies.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The table below represents the base funded levels for lease and annual services that correspond to lease and annual service costs for both renewals and relocations of offices less than 20,000 square feet, identified in the 2019-2025 DOL Agency Desired Six-Year Facility Plan. Figures are rounded to the nearest hundredth. DOL has not received a maintenance level lease rate adjustment compensating for increased rates since the 2013-2015 enacted budget; therefore the base budget does not reflect current contract rates.

Fund	Activity	Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
106	A031	$4,340,700	$4,340,700	$4,340,700	$4,462,800	$4,462,800
108	A032	$320,400	$320,400	$320,400	$320,400	$320,400
Total Base Budget			$4,661,100	$4,661,100	$4,661,100	$4,661,100

Detailed assumptions and calculations:

		Base Budget			Future Obligations			Future Obligations		
Location Title	Fund	FY 18	FY 19	Total	FY 20	FY 21	Variance	FY 22	FY 23	Variance
RENEWALS										
Anacortes	106	51,159	51,159	102,318	60,979	60,979	19,640	60,979	60,979	0
Arlington	106	139,854	139,854	279,708	109,724	118,347	(51,637)	124,506	124,506	20,941
Bellingham	106	108,442	108,442	216,884	118,907	125,435	27,458	131,963	131,963	19,584
Bremerton	106	138,586	138,586	277,172	112,801	112,801	(51,570)	124,280	128,106	26,784
Centralia	106	43,863	43,863	87,726	49,051	49,051	10,376	49,051	49,527	476
Chelan	106	17,496	17,496	34,992	17,778	20,173	2,959	20,173	20,173	2,395
Clarkston	106	35,399	35,399	70,798	44,051	44,051	17,304	46,306	48,562	6,766

Colville	106	32,646	32,646	65,292	34,561	35,342	4,611	39,250	39,250	8,597
Coulee Dam	106	5,100	5,100	10,200	5,676	5,676	1,152	5,966	6,257	871
Davenport	106	3,360	3,360	6,720	3,360	3,360	0	3,360	3,360	0
Ellensburg	106	40,243	40,243	80,486	46,214	48,827	14,555	52,485	52,485	9,929
Ephrata	106	32,960	32,960	65,920	38,258	38,258	10,596	38,258	43,122	4,864
Everett	106	168,460	168,460	336,920	170,622	170,622	4,324	179,358	188,094	26,208
Federal Way	106	155,320	155,320	310,640	119,350	119,350	(71,940)	131,495	135,544	28,339
Forks	106	6,100	6,100	12,200	6,100	6,100	0	7,218	7,590	2,608
Friday Harbor	106	3,000	3,000	6,000	3,708	3,708	1,416	3,708	3,708	0
Goldendale	106	16,670	16,670	33,340	17,440	17,440	1,540	17,625	19,657	2,402
Hoquiam	106	78,256	78,256	156,512	81,682	81,682	6,852	81,682	81,682	0
Ilwaco	106	13,995	13,995	27,990	13,872	13,872	(246)	15,283	15,754	3,293
Kelso	106	84,398	84,398	168,796	66,600	66,600	(35,596)	75,637	75,637	18,074
Kennewick	106	125,579	125,579	251,158	148,321	148,321	45,484	148,321	148,321	0
Kent	106	102,770	102,770	205,540	103,567	109,253	7,280	114,939	114,939	17,058
Lynnwood	106	267,780	267,780	535,560	318,794	328,800	112,034	328,800	328,800	10,006
Moses Lake	106	54,963	54,963	109,926	66,251	66,251	22,576	66,251	66,251	0
Newport	106	6,052	6,052	12,104	6,052	6,732	680	6,868	6,868	952
North Bend	106	45,560	45,560	91,120	72,809	72,809	54,498	75,971	76,258	6,611
Oak Harbor	106	56,334	56,334	112,668	63,541	63,541	14,414	70,726	72,163	15,807
Omak	106	43,443	43,443	86,886	49,755	49,755	12,624	51,336	56,080	7,906
Oroville	106	11,546	11,546	23,092	13,740	13,740	4,388	15,138	15,604	3,262
Parkland	106	0	0	0	19,328	19,328	38,656	19,328	19,328	0
Port Angeles	106	46,716	46,716	93,432	64,662	64,662	35,892	64,662	64,662	0
Port Townsend	106	30,000	30,000	60,000	41,551	41,551	23,102	45,780	47,189	9,867
Poulsbo	106	61,218	61,218	122,436	66,121	72,802	16,487	75,029	75,029	11,135
Pullman	106	24,084	24,084	48,168	33,953	35,488	21,273	38,560	38,560	7,679
Puyallup	106	125,239	125,239	250,478	133,068	133,068	15,658	141,537	142,306	17,707
Republic	106	9,600	9,600	19,200	11,181	11,181	3,162	11,181	11,181	0
Shelton	106	50,279	50,279	100,558	52,868	52,868	5,178	52,868	57,909	5,041
South Bend	106	8,247	8,247	16,494	9,772	9,955	3,233	9,955	9,955	183
Spokane	106	180,348	180,348	360,696	212,840	212,840	64,984	226,786	231,435	32,541
Spokane Valley	106	106,623	106,623	213,246	116,016	116,016	18,786	129,134	131,757	28,859
Sunnyside	106	66,172	66,172	132,344	77,394	77,394	22,444	83,519	87,895	16,626
Vancouver North	106	142,057	142,057	284,114	24,460	24,460	(235,194)	24,460	24,460	0
Walla Walla	106	48,051	48,051	96,102	62,344	62,344	28,586	67,278	70,803	13,393
Wenatchee	106	88,811	88,811	177,622	106,392	106,392	35,162	109,773	119,919	16,908
White Salmon	106	24,342	24,342	48,684	14,468	14,468	(19,748)	15,153	15,153	1,370

		Base Budget			Future Obligations			Future Obligations		
Seattle-EDL	**Fund**	**FY 18**	**FY 19**	**Total**	**FY 20**	**FY 21**	**Variance**	**FY 22**	**FY 23**	**Variance**
RELOCATONS										
Bel-Red	106	307,275	307,275	614,550	76,986	0	(537,564)	0	0	(76,986)
Bel-Red Parking	106	33,600	33,600	67,200	8,400	0	(58,800)	0	0	(8,400)
Bel-Red RELOCATION	106	0	0	0	450,000	450,000	900,000	450,000	450,000	0
Lacey	106	123,561	123,561	247,122	143,078	143,078	39,034	0	0	(286,156)
Lacey Parking	106	18,525	18,525	37,050	20,768	20,768	4,486	0	0	(41,536)
Lacey RELOCATION	106	0	0	0	0	0	0	291,526	291,526	583,052
Mount Vernon	106	102,396	102,396	204,792	0	0	(204,792)	0	0	0
Mount Vernon RELOCATION	106	0	0	0	129,087	129,087	258,174	129,087	129,087	0
Renton	106	144,130	144,130	288,260	119,154	0	(169,106)	0	0	(119,154)
Renton RELOCATION	106	0	0	0	51,465	205,860	257,325	205,860	205,860	154,395
Seattle-DT	106	85,684	85,684	171,368	0	0	(171,368)	0	0	0
Seattle-EDL	106	23,064	23,064	46,128	0	0	(46,128)	0	0	0
Seattle-Greenwood	106	168,102	168,102	336,204	0	0	(336,204)	0	0	0
Seattle- RELOCATION (COMBO)	106	0	0	0	374,000	374,000	748,000	374,000	374,000	0
Seattle West	106	245,005	245,005	490,010	258,543	86,181	(145,286)	0	0	(344,724)
Seattle West RELOCATION	106	0	0	0	0	176,633	176,633	264,950	264,950	353,267
Shoreline	106	76,769	76,769	153,538	0	0	(153,538)	0	0	0
Shoreline RELOCATION	106	0	0	0	209,308	209,308	418,616	209,308	219,453	10,145
Tacoma	106	111,476	111,476	222,952	125,909	0	(97,043)	0	0	(125,909)
Tacoma RELOCATION	106	0	0	0	0	330,237	330,237	330,237	330,237	330,237
CLOSURES										
Olympia-BC	108	320,446	320,446	640,892	320,446	0	(320,446)	0	0	(320,446)
Olympia-BC CLOSURE	108	0	0	0	0	0	0	0	0	0
TOTAL		**4,661,154**	**4,661,154**	**9,322,308**	**5,297,126**	**5,180,845**	**1,155,663**	**5,456,904**	**5,533,894**	**512,827**
Title	**Fund**	**FY 18**	**FY 19**	**Total**	**FY 20**	**FY 21**	**Variance**	**FY 22**	**FY 23**	**Variance**
Highway Safety Account	106	4,340,700	4,340,700	8,681,400	4,976,700	5,180,800	1,476,100	5,456,900	5,533,900	833,300
Motor Vehicle Account	108	320,400	320,400	640,900	320,400	0	(320,400)	0	0	(320,400)
GRAND TOTAL		**4,661,100**	**4,661,100**	**9,322,300**	**5,297,100**	**5,180,800**	**1,155,700**	**5,456,900**	**5,533,900**	**512,900**

Note: Tables totals may vary due to rounding.

Workforce Assumptions:

No FTE are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

This request supports the Governor's Goal 5 of efficient, effective, accountable government, and fiscal stewardship, as DOL continues to manage all facilities as described in our six-year

plan and facilities project DPs. This request also reflects DOL's strategic initiative 7 to use feedback from customers to guide our improvement, as some customer feedback continues to indicate dissatisfaction with some facilities' safety and cleanliness.

Performance outcomes:
1. Performance Outcomes: *What specific performance outcomes does the agency expect? (Planning & Performance completes these 3 sections when informed by Budget Office that all other sections are near-final).*

Performance outcomes from fully funded leases and related services can be looked at two ways:

1. All performance outcomes expected from LSO staff depend on appropriately maintained facilities through which they serve our customers (i.e. on target wait times, service times, customer satisfaction, compliance with DOL standards of screening enhanced document applicants, …).

2. Specific performance outcomes may suffer if LSOs are not fully funded. For instance, if DOL continues funding lease increases by spending less on education and information in LSO lobbies, customers with limited English proficiency – a growing population – may not receive equitable education materials. Their satisfaction may decrease, their service time may increase, and ultimately DOL's commitment to equal access to services would be unachievable.

2. Performance Measure detail: *What will you measure and what incremental improvement do you expect each fiscal year? (Enter in the same ABS field as above narrative).*

DOL will continue measuring LSO efficiency and customer satisfaction with Results DOL measures:

· Percent of customers with combined wait and service time within 45 minutes (OP2f)

· Percent of customer comment card responses that are positive (drill down in OM2a)

Measure	Baseline from FY18	Target	FY20 estimate	FY21 estimate	FY22 estimate	FY23 estimate
OP2f	77%	90%	80%	85%	85%	90%
OM2a	93%	90%	93%	93%	93%	94%

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
N/A

Legal or administrative mandates:
For five locations, the lease rate adjustment is in part due to responding to Executive Order 16-07: Building a Modern Work Environment. This request pertains to increased lease and annual services costs only; however, properly sited facilities allow DOL to provide information to law

enforcement, license and regulate drivers, register vehicles and vessels, manage professional and business licensing programs, and ensure the fair and efficient collection of state revenue.

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
Pertains to increased lease and annual service costs only.

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: 8Y - Cost Allocation Adjustment
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

The Department of Licensing requests a change in appropriation level by fund to redistribute indirect and central service expenses to more equitably reflect the cost of supporting the agency's direct and indirect service programs. (Multiple Funds)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$9	$31	$0	$0
Fund 003 - 1	$-9	$-9	$0	$0
Fund 024 - 1	$3	$3	$0	$0
Fund 026 - 1	$-120	$-123	$0	$0
Fund 04E - 1	$-32	$-33	$0	$0
Fund 06G - 1	$-66	$-67	$0	$0
Fund 06L - 1	$124	$127	$0	$0
Fund 082 - 1	$37	$38	$0	$0
Fund 104 - 1	$-191	$-195	$0	$0
Fund 106 - 1	$2,243	$2,288	$0	$0
Fund 108 - 1	$-1,994	$-2,034	$0	$0
Fund 14V - 1	$81	$84	$0	$0
Fund 15V - 6	$37	$38	$0	$0
Fund 16B - 1	$27	$27	$0	$0

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 16M - 6	$18	$19	$0	$0
Fund 201 - 1	$-158	$-161	$0	$0
Fund 298 - 6	$-21	$-21	$0	$0
Total Expenditures	**$-12**	**$12**	**$0**	**$0**
Biennial Totals		**$0**		**$0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$-12	$12	$0	$0

Package Description

The Department of Licensing (DOL) made some additional refinements to the newly implemented cost allocation plan (CAP). The most notable cause for this request is related to a budget being missed and excluded which was accidentally funded all 108-1 funds when it should have been a split with 106-1. The other changes are related to the carry forward and receipt of legislative budget adjustments.

Background

This package realigns the funds used to pay for indirect and central service costs by the distributing costs to programs based on an updated CAP and supporting data. The updated cost allocation plan reveals that certain funds have been paying more or less than a fair share of indirect and central service costs. Overall expenditures within the agency will not increase but will result in an equitable redistribution of indirect services and central services costs across all funding sources. This realignment ensures DOL is in compliance with accounting and audit standards, which precludes one fund from benefiting another fund.

The agency has only recently comprehensively implemented its cost allocation methodologies at the beginning of the 2017-19 biennium to align service usage and funding for several biennia. Prior to the start of the 2017-19 biennium, executive management directed the Budget & Forecasting Office and impacted programs to review current allocation methodologies and to update/adopt methodologies and use supporting data that supports these cost allocation principles: fair, accurate, sustainable, and transparent. The cost allocation plan results reflect these principles, and now full implementation requires a change in appropriation level by fund in order to redistribute indirect and central service costs to the proper programs and funds.

Solution

The fund realignment requested in this decision package is based on a CAP that redistributes charges for indirect services and central services in an equitable manner across all programs

and funding sources. The Budget & Forecasting Office and program staff developed methodologies and updated usage data to equitably allocate indirect costs and central service costs to benefiting programs and associated funds. Several methodologies and approaches are used to allocate costs including but not limited to: measurable usage and demand, FTEs, and size of budget. Each cost center was analyzed to identify the most appropriate allocation method to ensure users pay a fair share. DOL receives funding through the transportation and operating budgets. The new CAP reveals that some programs are contributing more or less than a fair share. Based on the results of the CAP and DOL's current expenditure authority, DOL needs to more General Fund (001), Professional Engineers (024), Business and Professions Account (06L), Motorcycle Safety Education Account (082), Highway Safety Fund (106), Ignition Interlock Device Revolving Account (14V), Funeral and Cemetery Account (15V), Landscape Architects' License Account (16B), and Appraisal Management Company Account (16M) authority. While DOL needs less Architects License Account (003), Real Estate Commission Account (026), Uniform Commercial Code Account (04E), Real Estate Appraisers Account (06G), State Wildlife Account (104), Motor Vehicle Account (108) authority, DOL Services Account (201), and Geologists Account (298).

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

DOL developed a CAP that equitably allocates indirect and central service costs. The decision package enables DOL to redistribute costs to more clearly reflect usage of internal indirect services and statewide shared central services. In the future this will allow DOL to develop unit costs for services that better reflect the full costs of individual services. Funding this request also allows DOL to provide more accurate central service model fund splits to OFM.

These changes impact some of DOL's self-supported programs that use revenue collected into dedicated funds (appropriated and non-appropriated). The proposed realignment helps stakeholders paying fees into these accounts understand and trust that fee revenue is being spent efficiently and properly.

Process for Future Cost Allocation Plan Updates:

1. Document procedures and data sources.
2. Update cost allocation plan data yearly to support the submission of biennial budgets, and as needed for supplemental budget submittals.
3. Keep a history of CAP adjustments after data or methods are updated and changed.
4. Submit updated fund splits that support the CAP to OFM to support budget development and central service model processes. This process will ensure fund splits are up-to-date and accurate so the appropriate mix of funds are received for payment of central service billings.

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

No viable alternatives are available. DOL's updated CAP is based on widely used and best cost allocation practices. This realignment ensures DOL is in compliance with accounting and audit standards. Adopted methodologies align with commonly used cost allocation principles: fair, accurate, sustainable, and transparent. Full implementation of the updated CAP requires a permanent change in appropriation level by fund in order to support equitably and accurate allocation of indirect and central service costs.

What are the consequences of not funding this request?

DOL cannot redistribute "rebase" how indirect activities and central services are paid without changing the appropriation levels between funds. Not funding this request puts DOL at risk of overspending appropriations and/or future audit findings as each fund has restrictions on appropriate use.

Assumptions and Calculations

Expansion or alteration of a current program or service:
This proposal does not expand or alter programs or services, and it does not increase DOL's base budget. This proposal allows DOL to equitably align what funds and how much of each fund is used to pay for existing indirect and central services based on an updated CAP. This proposal seeks a change in appropriation level by fund to redistribute indirect and central service costs to more equitably reflect the level of effort and expenditures required to support DOL's programs.

This alignment primarily impacts A030 and A037; directly and indirectly impacts most all activities.

A030 – Agency Administration

A031 – Drivers Licensing, Regulating and Records Management

A032 – Issuing and Regulating Vehicles and Boats Records

A033 – Professions Licensing, Regulation and Records Management

A034 – Administration of Fuel Tax Collection and Motor Carrier Services

A035 – Data Clearing House

A037 – Agency Overhead

Detailed assumptions and calculations:
Expenditure and FTE

The net impact to DOL's total appropriation level, expenditures, and FTEs is zero.

Impact on funds

The results of DOL's updated CAP involved 17 different funds that support services provided by its Administrative Services Division, Information Services Division, and the Central Payment

Area which captures services provided by other agencies and vendors. The final result left a balance in a few funds DOL could not be realign internally due to the size of the imbalance and availability of certain funds within the agency.

This decision package is required to ensure that DOL has the right mix of funds (expenditure authority) to pay for indirect and central services according to the adopted CAP. The largest fund imbalances are between the Highway Safety Fund (106) and Motor Vehicle Fund (108). These two funds are also DOL's largest funds. CAP revealed additional Wildlife funding was available because past specialty plate forecasts were higher than actual demand, resulting in less production work and costs.

Revenue

This decision package has no direct impact on revenue. This request does provide relief for the Motor Vehicle Fund (108), but increases the obligation assumed by the Highway Safety Fund (106).

Workforce Assumptions:
No FTE requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
Improvements to our fiscal processes aligns with the Governor's Goal 5 of efficient, effective and accountable government, and DOL's strategic initiative 9 to improve management practices for effectively using resources.

Performance Outcomes: *What specific performance outcomes does the agency expect?*

- More accurate, timely and sustainable cost allocation and financial data.
- More accurate and reliable research of the full cost of service delivery.
- More equitable distribution of indirect and central service costs.

Performance outcomes:
DOL will continue to measure fiscal accountability and fund usage using Results DOL measure SP5a: % variance of allotments to actual. Each month DOL's Budget and Forecasting Office reports variances by program and fund. The report includes what has been impacting the variance, and what action is being taken to stay within the target of less than three percent underspent or overspent.

Baseline actual from:	Performance targets for:			
'15-17 biennium	FY18	FY19	FY20	FY21
4.6% positive ?	1-3% positive	1-3% positive	1-3% positive	1-3% positive

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: 9Q - Equipment Maintenance and Software
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
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Agency Recommendation Summary

The Department of Licensing requests funding for software licenses and hardware and software maintenance contracts increases. This is necessary for efficient and effective operation of essential software and hardware to support operations across the department.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$4	$3	$4	$3
Fund 003 - 1	$1	$1	$1	$1
Fund 024 - 1	$5	$4	$5	$4
Fund 026 - 1	$15	$11	$16	$13
Fund 04E - 1	$4	$3	$4	$3
Fund 06G - 1	$2	$2	$2	$2
Fund 06L - 1	$28	$22	$31	$24
Fund 082 - 1	$4	$3	$4	$3
Fund 104 - 1	$1	$1	$1	$1
Fund 106 - 1	$271	$211	$296	$233
Fund 108 - 1	$92	$71	$100	$79
Fund 14V - 1	$3	$3	$4	$3
Fund 15V - 6	$2	$2	$2	$2
Fund 201 - 1	$4	$3	$5	$4

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 298 - 6	$1	$1	$1	$1
Total Expenditures	**$437**	**$341**	**$476**	**$376**
Biennial Totals		**$778**		**$852**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$437	$341	$476	$376

Package Description

The Department of Licensing (DOL) requests $778,000 to cover vendor invoices in 2019-21 biennium and $852,000 for ongoing biennia. Continuous maintenance is critical for efficient and effective operations of mission critical software and hardware to support business functions across DOL. Systems must be robust, meet the high availability needs of the agency and its business partners, and have the necessary security. On average, unless specified by the vendor, software licenses and hardware and software maintenance contract increases are at an average of five (5) to seven (7) percent per year based on historical costs. This is also substantiated by industry intelligence provided by Gartner. Calculations for this decision package were taken from last fiscal year (FY) actuals per contract. Funding from this decision package will ensure the continuous operations of agency systems. Cost estimates are based on the annual increases for the below listed items:

Gartner

Gartner is a global research and advisory firm used by DOL Information Services Division (ISD) for consulting research, Industry intelligence and process best practices. Their services are used by the Chief Information Officer, the Deputy Chief Information Officer, and key ISD managers who turn to Gartner for guidance as they prepare DOL to be a more successful organization of the future.

The Gartner services provide:

1) Trusted insight: Make the right decisions with forward-thinking analyst insights, verified peer-driven research, and robust metrics and data.

2) Strategic advice: Cut through the noise with one-to-one guidance for the issues and opportunities that matter most.

3) Practical solutions: Turn strategy into execution and results with actionable tools, training and workshops drawn from an unparalleled network of experts and peers.

This consulting service was chosen because Gartner provides a credible source of information who partners with more than 11,000 organizations in 110 countries, to include peer network communication, experience, and trend sharing.

Gartner provides valuable resources to ISD and DOL executives by providing industry intelligence (pricing), guidance on new or existing technologies and program execution.

Kofax-Accent Capture

The DOL imaging unit receives 6,000 to 8,000 title documents per day, averaging approximately 140,000 per month. DOL imaging staff open, prep and scan all titles and attached documents on a daily basis.

DOL imaging units uses the KOFAX Capture solution to capture images, statistics and produce reports on imaging work. KOFAX Capture is used and licensed annually and provides the ability to scan and store images of documents such as vehicle titles, and driver documents and all other important documents.

An appropriate funding level enables DOL to continue using this technology and avoiding additional costs, such as staffing, storage of paper documents, and additional staff time and resources to locate paper documents.

Hewllett Packard (HP) Hardware & Software Maintenance

This maintenance agreement covers all the DOL Enterprise Infrastructure that includes HP servers, HP data storage systems, HP data backup systems, HP system connectivity Switches, and associated software licenses for authorized use. This is related to the business continuity for critical applications.

An appropriate funding level will help DOL to maintain the hardware and software maintenance related to the business continuity for critical applications and avoid a hardware failure which could lead to increased down time causing an interruption in service to the public and businesses.

The increased hardware and software maintenance costs were due to the end of a three year maintenance agreement which was originally purchased with the hardware. After the expiration of the three year maintenance agreement, DOL had to pay for these items on an annual basis. Cost increases were due to the age of the equipment which is now on its fourth year of the five year equipment refresh life.

Cisco Smartnet Annual Maintenance

This maintenance agreement services all of the network infrastructure deployed across the state of Washington within the agency. It provides the technicians the ability to download latest software packages and upgrades, open trouble tickets with Cisco when there are any networking issues (hardware/software), and obtain replacement equipment in order to complete device replacement when a failure occurs.

An appropriate funding level enables the DOL to minimize down time and the interruption in services to the public and business in the event of network hardware and software failures.

The cost increase to Cisco is related to additional equipment that was added in order to improve the performance of the DOL Network at the Licensing Service Offices across the state.

Forcepoint

Forcepoint cybersecurity suite is a multifunctional tool intended to institute a technical solution that provides preventative, detective and deterring controls that increase the agency's ability to protect data. Since these tools are also related to internet security, it is very important for DOL to be able to manage data along with being able to intelligently filter and block access to websites. The increased costs to the Forcepoint applications were the result of the new tool set such as the Data Loss Prevention (DLP) and the Web Security (Websense). These adjustments to Forcepoint created additional security capabilities which resulted in increased costs.

Data Loss Protection (DLP) solution provides data owners and custodians the ability to define and manage access to and movement of data in directed and discreet ways. Implementing this solution provides the ability to define preventative and protective measure that ensure secure and sensitive data is not accessed inappropriately or insecurely used in or outside of the organization unknowingly. It allows DOL to take action immediately to prevent, notify, or audit data movement and prevent inadvertent or malicious use of agency data. Additionally, DLP identifies and locates potential data stored in insecure locations or with incorrect access rights.

Websense (Web Filtering) is a high-performance web proxy and caching tool that provides real-time content scanning and web site classification to protect network computers from malicious and inappropriate web content on the internet while managing security controls. The function of this security tool provides the prevention of malicious malware, advanced threats and gives the agency the ability to control the usage of internet websites. The new version includes capabilities to identify usage of cloud applications and identify potential risk to the Agency.

Further, a sufficient funding source will help DOL be protected from malware, advanced threats, and loss or misuse of data.

Background:

Software licenses and hardware and software maintenance contracts are renewed annually. Since DOL has not requested any funding for software licenses and hardware and software maintenance contracts increases for at least five (5) biennia, DOL does not have an appropriate funding to support these increases.

Critical system applications, law enforcement, courts, federal verification and validation interfaces, and the Department of Home Land Security (DHS) depend on software licenses and hardware and software maintenance contracts be maintained for daily operations. Where possible, DOL negotiates contracts and license agreements with an eye toward cost containment. Situations exist where maintenance increases are not negotiable and customer organizations, including DOL, are forced to pay the increase. In other cases, maintenance cost increases when growth of existing products are needed. Because of these cost increases DOL risks the possibility of overspending its budget.

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

This decision package relates to the proper and continuous operation of agency systems. Agency operations depend heavily on applications and hardware infrastructure as few business

processes are manual in nature. Supported software and hardware are vital components of operations within DOL and outside agencies such as Washington State Patrol (WSP) and other federal, state, and local law enforcement jurisdictions. This connection is critical as they often have to verify identification as well as driver's licenses, concealed pistol license and driver history inquiries, stolen and abandoned vehicles, and other vessel inquiries related to state residents. Any system failures will impact the state residents as they will not be able to obtain, renew, or update their driver licenses.

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

An alternative to continue using DOL existing resources which will create a risk of the possibility of overspending DOL's budget and delaying other regular services that are provided to the public and businesses.

What are the consequences of not funding this request?

DOL will not be able to sustain modernized systems and improve the accountability and availability of data. Not funding this decision package would greatly increase the risk of failure in our critical system and to the safety of those in the community.

- DOL will not meet the demand of customers and external partners, such as law enforcement entities, to provide continuous operations for DOL's critical applications in the event of a system failure.
- Law enforcement uses DOL data 24 hours a day – 7 days a week to run vehicle tabs and to validate driver's licenses. Additionally, other items are being verified such as concealed pistol license inquiries, driver history inquiries, stolen and abandoned vehicles, and vessel inquiries, and IDs. If a verification of all of the above items is needed, it will not be available as the systems will not be functional.
- Issuance of drivers licenses, vehicle tabs throughout the state, and other business licenses will be significantly impacted which would negatively impact the public and agents and sub-agents, affecting their business operations.
- If funded and fully functional, DOL will be out of compliance with the agency's Continuity of Operations Plan (COOP).
- DOL will not be able to use the Gartner consulting services to the ISD executives on the industry of new and emerging technologies and vendor intelligence on what DOL should be paying for goods and services, which will in turn save future costs.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Base Budget:

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
	A030	FTE				
		Budget	$456,000	$456,000	$456,000	$456,000
Total	A030	**FTE**				
		Expenditures	**$456,000**	**$456,000**	**$456,000**	**$456,000**

Detailed assumptions and calculations:

	2019 - 21 Biennium Forecast			2021 - 23 Biennium Forecast		
Type Detail	FY2020 Budget	FY2021 Budget	2019-21 Budget	FY2022 Budget	FY2023 Budget	2021-23 Budget
Gartner Subscription (Renewal Every 2 Years)	20,000	-	**20,000**	21,000	-	**21,000**
Kofax-Ascent Capture (Annual Renewal)	19,000	20,000	**39,000**	21,000	22,000	**43,000**
All HP Hardware & Software Maintenance	240,000	252,000	**492,000**	265,000	278,000	**543,000**
Cisco Smartnet Annual Maintenance	66,000	69,000	**135,000**	72,000	76,000	**148,000**
Forcepoint (Annual Renewal - EOB ADD in 2015-17)	92,000		**92,000**	97,000		**97,000**
Total:	**437,000**	**341,000**	**778,000**	**476,000**	**376,000**	**852,000**

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
Retaining these licenses and contracts will support:

- The Governor's goal 5 for efficient, effective and accountable government.
- DOL's strategic initiative 8 to implement adaptable technology systems and processes to meet emerging needs of customers, stakeholders, and employees.
- DOL's strategic initiative 11 to protect our systems and customer data from being compromised and prevent fraud by continuously researching and responding to emerging risks and cyber threats.

Performance outcomes:
Performance Outcomes: ***What specific performance outcomes does the agency expect?***

DOL expects each contractor will perform per the requirements in their contract with DOL, such as maintaining equipment on schedule and responding to service requests timely.

Performance Measure Detail: ***What will you measure and what incremental improvement do you expect each fiscal year?***

DOL will continue to measure network availability (vs. outage time) which is expected to remain above 99%.

Other Collateral Connections

Intergovernmental:
DHS, Border Control (including Transportation Security Administration), and the Judiciary will benefit from having the ability to access DOL information with minimal interruption. Law

enforcement agencies and continuity of essential information technology infrastructure services and functions which are critical to law-enforcement requests coming to DOL. Tribal Government and Police will benefit from having the ability to access DOL information in the event of a disaster or network interruption. Other state agencies such as the Washington State Patrol (WSP) and Department of Fish and Wildlife Police (WDFW) which need licensing information, will benefit from having the ability to access DOL's data in event of a disaster or network interruption.

The residents of Washington state and WSP are dependent on DOL's network infrastructure and hardware which is housed at the state data center and throughout the state. If failures were to occur, any communication with these and other state agencies will be impacted which is crucial and detrimental for public safety. Additionally, any system failures will impact the residents of Washington State as they will not be able to obtain, renew, or update their driver licenses. Additionally, WSP and other federal, state, and local law enforcement jurisdictions have a direct connection with DOL. These agencies and local law enforcement jurisdictions verify identification as well as driver's licenses, concealed pistol license inquiries, driver history inquiries, stolen and abandoned vehicles, and vessel inquiries. This connection is critical at all times, especially during an emergency.

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
Yes
Software Licenses and Maintenance - IT Addendum.docx

2019-21 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	FY 2020	FY 2021	FY 2022	FY 2023
Software Licenses and Maintenance	$437,000	$341,000	$476,000	$376,000
Total Cost	**$437,000**	**$341,000**	**$476,000**	**$376,000**

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.

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: M1 - Credit Card Transaction Fees
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

The Department of Licensing requests appropriations to pay for increased credit card costs resulting from increased online vehicle and professional licensing related transactions. Credit card companies charge on average 2.25% of the total transaction amount. (Multiple Funds)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 003 - 1	$1	$1	$1	$1
Fund 024 - 1	$4	$5	$6	$7
Fund 026 - 1	$37	$44	$49	$56
Fund 04E - 1	$13	$13	$13	$13
Fund 06G - 1	$3	$3	$3	$3
Fund 06L - 1	$10	$12	$16	$17
Fund 108 - 1	$999	$1,022	$1,153	$1,629
Fund 108 - 7	$1,250	$1,250	$1,250	$1,250
Fund 15V - 6	$5	$5	$5	$5
Fund 16B - 6	$2	$2	$2	$2
Fund 298 - 6	$1	$1	$1	$1
Total Expenditures	**$2,325**	**$2,358**	**$2,499**	**$2,984**
Biennial Totals		**$4,683**		**$5,483**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$2,325	$2,358	$2,499	$2,984
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
108 - 0597	$1,250	$1,250	$1,250	$1,250
Total	**$1,250**	**$1,250**	**$1,250**	**$1,250**
Biennial Totals		**$2,500**		**$2,500**

Package Description

The Department of Licensing (DOL) requests $4,683,000 for the 2019-21 biennium and $5,483,000 in on-going biennia to cover higher credit card transaction fees resulting from increased online transactions. Online transactions continue to increase as the customer base increases and more services are made available online.

Credit card companies charge DOL an average rate of 2.25% of the customer's 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. Each credit card company charges their own rate and DOL has no control over which credit cards customers use to pay for their transactions.

Background

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

DOL also collects Regional Transit Authority (RTA) motor vehicle excise taxes (MVET) on behalf of Sound Transit in King, Pierce, and 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 online renewals, the number of registered vehicles, and the impact of increased RTA payments following the implementation of the Sound Transit 3 initiative, credit card costs will increase over DOL's appropriation level for the 2019-21 biennium. An appropriation increase is requested to ensure DOL has sufficient spending authority related to RTA credit card costs. This ensures the state receives proper reimbursement for administrative services for RTA activities.

Over the past two years, Washington's population increase has been noted by the state. A June 30, 2017 press release titled "Population growth in Washington remains strong" issued by the Office of Financial Management (OFM) notes:

"Washington's population grew by an estimated 126,600 persons, a 1.76 percent increase over the past year — the largest percentage increase since 2006. As of April 1, 2017, there were

7,310,300 Washington residents, according to annual estimates prepared by the Office of Financial Management.

Migration is once again the primary driver behind Washington's population growth. From 2016 to 2017, net migration (people moving in versus people moving out) to Washington totaled 90,800, up 3,700 from last year. Net migration accounted for 72 percent of the state's population growth this year, with natural increase (births minus deaths) responsible for the other 28 percent (35,800 persons)".

http://www.ofm.wa.gov/pop/april1/ofm_april1_press_release.pdf

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.

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

Based on 2017 actuals, as many as 3.2 million online customers a year could be impacted (2.2 million vehicle transactions, 912,000 driver transactions, and 61,000 professions transactions, see table below).

2017 Vehicle Renewal Counts from DOL Statistics At-A-Glance Brochure	
6,184,372	Total vehicle renewal transactions (page 2)
2,245,939	Vehicle renewal transactions completed online
36%	% of vehicle renewal transactions completed online

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 fee costs. 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 vehicle registrations (tabs). By providing these services online credit card fees are incurred and without this funding, DOL would need to reduce services in other areas or reduce online services. Reducing online services will increase traffic to county auditors and sub-agent offices and upset the customers for the inconvenience to go in person.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity	FY 2016	FY 2017	FY 2018	FY 2019
003-1	A033	$ 3,000	$ 3,000	$ 5,000	$ 5,000
024-1	A033	$ 20,000	$ 20,000	$ 30,000	$ 32,000
026-1	A033	$ 18,000	$ 18,000	$ 57,000	$ 44,000
04E-1	A035	$ 8,000	$ 8,000	$ 22,000	$ 22,000
06G-1	A033	$ 2,000	$ 2,000	$ 5,000	$ 6,000
06L-1	A033	$ 38,000	$ 39,000	$ 58,000	$ 61,000
15V-6	A033	-	-	$ 7,000	$ 7,000
16B-6	A033	-	-	$ 2,000	$ 2,000
108-1	A032	$ 1,778,000	$ 2,979,000	$ 3,032,000	$ 3,940,000
108-7	A032	$ 562,000	$ 877,000	$ 2,180,000	$ 2,310,000
298-6	A033	$ 2,000	$ 2,000	$ 4,000	$ 4,000
	Total	**$ 2,431,000**	**$ 3,948,000**	**$ 5,402,000**	**$ 6,433,000**

A032 - Issuing and Regulating Vehicles and Boats Records

A033 - Professions Licensing, Regulation, and Records Management

A035 - Data Clearing Houses

Detailed assumptions and calculations:

Vehicles

Based on statistics and trends, about 34.5% of customers over the next 4 years are projected to complete vehicle renewal transactions online. This is an increase of 3.5% from what was estimated for the current biennium, resulting in an increase of credit card transactions completed online. There is a credit card fee of 2.25% applied to the amount of the transaction, payable by DOL to credit card companies.

The costs below are based on forecasted transactions, fee amounts, and the forecasted percentage of online transactions.

Vehicle Credit Cards	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	108	EE0	4,031,000	4,155,000	8,186,000	4,185,000	4,762,000	8,947,000
Current Expenditures	2.25%	108	EE0	3,032,000	3,133,000	6,165,000	3,032,000	3,133,000	6,165,000
			Total	999,000	1,022,000	2,021,000	1,153,000	1,629,000	2,782,000

Note: The carry forward process reduced credit card appropriations by $807,000 for 2019-21 which is making this request appear higher than normal.

Regional Transit Authority

The Sound Transit 3 initiative, adopted by voters in November 2016 and implemented in March 2017, has resulted in both higher RTA collections and higher RTA-related credit card fees. Increased credit card costs were estimated using calendar year revenue forecast information

from Sound Transit. The Sound Transit MVET forecasts are CY 2019, $323.5 million; CY 2020, $332.3 million; and CY 2021, $341.6 million. As a proxy for fiscal year estimates, the general formula of (CY1+CY2)/2 = FY2 was applied. DOL used historic transaction data for RTA internet payment option (IPO) collections as a percentage of total RTA collections.

RTA Credit Card Costs	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	108	5L0	3,025,000	3,108,000	6,133,000	3,108,000	3,108,000	6,216,000
Current Expenditures	2.25%	108	5L0	2,245,000	2,245,000	4,490,000	2,245,000	2,245,000	4,490,000
			Total	780,000	863,000	1,643,000	863,000	863,000	1,726,000

DOL requests **$1,250,000 per fiscal year** ongoing to ensure sufficient authority to collect reimbursements are available. Because DOL's relationship to Sound Transit is similar to that of a federal grant where DOL expends first and get reimbursed later. Excess authority will not harm the state, however, insufficient authority will result in the inability by DOL to collect reimbursements due to the state. This amount will help mitigate any increases from the following variables:

- Number of online transactions, (participation rate/quantity)
- Car prices, (value)
- Credit card fee rate changes, (rate) and
- Population changes. (volume)

Business and Professions

Approximately 67% 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 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	003	1B0	6,000	6,000	12,000	6,000	6,000	12,000
Cureent Budget	2.25%	003	1B0	5,000	5,000	10,000	5,000	5,000	10,000
			Total	1,000	1,000	2,000	1,000	1,000	2,000

Engineers	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	024	1E0	33,000	34,000	67,000	35,000	36,000	71,000
Cureent Budget	2.25%	024	1E0	29,000	29,000	58,000	29,000	29,000	58,000
			Total	4,000	5,000	9,000	6,000	7,000	13,000

Real Estate Commission	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	026	1F0	76,000	83,000	159,000	88,000	95,000	183,000
Cureent Budget	2.25%	026	1F0	39,000	39,000	78,000	39,000	39,000	78,000
			Total	37,000	44,000	81,000	49,000	56,000	105,000

Uniform Commercial Code	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	04E	1H0	25,000	25,000	50,000	25,000	25,000	50,000
Cureent Budget	2.25%	04E	1H0	12,000	12,000	24,000	12,000	12,000	24,000
			Total	13,000	13,000	26,000	13,000	13,000	26,000

Real Estate Appraisers	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	06G	1R0	6,000	6,000	12,000	6,000	6,000	12,000
Cureent Budget	2.25%	06G	1R0	3,000	3,000	6,000	3,000	3,000	6,000
			Total	3,000	3,000	6,000	3,000	3,000	6,000

Multple Professions	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	06L	CN0	80,000	82,000	162,000	86,000	87,000	173,000
Cureent Budget	2.25%	06L	CN0	70,000	70,000	140,000	70,000	70,000	140,000
			Total	10,000	12,000	22,000	16,000	17,000	33,000

Funeral & Cemetery (Nonappropriated)	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	15V	970	6,000	6,000	12,000	6,000	6,000	12,000
Cureent Budget	2.25%	15V	970	1,000	1,000	2,000	1,000	1,000	2,000
			Total	5,000	5,000	10,000	5,000	5,000	10,000

Landscape Architects	%	Fund	AI	FY 2020	FY 2021	2019-21 Total	FY 2022	FY 2023	2021-23 Total
Future Transaction Fee Costs	2.25%	16B	973	3,000	3,000	6,000	3,000	3,000	6,000
Cureent Budget	2.25%	16B	973	1,000	1,000	2,000	1,000	1,000	2,000
			Total	2,000	2,000	4,000	2,000	2,000	4,000

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

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

- Funding credit card fees supports the Governor's goal 5 for efficient, effective and accountable government.

Performance outcomes:
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:

- Ability to continue offering vehicle online services without negatively impacting customer needs.
- 37% of vehicle transactions would continue to be completed online (based on FY18).

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

- Significant customer complaints.
- Increased customer traffic to vehicle 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 DOL 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.

Other Collateral Connections

Intergovernmental:
Sound Transit revenue collection. The state collects RTA fees that are used to support local transportation projects. The state is reimbursed for expenses related to DOL's collection of the fees.

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:

N/A

Puget Sound recovery:
N/A

ITS Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

2019-21 Biennium Budget

Decision Package

Agency:	240 - Department of Licensing
Decision Package Code-Title:	M5 - DRIVES Maintenance
Budget Session:	2019-21 Regular
Budget Level:	Maintenance Level
Contact Info:	Justin Leppa (360) 902-3644 jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests additional ongoing funding for vendor provided maintenance and support of the modernized Driver and Vehicle Systems, referred to as DRIVES. The current maintenance budget covers only the Vehicle component (Rollout 1) of DRIVES and with the rollout of the Driver component (Rollout 2) in September 2018, an incremental increase of maintenance costs will be incurred next biennium.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 106 - 1	$562	$562	$702	$702
Fund 108 - 1	$513	$513	$535	$535
Total Expenditures	**$1,075**	**$1,075**	**$1,237**	**$1,237**
Biennial Totals		**$2,150**		**$2,474**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$1,075	$1,075	$1,237	$1,237

Package Description

The Department of Licensing (DOL) requests additional funds to cover the incremental increase for ongoing contracted vendor maintenance and support payments for DRIVES Rollout two (R2) that was completed in September 2018. The legislature has already provided funding for DRIVES Rollout one (R1) maintenance costs. 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 and maintain 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 provides a reliable, commercially supported and maintained enterprise software base that meets 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 state’s investment in COTS solution

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 three 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 installed
- Allowing DOL’s vehicle and driver systems to continuously run the latest version of the software.

<u>Background:</u>

In January 2015, 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 Vehicles component maintenance and support portion of the contract was subsequently funded by the legislature. Contracted services includes level three maintenance and support for the integrated Vehicles and Drivers system following implementation of DRIVES Rollout one (R1) – Vehicles and DRIVES Rollout two (R2) – Drivers. Level three 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.

DRIVES R1, including the Vehicle licensing and initial revenue management portions of the modernization project was completed in December 2016. DRIVES R2, including the Driver licensing and remaining revenue management portions of the system are scheduled for implementation in September 2018 with expected stabilization of the system by December 2018.

Maintenance and support costs began in December 2016. Funding for costs incurred during the 2015-17 biennium is included in the modernization project budget, but were included in the DOL's 2019-21 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.

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

After considerable investigation prior to R1 into what other states have experienced, it was determined that level three maintenance was the only alternative that provided security for DOL’s investment, and the legislature subsequentially provided funding for level three support. 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. This being the best solution, DOL determined that level three is the greatest security for the state’s investment.

The maintenance contract covering the 2019-21 biennium is already signed, and DOL is obligated to pay the contractual amounts.

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.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY 2017	2015-17	FY 2018	FY 2019	2017-19
106	A030	FTE	0	0	**0**	0	0	**0**
		Budget	$0	$0	**$0**	$2,875,000	$2,875,000	**$5,750,000**
Total	**A030**	**FTE**	**0**	**0**	**0**	**0**	**0**	**0**
		Expenditures	**$0**	**$0**	**$0**	**$2,875,000**	**$2,875,000**	**$5,750,000**

Note: This budget only covers R1 maintenance and support costs.

Detailed assumptions and calculations:
The total contracted DRIVES maintenance and support payments for the 2019-21 biennium will be $7,900,000. To date, DOL received $5,750,000 and needs an additional $2,150,000 in order to meet the total payment in the 2019-21 biennium. These costs are ongoing and will continue through the 2021-23 biennium.

The amount for the 2021-23 biennium is estimated at $8,224,000. After the 2021-23 biennium, the cost for the maintenance and support contract will remain constant through the 2023-25 and 2025-27 biennium.

Workforce Assumptions:
No FTE requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
DRIVES system maintenance and support is essential for DOL to complete implementation of strategic initiative 8 “Implement adaptable technologies” and 11 “Protect our systems and customer data from compromise, fraud and cyber threats”. It also aligns with the Governor’s Goal 5 for efficient, effective, and accountable government.

What specific performance outcomes does the agency expect?

Level three 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 6 million card holders throughout the state; and licenses more than 7 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 resolved 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.
- Prioritized system updates for system and data security. For instance, "hot fixes" arc typically available monthly or to address a customer specific issue. These "hot fixes" will mitigate defects often caused when web browser updates are released.
- Access and installation of regular and frequent system enhancements. For instance, "service packs" arc 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.

Performance outcomes:
DOL will monitor the performance of the vendor, the system, and the impacts they have on agency performance. The following Results DOL measures and routine of analysis and action planning for continuous improvement will be used:

- Online Driver customers who say we met or exceeded their ideal expectation (OM2cD)
- Online Vehicle customers who say we met or exceeded their ideal expectation (OM2cV)
- Percent of vendor compliance with contractual performance standards

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.

Other Collateral Connections

Intergovernmental:
N/A

Stakeholder response:
A current and optimal DRIVES system will help prevent local auditors and sub-agents from experiencing system issues. By ensuring the new system is kept up-to-date with internal and external requirements ensures the state's investment is protected. Minimizing system issues benefits the citizens and the state's economy.

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
Yes
Drives Maintenance and Support - IT Addendum

2019-21 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	FY 2020	FY 2021	FY 2022	FY 2023
Maintenance and Support	$1,075,000	$1,075,000	$1,237,000	$1,237,000
Total Cost	**$1,075,000**	**$1,075,000**	**$1,237,000**	**$1,237,000**

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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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: M6 - Ignition Interlock Device Workload
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
(360) 902-3644
jleppa@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests additional expenditure authority from the Ignition Interlock Device Revolving Account to support increased demands on the financial assistance program for low-income individuals. Qualified individuals can receive assistance from the program to subsidize the cost of installing and maintaining an ignition interlock device that complies with legally mandated ignition interlock device restrictions. This will allow participants to have a mode of transportation so they can get to work safely. (14V-1 Ignition Interlock Device Revolving Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 14V - 1	$224	$224	$224	$224
Total Expenditures	**$224**	**$224**	**$224**	**$224**
Biennial Totals		**$448**		**$448**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. N	$224	$224	$224	$224

Package Description

The Department of Licensing (DOL) recommends the provision of additional expenditure authority in the 2019-21 biennium from the Ignition Interlock Device Revolving Account. This funding will provide ongoing support to low-income individuals eligible for assistance from the account, in order to avoid any disruption of the indigent program. Removing financial barriers helps ensure a safety device is used to prevent and reduce individuals from reoffending.

Background:

The Ignition Interlock Device Revolving Account (14V) was established by the 2008 Legislature with the adoption of E2SHB 3254. The account is funded through a monthly assessment on individuals that have an ignition interlock device (IID). People meeting the low-income threshold of RCW 10.101.010 are exempt from the monthly assessment. The account is used to administer and operate the Ignition Interlock Device Revolving Account Program, which provides IID installation and maintenance financial support for those who do meet the low-income threshold.

Current Status:

The program has seen an increase in the number of people that are eligible for financial support from the fund. Most of this increase is attributed to an increase in the volume of state-wide Driving Under the Influence (DUI) arrests, which grew 4.9 percent from CY 16 to CY 17. Although full calendar year data are not available for 2018 DUI arrests, the program has seen the number of individuals applying for and receiving financial assistance increase steadily on a month by month basis. Continued growth is expected as the state's population expands, as well as increased commissioned officer staffing levels for the Washington State Patrol and local law enforcement.

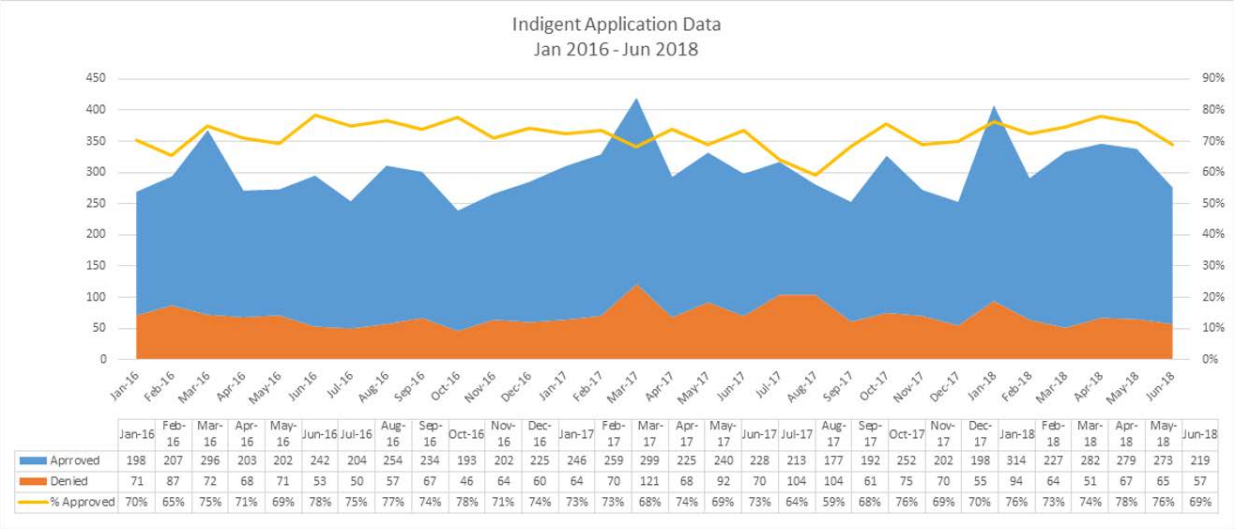
Table 1 illustrates the forecasted growth in the volume of people assisted by the program by fiscal year, based on data through FY 2018.

Table 1

14V Program Support	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
People assisted, avg/month	1,882	2,060	2,131	2,131	2,195	2,195
People assisted, avg/biennium		1,971		2,131		2,195
Percentage change, biennium				8.1%		3.0%

Graph 1 illustrates the level of Indigent Application Data from January 2016 through June 2018.

Graph 1

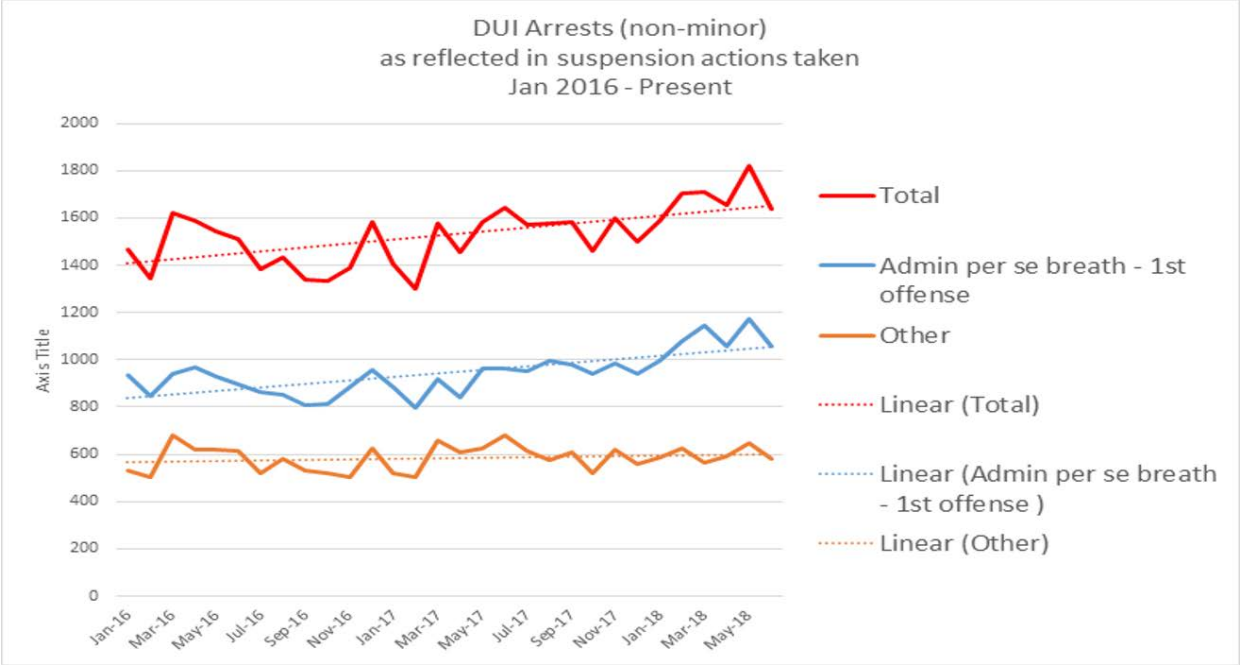


	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Aprroved	198	207	296	203	202	242	204	254	234	193	202	225	246	259	299	225	240	228	213	177	192	252	202	198	314	227	282	279	273	219
Denied	71	87	72	68	71	53	50	57	67	46	64	60	64	70	121	68	92	70	104	104	61	75	70	55	94	64	51	67	65	57
% Approved	70%	65%	75%	71%	69%	78%	75%	77%	74%	78%	71%	74%	73%	73%	68%	74%	69%	73%	64%	59%	68%	76%	69%	70%	76%	73%	74%	78%	76%	69%

In June 2018, 9.7% of all IID installs were for clients with an approved Indigent Application. In addition, 2,149 indigent clients had billable transactions on 2,239 Vehicles.

Graph 2 illustrates DUI Arrests (non-minor) from January 2016 through June 2018. The most common DUI arrest in the state is a first offense based on the results of a breath test taken during a traffic stop. Exceeding the statutory blood alcohol limit while driving results in an administrative driver's suspension, noted in the graph as an "admin per se breath – 1st".

Graph 2



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

The Ignition Interlock Device Revolving Account removes financial barriers to installation of IIDs for low-income individuals, which results in greater compliance with IID restrictions. On average during FY 2018, more than 2,100 people per month received financial assistance from the program. Although the department cannot predict how many of those drivers would have obtained an IID without assistance from the fund, it is reasonable to assume that some portion of that cohort would not install an IID without the financial assistance, and therefore put public safety at risk. The public safety impacts of IIDs have been documented. The Insurance Institute for Highway Safety published an update in March 2018 of its Effects of Washington state's alcohol ignition interlock laws on DUI recidivism study**.** The executive summary presented the following:

Conclusions: In Washington, rates of interlock installations increased as interlock laws were strengthened, and the increase was associated with reductions in recidivism among first DUI

offenders. Washington's experience suggests that states can reduce DUI recidivism by requiring interlock orders for all offenders, allowing offenders to install interlocks in lieu of an administrative driver's license suspension, and closing statutory loopholes that allow plea reductions to convictions without interlock orders.

The summary report is found here:

https://www.iihs.org/news/detail/state-laws-mandating-interlocks-for-all-dui-offenders-save-lives

The full study is found here:

https://www.iihs.org/topics/bibliography/ref/2155

Decision Package Justification and Impacts

The Indigent Ignition Interlock Program hopes to be able to continue subsidizing indigent clients minimally at the current rate to avoid any disruption in service to low income clients.

It has been proven that interlock devices improve public safety by keeping impaired drivers off of the road which helps us move toward our goal of Target Zero. IIDs are also an integral part of rehabilitation efforts by removing barriers for low income clients with restrictions.

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

DOL examined the expected effects of three options:

1. Assume a fixed allocation of dollars available for reimbursement expenditures, maintain the projected monthly expenditure per eligible individual.

Option 1 reduces the number of eligible people that could receive reimbursement support from the fund. Although otherwise eligible low-income individuals that would be excluded could still self-pay to maintain compliance with their IID restrictions, the department does not know how many would be unable to do so without financial support from the fund. To the extent that they do not maintain an IID in their vehicle, they present a safety risk to themselves and the public.

1. Assume a fixed allocation of dollars available for reimbursement expenditures, maintain the projected monthly volume of eligible individuals.

Option 2 reduces the average monthly rate of reimbursement available. Any shortfall would have to be made up by the low-income individual having the IID installed and maintained. Over the course of a typical 12 month IID restriction this amounts to more than $100. In a similar manner to option 1, some people may not be in a financial position to manage that expense. To the extent that they could not, public safety is also put at risk.

1. Assuming both the projected volumes and reimbursements, request additional expenditure authority from the Ignition Interlock Device Revolving Account.

Option 3 was chosen as the preferred alternative because anticipated volumes and reimbursement rates are maintained, therefore minimizing risks to public safety.

What are the consequences of not funding this request?

Not funding the request will result in either a reduction in the number of people supported with full reimbursements, or in a reduction in the amount of monthly reimbursements provided on their behalf. To the extent that otherwise qualified low-income individuals do not install and maintain an IID using their personal resources, their safety and that of the public are put at unnecessary risk.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
14V	A031	FTE	1.5	1.5	1.5	1.5
		Expenditures	$2,307,454	$2,317,017	$2,222,693	$2,025,614
Total		FTE	1.5	1.5	1.5	1.5
		Expenditures	$2,307,454	$2,317,017	$2,222,693	$2,025,614

$2,630,500 is the expected annual CFL level for Fund 14V in the FY19-21 biennium. Of this amount, $2,000,487 per year will be available for direct financial assistance to cover the installation, maintenance, and removal costs of IIDs for qualified low-income individuals.

Detailed assumptions and calculations:

DOL reimburses IID installers following verification that a client meets the low-income threshold as defined in RCW 10.101.010. Reimbursable expenses include device installation, maintenance, transfers and removal. Table 2 illustrates by fiscal year and month the department's actual reimbursements, the number of individuals for whom a reimbursement was made, and the average cost per recipient per month. The latter can vary as the mix of reimbursable components changes; for example, a month with more installation costs relative to ongoing maintenance costs can have a higher cost per month than a month with relatively fewer installations.

Table 2

	Fiscal Year 2016											
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
IID Reimbursement	$150,322	$156,780	$157,269	$152,408	$146,896	$150,403	$153,582	$153,878	$158,503	$155,578	$158,555	$157,679
Recipients	1,850	1,871	1,863	1,851	1,838	1,859	1,876	1,879	1,933	1,932	1,914	1,923
Average cost/month	$81.26	$83.79	$84.42	$82.34	$79.92	$80.91	$81.87	$81.89	$82.00	$80.53	$82.84	$82.00
	Fiscal Year 2017											
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
IID Reimbursement	$159,181	$171,237	$168,008	$176,176	$175,730	$175,583	$176,083	$173,408	$191,277	$183,206	$185,265	$183,955
Recipients	1,945	1,994	1,988	2,050	2,062	2,040	2,048	2,043	2,159	2,120	2,142	2,126
Average cost/month	$81.84	$85.88	$84.51	$85.94	$85.22	$86.07	$85.98	$84.88	$88.60	$86.42	$86.49	$86.53
	Fiscal Year 2018											
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
IID Reimbursement	$181,632	$180,307	$181,911	$179,435	$179,339	$173,777	$177,673	$171,220	$184,851	$178,239	$186,663	$179,925
Recipients	2,100	2,094	2,130	2,113	2,121	2,095	2,134	2,077	2,188	2,167	2,222	2,131
Average cost/month	$86.49	$86.11	$85.40	$84.92	$84.55	$82.95	$83.26	$82.44	$84.48	$82.25	$84.01	$84.45
	Fiscal Year 2019											
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
IID Reimbursement	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963	$179,963
Recipients	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131
Average cost/month	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45
	Fiscal Year 2020											
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
IID Reimbursement	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368
Recipients	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195
Average cost/month	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45
	Fiscal Year 2021											
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
IID Reimbursement	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368	$185,368
Recipients	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195	2,195
Average cost/month	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45	$84.45

Projections for the FY 2019-21 biennium represent an average of the previous 12 months that include actual data. Actual data are currently available through May 2018. The 2019-21 biennium includes a 3 percent increase in volume. This increase has been included in the adopted June 2018 revenue forecast. DOL's request is based on an average expected monthly reimbursement of $185,368, which will cover the costs for an average of 2,195 low-income individuals per month at an average reimbursement rate of $84.45 per individual per month.

$2,224,413	Estimated FY 2020 reimbursement expenditures at $84.45 x 2,195 x 12
$2,224,413	Estimated FY 2021 reimbursement expenditures at $84.45 x 2,195 x 12
$4,448,826	Total estimated FY 2019-21 reimbursement expenditures
$4,000,974	FY 2019-21 appropriation base for reimbursements
$447,852	FY 2019-21 biennial budget request for additional expenditure authority

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:
IIDs reduce impaired driving, which is one of the top three causes of fatal crashes. Therefore this funding contributes to the Governor's Goal 4 measure and target for zero traffic fatalities and injuries by 2030. It also contributes to DOL's strategic initiative 13 to reduce traffic fatalities and serious injuries.

Performance Outcomes:

Timely reimbursement to IID vendors of IID installation, maintenance, and removal costs for up to 2,195 qualified low-income individuals per month.

The Indigent Ignition Interlock Program hopes to be able to continue subsidizing indigent clients minimally at the current rate to avoid any disruption in service to low income clients.

It has been proven that interlock devices improve public safety by keeping impaired drivers off of the road which helps us move toward our goal of Target Zero. IIDs are also an integral part of rehabilitation efforts by removing barriers for low income clients with restrictions.

Performance outcomes:
Performance Outcomes: *What specific performance outcomes does the agency expect?*

1. Increased compliance by drivers sanctioned to use an ignition interlock device (IID) will reduce impaired driving and the risk such drivers pose to themselves and others on the road.

2. Timely reimbursement to IID vendors of IID installation, maintenance, and removal costs for up to 2,195 qualified low-income individuals per month.

Performance Measure Detail: *What will you measure and what incremental improvement do you expect each fiscal year?*

DOL will continue timely reimbursements, up to funding level authorized. This process produces records and will not benefit from performance measurement.

Other Collateral Connections

Intergovernmental:
Primarily Washington State Patrol (WSP) Impaired Driving Program but may also have positive impacts for Department of Social Health Services (DSHS) in aiding indigent clients to get back on their feet.

Washington's experience suggests that states can reduce DUI recidivism by requiring interlock orders for all offenders, allowing offenders to install interlocks in lieu of an administrative driver's license suspension, and closing statutory loopholes that allow plea reductions to convictions without interlock orders. Additionally, it creates safer roads in Washington by requiring the driver to be completely sober in order to start their vehicle, resulting in fewer

incidences of DUI. In order for this to be successful the program needs to be accessible to individuals of all income brackets.

The Indigent Ignition Interlock Program removes barriers for those who would not otherwise be able to afford the device. This allows these indigent individuals to get to and from work, transport their children and to get to treatment facilities if needed, while complying with their restrictions.

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

Reference Documents

- Ignition Interlock Device Workload - 2019 DP Template 9-13 Addendum A.docx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

Ignition Interlock Device Revolving Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 09/10/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 3,085.0	$ 4,765.6	$ 5,209.4
Revenue (June 2018)			
Driver License Fees	7,508.7	6,820.8	6,820.8
Estimated Interest Earnings			
Total Revenues	$ 7,508.7	$ 6,820.8	$ 6,820.8
Expenditures			
Washington State Patrol	-	510.0	519.3
Department of Licensing	5,157.0	5,160.0	5,254.4
DOL Maintenance Level 2019 Supplemental	671.1		
DOL Policy Level 2019 Supplemental	-		
DOL Maintenance Level 2019-21 Budget Request		623.0	459.0
DOL Policy Level 2019-21 Budget Request		84.0	68.0
Total Expenditures	$ 5,828.1	$ 6,377.0	$ 6,300.8
Ending Fund Balance (Excluding Capital Reserve)	$ 4,765.6	$ 5,209.4	$ 5,729.4
Recommended Working Capital Reserve	$ 485.7	$ 531.4	$ 525.1

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: M7 - Abandoned RV Disposal Reimbursement
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

The Department of Licensing requests expenditure authority to cover reimbursement expenses related to implementation of SSB 6437, as adopted during the 2018 Legislative Session. This bill enables the department to provide reimbursements for costs associated with abandoned recreational vehicle disposal when the costs are incurred by registered tow truck operators or other authorized entities. (22J-1 Abandoned RV Disposal Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 22J - 1	$1,250	$1,400	$1,400	$1,400
Total Expenditures	**$1,250**	**$1,400**	**$1,400**	**$1,400**
Biennial Totals		**$2,650**		**$2,800**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. N	$1,250	$1,400	$1,400	$1,400

Package Description

The Department of Licensing (DOL) requests additional expenditure authority for the 2019-21 biennium and on-going from fund 22J to support the reimbursements authorized in SSB 6437 based on the adopted June 2018 revenue forecast. This request creates the capacity to reimburse, but doesn't necessarily mean that the entire appropriation would be used. Usage will be dependent upon the eligibility requirements, quantity of requests and actual fund balance. Unused authority would remain within the fund's balance.

In addition, DOL also submitted a request of $140,000 in FY 2019 supplemental budget request to cover expected reimbursement requests that will be eligible for action following the May 1, 2019 implementation date of the bill.

Background:

SSB 6437, adopted during the 2018 Legislative session, authorizes the DOL to provide reimbursements to registered tow truck operators (RTTOs), vehicle wreckers, scrap metal businesses, or scrap processors of up to 100% of eligible costs for the transport, storage, dismantling, and disposal of abandoned recreational vehicles (RVs) from public property. The total amount of the allowable cost reimbursement is limited to no more than $10,000 per RV. The effective date of the bill is May 1, 2019.

Reimbursements will be made from an appropriated account created within the bill. A $6 dollar fee will be assessed on each RV registration application that is due on or after May 1, 2019, and deposited in the new Abandoned Recreational Vehicle Disposal Account (fund 22J).

Current status:

Based on DOL's fiscal note for SSB 6437, the department has funding in the current 2017-19 budget for information systems modification costs, and for program support in FY 2019. The department's 2019-21 Carry Forward Level budget for fund 22J of $260,000 will support program staffing costs, but does not include capacity for the reimbursements authorized in the bill. The fiscal note was indeterminate for reimbursable costs due to the limited amount of information available at the time of its development.

The fiscal note included information that 1,042 abandoned vehicle reports were filed in 2017 for campers, motor homes, and travel trailers. It is still unknown how many would be eligible for cost reimbursement due to the public property requirement, and the requirement that a reasonable search be made for the last owner of record. However, appropriation authority from fund 22J is required to provide the capacity to make reimbursements of any kind possible.

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

DOL expects to assist with meeting the legislative intent of SSB 6437, which is outlined below:

SSB 6437 Sec. 1. The legislature finds that:

(1) Registered tow truck operators have continuing problems involving the disposal of recreational vehicles that have been impounded and abandoned pursuant to chapter 46.55 RCW;

(2) Traditional methods of disposal are no longer adequate to meet the increasing problem of abandoned recreational vehicles in Washington State;

(3) Abandoned recreational vehicles continue to be a hazard to the health and safety of citizens, business owners, and the environment; and

(4) Adequate funding is necessary to resolve the problem of abandoned recreational vehicles in a manner that is environmentally friendly and economically sound so that registered tow truck operators may be successful in their duties of public impounding, transporting, and storing unauthorized vehicles.

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

None. The management of abandoned RVs through the provisions of SSB 6437 are new. DOL does not have any alternatives available for reimbursing authorized expenses.

What are the consequences of not funding this request?

If not funded, DOL will have the programmatic capacity to manage requests for abandoned RV cost reimbursements, but will not have the necessary appropriation authority to actually reimburse otherwise qualified individuals or businesses for costs incurred.

Other supporting materials:

The link below provides background information and results of the Abandoned Recreational Vehicle Work Group. The group completed its initial work prior to the 2018 Legislative session, and will be consulted as the department completes work on rules development as part of the implementation of SSB 6437.

https://www.dol.wa.gov/about/docs/abandoned-rv-work-group-report.pdf

Assumptions and Calculations

Expansion or alteration of a current program or service:
The expenditures listed below from fund 22J are included in DOL's expected 2019-21 Carry Forward Level budget.

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
22J	A032	FTE	0.0	0.0	0.0	1.0
		Expenditures	0	0	0	$102,200
Total		FTE	0.0	0.0	0.0	1.0
		Expenditures	0	0	0	$102,200

Detailed assumptions and calculations:
Reimbursable expenditures will be constrained by the $10,000 cap per RV, and the available revenue deposited in the Abandoned RV Disposal Account. Assuming that most if not all requests will be at $10,000, DOL expects to have available funding capacity in fund 22J to support 125 such reimbursements in FY 2020, and 140 requests in FY 2021 and ongoing. To the extent that reimbursable requests come in lower than the $10,000, DOL would be able to reimburse for mitigation expenses of additional abandoned RVs.

Table 1 (dollars in thousands) illustrates the projected status of fund 22J, the Abandoned RV Disposal Account. The adopted June 2018 revenue forecast projects that $375,200 will be deposited in FY 2019 following implementation. This projection includes an assumption that the department will request $140,000 in the FY 2019 supplemental budget to initiate reimbursements in the current biennium. DOL's current biennium 2017-19 appropriation is

$172,000. Using future biennia revenue and expenditure projections, the fund is well situated to support the expected reimbursement costs associated with abandoned RV disposal.

TABLE 1

Abandoned Recreational Vehicle Disposal Account
Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/30/18

	2017 - 19	2019 - 21	2021 - 23	2023 -25	2025 - 27
Beginning Fund Balance	$ -	$ 63.2	$ 249.8	$ 309.7	$ 402.6
Revenue (June 2018)					
Abandoned RV Disposal Fee	375.2	3,096.6	3,119.9	3,152.9	3,189.4
Estimated Interest Earnings					
Total Revenues	$ 375.2	$ 3,096.6	$ 3,119.9	$ 3,152.9	$ 3,189.4
Expenditures					
DOL Expenditures	172.0	260.0	260.0	$ 260.00	$ 260.00
DOL 2019 2nd Supplemental Request	140.0	-	-		
DOL 2019-21 Budget Request		2,650.0	2,800.0	$ 2,800.00	$ 2,800.00
Total Expenditures	$ 312.0	$ 2,910.0	$ 3,060.0	$ 3,060.0	$ 3,060.0
Ending Fund Balance (Excluding Capital Reserve)	$ 63.2	$ 249.8	$ 309.7	$ 402.6	$ 532.0
Recommended Working Capital Reserve	$ 26.0	$ 242.5	$ 255.0	$ 255.0	$ 255.0

(In thousands)

Workforce Assumptions:
No FTE or agency overhead requests are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

- Reimbursing the expense of RV disposal to business owners supports the Governor's Goal 2 for a prosperous economy, sub-topic of business vitality.
- Responsible RV disposal supports the Governor's Goal 3 for a clean environment.
- Timely reimbursement to requestors supports DOL's strategic vision of providing the highest level of service.

What specific performance outcomes does the agency expect?

- DOL will set a performance target for timely review and disposition of each request after rules and procedures are established.
- DOL program will keep timely and accurate accounting records of fund 22J activity and balance.

Performance outcomes:

Measure	FY19 baseline	FY20 target	FY21 target	FY22 target	FY23 target
% timely review & disposition of reimbursement requests	n/a	80%	95%	95%	95%

Other Collateral Connections

Intergovernmental:
DOL was required to convene a work group in 2017, in consultation with the Department of Ecology, to develop a plan for abandoned RVs. The work group will be consulted during rules development.

Under the provisions of SB 5096, adopted during the 2017 Legislative session, DOL, in consultation with the Department of Ecology, was required to convene a work group that includes RTTOs, hulk haulers, representatives from county solid waste facilities, and the recycling community to develop a sustainable plan for the collection and disposal of abandoned RVs. Results of the work group were incorporated in SSB 6437. The bill requires the department to consult with the work group during development of rules that will guide implementation of the bill.

Stakeholder response:
DOL was required to convene a work group in 2017 to develop a plan for abandoned RVs. The group includes county solid waste facilities. The work group will be consulted during rules development.

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: M8 - Public Disclosure Workload Increase
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

Department of Licensing requests funding to add additional Public Disclosure Analysts to intake and process public records requests. The volume of requests received by the Public Disclosure Unit has more than doubled since 2016, without an increase in staffing during that period.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$2	$2	$2	$2
Fund 003 - 1	$1	$1	$1	$1
Fund 024 - 1	$3	$3	$3	$3
Fund 026 - 1	$9	$9	$9	$9
Fund 04E - 1	$2	$2	$2	$2
Fund 06G - 1	$1	$1	$1	$1
Fund 06L - 1	$17	$16	$16	$16
Fund 082 - 1	$2	$2	$2	$2
Fund 106 - 1	$162	$149	$149	$149
Fund 108 - 1	$54	$51	$51	$51
Fund 14V - 1	$2	$2	$2	$2
Fund 15V - 6	$1	$1	$1	$1
Fund 201 - 1	$3	$2	$2	$2
Total Expenditures	**$259**	**$241**	**$241**	**$241**

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Biennial Totals		**$500**		**$482**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	2.4	2.4	2.4	2.4
Average Annual		**2.4**		**2.4**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$151	$149	$149	$149
Obj. B	$58	$57	$57	$57
Obj. E	$34	$34	$34	$34
Obj. J	$16	$1	$1	$1

Package Description

The Department of Licensing (DOL) received 901 Public Records Requests (PRR) in calendar year 2016. The number of requests increased to 1,708 in calendar year 2017. From January to June 2018 alone, DOL has received 1,317 requests inform. Those requests were handled by two Public Disclosure Coordinators, with oversight from a WMS supervisor. The staffing has not changed in the Public Disclosure Unit (PDU) and the increased workload has created increased wait times for people wishing to receive records. The requested funding would add 2.1 FTEs to the Public Disclosure Unit. This would not only reduce backlogs and wait time but would also reduce the liability associated with mistakes made under the Public Records Act (PRA).

Note: This request will support an indirect program. The indirect programs at DOL are cost allocated according to the agency's funding portfolio.

Background:

Public Records Requests (PRR) are subject to strict handling requirements under Washington's Public Records Act, RCW 42.56 et.seq. and DOL WAC Chapter 308-10. Failing to comply with any of these requirements is likely to result in litigation and financial penalties, and may also bring increased scrutiny from the media and the public. DOL has proactively managed this risk by centralizing the responses to PRRs to a specialized unit. PDU is tasked with maintaining agency Public Records Act (PRA) compliance through great customer service, advanced knowledge of the best practices for records disclosure, and maintaining accurate data about all PRRs received by DOL.

In 2014, PDU was empowered by DOL policy (Policy 1.7.2) to respond to all PRRs. This policy change allowed for a consistent and uniform approach to ensure all PRRs are handled to best practice standards for record disclosure. Prior to this policy, each business unit responded independently to requests for their unit's records as a small part of staff duties. After

centralization, PDU developed a network of “disclosure designees” across the agency. Those designees are tasked with identifying and locating records within their unit or section, and then providing the records to PDU. PDU staff then review each record to confirm responsiveness, redact information as allowed by law, and provide the records to the requester. PDU staff handle all correspondence with records requesters. PDU staff also retains all documentation related to PRRs and feeds data into a tracking system to allow for reporting on the unit’s activities. PDU seeks advice from an Assistant Attorney General (AAG) who specializes in the PRA on an as-needed basis. This change increased overall workload to PDU.

Between 2014 and 2016 PDU staff focused exclusively on processing the public records requests properly identified and sent to them (primarily through the PDU email group box) and tracking them in DOL’s SharePoint system. Request volumes ranged between 45 and 85 received per month, with occasional spikes that exceed 100 per month. These volumes did not include requests received by programs that were not generally recognized as subject to the PRA. PDU’s staffing level was initially adequate to meet the workload of known PRRs, but since 2016 the spectrum of requests routed through PDU has expanded as their expertise and the requirements of Policy 1.7.2 became more broadly accepted and new technology required new thinking about management of data, records, and sensitive information.

Decision Package Justification and Impacts:

DOL is strongly committed to serving public safety and consumer protection. The work of the Public Disclosure Unit supports DOL’s mission of providing great customer service and helping every Washingtonian make informed decisions about their daily decisions. Citizens who request public records from DOL may be gathering information to make an informed decision about where to buy a used car, where to go for a safe, sanitary pedicure. A person might request records to help them serve legal papers or to determine the status of a driver’s license. They might be requesting records that are needed to defend themselves in court. The reasons for requesting records are as varied as the requests themselves but each requester has the right to timely, accurate responses from DOL. Inadequate staffing in PDU has made maintaining consistent service quality increasingly difficult.

Reduced quality of service is a result of longer process times, delayed installments on large requests, and more extension notices to requesters already skeptical of government transparency. Provisions of RCW 42.56 and WAC 308-10 provide strict requirements for acknowledgement within 5 days, communications with the requester, and documentation of virtually all aspects of agency handling of PRRs. Non-compliance with any of these requirements, combined with frustration of the requester will almost certainly result in litigation and penalties paid to the requesters and their attorneys.

By adding 2.1 FTEs to this unit, requesters will receive prompt, consistent responses and be in receipt of their records much more quickly. These additional staff will also allow PDU to double check records before they are released. This quality assurance measure will reduce the possibility that sensitive, protected information would be inadvertently released. While it is the mission of PDU to provide all responsive records to each request, it is also critical to protect the

privacy of each Washingtonian who is licensed with DOL. An inadvertent data release could result in expensive litigation.

The impacts of this change will be to:

1. Reduce litigation and Public Records Act (PRA) penalty risk by improving the service provided to those requesting public records. Since litigation and penalties are often tied to the requester's perception of agency good faith and competency, reducing response times, extensions, and the need for installments will improve those subjective measures.
2. Increase the accuracy and consistency of data reported to Joint Legislative Audit and Review Committee (JLARC), and allow for more analysis of requests to identify risks, improve processes, and measure performance.
3. Increase employee engagement and reduce attrition in critical public records positions, allowing PDU staff to receive needed training, grow professionally, and enhance the public's perception of the agency as an ethical and competent steward of records and data.
4. Reduce response times and legal risk associated with mishandled discovery requests from opposing counsel or the Attorney General's Office.

Link to the JLARC reporting guidance document: http://leg.wa.gov/jlarc/Documents/PubRecordsAdmin/AgencyGuidance.pdf

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

Not adding staff was explored, and at the volumes they are currently handling is not sustainable. Customer service standards (critical for statutory compliance) cannot be met while operating with the increased workload. It has strained DOL processes for obtaining Attorney General Office (AGO) client advice and executive reviews, and made mandatory training and critical skills development extremely difficult. Given the dependency on direct communications between staff and the requester, leveraging additional technology will not increase capacity of staff or result in meaningful improvement to customer satisfaction.

Temporary staffing has been utilized to manage extraordinary spikes in activity, but with limited success; these analyst positions require specialized knowledge and skills which take time to develop. Temporary reassignment of employees from other areas of the agency requires significant time and effort of existing staff to train and oversee their work, and limits their ability contribute – resulting in little or no net impact on the workload. Recruiting for these positions would be targeted at candidates with solid credentials in PRA compliance, managing difficult conversations, and disclosure best practices.

What are the consequences of not funding this request?

1. Increased extensions, installments, and backlogged responses will result in longer overall response times to requesters.

2. Increased risk of litigation and PRA penalties due to eroding services provided to those requesting public records. Since litigation and penalties are often tied to the requester's perception of agency good faith and competency, increased response times, extensions, and the need for installments will increase financial and reputational costs.
3. Inconsistent or incomplete data reported to JLARC as data entry on individual requests is de-prioritized, and hampered ability to identify risks, improve processes, and measure performance.
4. Decreased employee engagement and increased attrition in critical public records positions, as PDU staff receives minimum training and is unable to positively influence the public's perception of the agency as an ethical and competent steward of records and data.
5. Discovery requests will continue to divert staff resources away from PRRs, further impacting extensions, installments, and backlogged responses.

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

By properly staffing PDU, requesters will see improved customer service and reduced wait times when receiving records. In instances where PRA litigation has occurred, penalties are often tied to the requester's perception of agency good faith and competency. By reducing response times, requesting fewer due date extensions, and providing more records in fewer installments, risk is reduced and public trust and credibility are improved.

Assumptions and Calculations

Expansion or alteration of a current program or service:

DOL currently has 3.0 FTE's in PDU's base budget, including two Management Analysts 3 (MA3) who process all PRRs and one WMS2 supervisor.

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
01*	A030	FTE	.04	.04	.04	.04
		Expenditures	619	2,455	2,068	2,798
003	A030	FTE	.01	.01	.01	.01
		Expenditures	791	725	780	1,047
024	A030	FTE	.03	.03	.03	.03
		Expenditures	5,618	6,146	2,848	3,848
026	A030	FTE	.11	.11	.11	.11
		Expenditures	15,139	13,867	9,048	12,241
04E	A030	FTE	.02	.02	.02	.02
		Expenditures	7,852	7,194	2,068	2,798
06G	A030	FTE	.02	.02	.02	.02
		Expenditures	2227	2041	1,552	2,096
06L	A030	FTE	.18	.18	.18	.18
		Expenditures	29,504	26,777	15,768	21,323

082	A030	FTE	.04	.04	.04	.04
		Expenditures	6,624	5,848	3,100	4,192
104	A030	FTE	.01	.01	.01	.01
		Expenditures	7,132	6,642	516	697
106	A030	FTE	1.71	1.71	1.71	1.71
		Expenditures	81,100	80,200	149,052	201,663
108	A030	FTE	.72	.72	.72	.72
		Expenditures	43,392	39,804	62,280	84,233
14V	A030	FTE	.04	.04	.04	.04
		Expenditures	1,587	4,967	3,364	4,542
15V	A030	FTE	.02	.02	.02	.02
		Expenditures	937	858	1,296	1,756
16B	A030	FTE	0.00	0.00	0.00	0.00
		Expenditures	305	280	264	353
16M	A030	FTE	0.00	0.00	0.00	0.00
		Expenditures	100	92	264	353
201	A030	FTE	0.04	0.04	0.04	0.04
		Expenditures	4391	4206	3,616	4,894
298	A030	FTE	0.00	0.00	0.00	0.00
		Expenditures	741	679	516	666
Total		FTE	3.0	3.0	3.0	3.0
		Expenditures	208,059	202,781	258,400	349,500

Detailed assumptions and calculations:

The volume of requests processed by PDU has more than doubled since 2016, without an increase in staffing since its creation in 2014. Compared with the 109 monthly PRRs received in FY2017, DOL projects a monthly average of 224 PRRs in the 2019-21 and 2021-23 biennia.

	FY2017 (Baseline)	2017-19 Projected	2019-21 Projected	2021-23 Projected
Total requests received	1,305	4,827	5,377	5,385
Monthly Average	109	201	224	224
% Increase from FY 2017 Average		85%	106%	106%
Existing FTE's	2.0	2.0	2.0	2.0
Total FTE's Needed	2.0	3.7	4.1	4.1

The steady increase in PRRs has been across the board and no single type of record, requester, or business unit has seen a greater increase in activity than others; There are, however, factors to consider moving forward:

- Handling of requests previously handled by other units, such as data and lists provided to customers and business stakeholders. Those units do not have FTEs assigned to PRR compliance, but occasionally released those records when requested.
- Increased public scrutiny of DOL generally, driven by Real ID, immigration policies, privacy and other politically sensitive issues.
- Recent process changes outside of PDU, including Business Technology Modernization (BTM) projects and centralized responsibility for handling legal discovery requests.

Recent legislative actions have also impacted the PDU workload. In 2017, the Legislature passed ESHB 1594 and 1595, which require DOL to;

- Track and report on 16 records management and disclosure compliance metrics. [see RCW 40.14.026 (5)]. These metrics must be provided to the Joint Legislative Audit and Review Committee (JLARC) annually, no later than July 1st. This has increased the amount of time and documentation required for each request as staff gathers and inputs newly required information, and requires staff time to assemble and prepare the required input for the JLARC reporting system.
- Separate handling of requests for customized data services from simple requests to specialized reports and data, adding the ability to charge the requester for these services (see RCW 42.56.120). This has made handling more complex, and required more coordination with Accounting, Research & Analysis, and Information Services staff. It has also added a new compliance element and legal risk as requestors can now challenge or appeal the use of analytical services and fees associated with them. These appeals will involve a new process for internal review and resolution (see WAC 308-10-055).

In addition, PDU is asked to support the AGO and Risk Manager on legal discovery activities, activities that involve the same search and production capabilities required for PRRs as needed. This often involves time-consuming email searches though a statewide e-discovery tool (Discovery Accelerator). This is an entirely new set of duties, to be added on top of the existing tasks and responsibilities. The process of identifying and locating records for legal discovery often mirrors the PRR process, so PDU staffs' skills are well aligned to serve DOL in this new area. However, this is an increase in workload for an already overburdened unit.

Workforce Assumptions:

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Management Analyst 3	$ 5,307	2.1	2.1	2.1	2.1
Total Direct FTEs (Round 10)		**2.1**	**2.1**	**2.1**	**2.1**

Object A - Salaries		2020	2021	2022	2023
Management Analyst 3	5,307	$ 133,736	$ 133,736	$ 133,736	$ 133,736
Total Object A - Employee Salaries (Round 100)		**$ 133,700**	**$ 133,700**	**$ 133,700**	**$ 133,700**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Management Analyst 3		$ 51,395	$ 51,395	$ 51,395	$ 51,395
Total Object B - Employee Benefits (Round 100)		**$ 51,400**	**$ 51,400**	**$ 51,400**	**$ 51,400**

Indirect MSS Object A - Salaries		2020	2021	2022	2023
Fiscal Technician 2	38,988	$ 8,600	$ 8,100	$ 8,100	$ 8,100
Indirect MSS Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Fiscal Technician 2		$ 4,300	$ 4,000	$ 4,000	$ 4,000

Indirect ISD Object A - Salaries		2020	2021	2022	2023
IT Specialist 4	81,516	$ 8,200	$ 7,100	$ 7,100	$ 7,100
Indirect ISD Object B - Benefits		**2020**	**2021**	**2022**	**2023**
IT Specialist 4		$ 2,800	$ 2,400	$ 2,400	$ 2,400

Strategic and Performance Outcomes

Strategic framework:

Preventing growth in PRR cycle/completion times and the PRR backlog supports the Governor's Goal 5 for efficient, effective, and accountable government.

Staffing the PDU at levels that match the projected PRR rates supports DOL's strategic vision to improve our management practices for prioritizing work and effectively using resources.

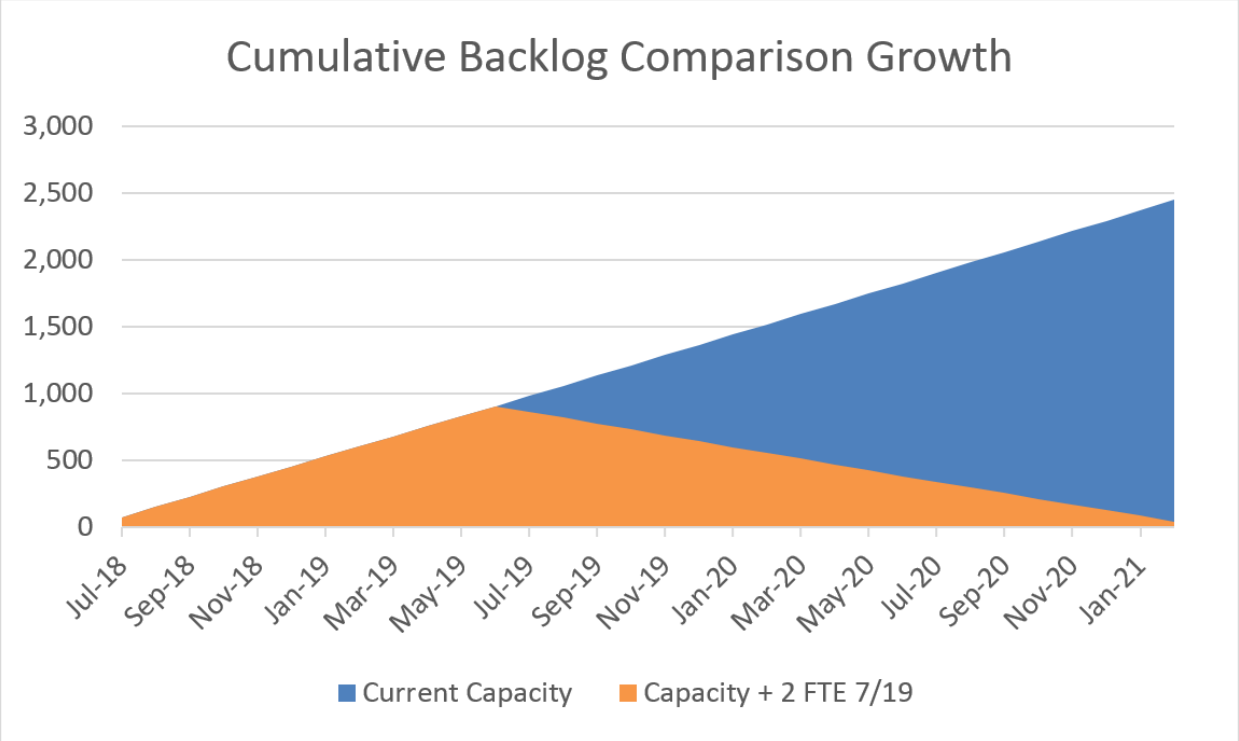
Finally, ensuring adequate resources are applied to this critical process allows for more effective performance measurement of disclosure practices, consistent with recent legislation aimed at statewide improvements in PRA compliance and reporting.

Performance outcomes:
Increasing the PDU Staffing to match projected PRR volume will:

- Maintain current service levels for time required to process and complete PRRs.
- Prevent an increase in the number of PRR extensions to response due dates.
- Prevent the growth of or resolve any potential PRR backlog.

If this request is not funded, in order for DOL to stay in compliance with PRA obligations, funding would need to be taken from another program area thus impacting that program's ability to provide timely service.

Performance Measure detail:



Public Records Backlog

Baseline – FY18	FY19	FY20	FY21	FY22	FY23
0	907	382	0	0	0

Other Collateral Connections

Intergovernmental:
PDU processes requests from counties, regional entities, local governments, and other state agencies for data in support of public safety policy and analysis; this proposal will improve the timeliness of responsive data.

PDU's ability to broadly search the agency's vaulted emails and other content and skillfully document search criteria serves the agency in ways other than PRA compliance, including:

- Research assistance to the Governor's Office, the AGO, media, or the legislature
- Assisting HR and supervisors with workplace investigations

Stakeholder response:
N/A

Legal or administrative mandates:
JLARC reporting requirement, PRA metrics due annually 7/1. PDU is often asked to assist with agency responses to discovery requests – requests for evidence under court rules (Request for Proposals, subpoenas, or subpoenas duces tecum). Since providing records, data and information in response to a court-sanctioned request is functionally the same as a PRR, this effectively increases PDU's workload. This proposal will allow full and effective compliance with PRA requirements, including new reporting to the legislature on PRA and records management (RCW 40.14) compliance and the revised fee collection provision under RCW 42.56.120. In addition, this proposal will allow PDU to provide full and coordinated support to legal defense activities, public policy research, HR investigations, and monitoring the impacts of agency decisions on public opinion and customer service.

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
This will require reconfiguration of an existing facility to co-locate new staff with the PDU team.

Puget Sound recovery:
N/A

ITS Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: M9 - Unlicensed Limousine Activity
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

Department of Licensing requests funds for increased costs associated with regulation and enforcement of limousine unlicensed activity across the state. The Limousine program has minimal travel funds to investigate unlicensed activity that delays and limits enforcement. Funding will help protect legal businesses and improve public safety by ensuring licensed and inspected vehicles are being used. (17W Limousine Carriers Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 17W - 1	$58	$55	$55	$55
Total Expenditures	**$58**	**$55**	**$55**	**$55**
Biennial Totals		**$113**		**$110**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.3	0.3	0.3	0.3
Average Annual		**0.3**		**0.3**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$19	$19	$19	$19
Obj. B	$7	$7	$7	$7
Obj. E	$5	$4	$4	$4
Obj. G	$25	$25	$25	$25
Obj. J	$2	$0	$0	$0

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
106 - 0253	$6	$6	$6	$6
Total	**$6**	**$6**	**$6**	**$6**
Biennial Totals		**$12**		**$12**

Package Description

Summary

Department of Licensing (DOL) requests $57,500 for FY 2020 and $55,200 ongoing from the Limousine Carriers Account 17W. This will pay for increased staff and travel expenses related to regulation and enforcement expenses associated with unlicensed or improper limousine activity requiring active fieldwork and/or discreet observation by multiple investigators.

The Limousine Carriers Account 17W account collect fees from civil infractions and violations. Funds are to be used only for regulation and enforcement. As of July 2018, there is a fund balance of $91,865 in the state treasury 17W fund and expected to grow. Workload has increased to the point additional resources are required.

DOL receives reports of improper or unlicensed limousine service activities. These complaints come from regulatory partners, existing licensed limousine carriers, and the public. During the January 1, 2017 through December 31, 2017 time period DOL received 161 of these complaints. This is a 75% increase from 2016 where DOL worked 92. DOL needs additional financial resources to conduct investigations and administrative actions.

DOL limousine complaint caseload has significantly increased.

2016-2017 Limousine Complaint Activity	CY 2014	CY 2015	CY 2016	CY 2017
Number of complaints received	25	106	92	161
Number forwarded for administrative action	3	24	29	77
Number of cases forwarded to hearings office (17%)	3	12	5	13
Average number cases forwarded to an Administrative Law Judge (7%)	0	2	2	5

Background:

Regulation and enforcement of limousine companies provides a means to ensure vehicles and operators are meeting requirements that were created in support of public safety. Limousine companies and their vehicles are required to be licensed prior to operating or advertising a limousine service as a means to ensure public safety and prevent consumer harm. Regulation of the limousine companies include:

- Limousine companies must be licensed as a business in the State of Washington and possess a unified business identifier per RCW 46.72A.050.
- Proof of commercial insurance in the amount of $1,050,000 per RCW 46.72A.060 and WAC 308-83-115.
- Limousine service vehicle(s) must be inspected annually per RCW 46.72A.030.
- Limousine service vehicles must be registered in the entity name and have a commercial use class of for-hire per WAC 308-83-110.
- Limousine service vehicles must display on the left rear a limousine decal to include month and year tabs per WAC 308-83-110.
- Owners must certify that their drivers meet the chauffeur health and safety training requirements per WAC 308-83-140 and WAC 308-83-145.

DOL contracts with the City of Seattle for enforcement within city limits. However, the primary location for unlicensed activity is in eastern Washington. Unlicensed activity requires active fieldwork and/or discreet observation by multiple investigators. This results in an increase of travel/per-diem costs. With the increase of complaints current funding has not provided adequate resources to investigate and observe this activity. A notable trend identified within the industry is that licensed limousine businesses are conducting activity that involves the use of unlicensed vehicles. Additional funding would also provide resources for regulation and enforcement through auditing of eastern Washington carriers.

Decision Package Justification and Impacts

Regulation and enforcement of limousine companies provides a means to ensure vehicles and operators are meeting requirements that were created in support of public safety. For example, limousine companies in Washington are required by RCW 46.72A and WAC 308-80 to carry a specific amount of vehicle insurance. Unlicensed limousine businesses and unlicensed vehicles do not carry this insurance. Additionally, unlicensed vehicles are not subject to safety inspections. And operators not meeting requirements such as taking the required Defensive Driving Course, drug testing, medical certification or background checks could result in public harm. Without the allocation of requested funds, and based on the trending increase of complaints, both the existing backlog and improper and unlicensed limousine activity will continue.

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

DOL expects to reduce the number of complaints received and increase compliance with regulation and enforcement.

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

Option 1: Ask Washington State Patrol (WSP) to increase enforcement efforts. DOL, in conjunction with WSP, regulates limousine carriers for safety of equipment, chauffeur qualifications and operations. WSP primarily focuses on high risk activity and has limited resources to contribute to the enforcement and regulation statewide.

This option wasn't chosen because it only shifts the financial burden to another agency.

Option 2: Request funds from an account dedicated for limousine enforcement. Account 17W collects fees from civil infractions and violations. DOL currently has not received any appropriation from this account to-date. Workload demands now require access to these funds to carry out enforcement and regulation activities.

This options was chosen because it offers a long-term solution.

What are the consequences of not funding this request?

Current funding is insufficient to meet the demand of complaints received that require field investigation across the state. Current funding levels limit the amount of field investigations that can be performed with minimal funding for travel and per-diem.

Existing unlicensed activity will continue and increase risk to the public. Unlicensed activity also hurts legitimate businesses because they have more overhead because they pay for insurance and go through vehicle inspections. In addition, workload could be impacted and result in a backlog of complaints.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY2017	FY 2018	FY 2019
106	A031	FTE	3.9	3.9	3.9	3.9
		Allotment	474,482	478,163	474,482	478,163
Total		FTE	3.9	3.9	3.9	3.9
		Allotment	478,163	478,163	478,163	478,163

Current allocation for travel expenses in the 2017-19 biennium is $5,961.

Detailed assumptions and calculations:

The table below shows how the requested appropriations are within revenue projections.

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Fund Balance	52,746	91,865	80,984	70,384	60,784	52,184
Revenue	39,119	39,119	39,400	40,400	41,400	35,700
Expenditures	0	50,000	50,000	50,000	50,000	50,000
Variance	91,865	80,984	70,384	60,784	52,184	37,884

Note: DOL anticipates that with enhanced enforcement and regulation there will be fewer penalties and fines by FY 2023 due to increased compliance.

Based upon the above the following FTE classifications will be needed:

0.3 FTEs for Business & Professions Auditor 3 is needed to investigate consumer, law enforcement, and internal limousine complaints and conduct program compliance audits – travel costs will be incurred.

Legal Services workload impact:

Day-to-day Assistant Attorney General (AAG) support is negligible and can be accommodated within the current budget.

Administrative and DOL Hearing Services support is anticipated to manageable through existing budget.

Expenditures related to travel costs for this program are anticipated to increase $25,000 annually (see table below).

	FY2020	FY2021	FY2022	FY2023
Travel Costs	25,000	25,000	25,000	25,000
Total	**25,000**	**25,000**	**25,000**	**25,000**

	Required Travel Days per Year	Lodging and per diem (daily) rate	Amount
Compliance Audits – 125 / year	76	180	13,680
Complaint Investigations – 12 / year	61	180	10,980
Total	**137**		24,660

Table Assumptions:

A complaint investigation takes 2 staff to complete for protocol and safety reasons.

- The estimated average daily lodging rate for the state is $110/night.
- The estimated average daily per diem rate for state is $70/day.

The estimated travel cost of regulation and enforcement for 12 investigations and 125 (15%) of 850 audits annually is $25,000, including increased travel costs. If the complaint activity trend continues additional funding will be required or the number of investigations and audits will be limited to current funding levels in subsequent years.

Assuming full compliance, possible licensing of 10-15 limousine businesses at $350 each and $75 per vehicle licensed as a limousine equates to $4,250-$6,375 in estimated annual revenue. This is based on unlicensed companies that complaints were received on in a 12 month period outside of Seattle.

Workforce Assumptions:

FTE Needs	Monthly Salary	2020	2021	2022	2023
Business & Professions Auditor 3	$ 5,179	0.3	0.3	0.3	0.3
Total Direct FTEs (Round 10)		**0.3**	**0.3**	**0.3**	**0.3**

Object A - Salaries		2020	2021	2022	2023
Business & Professions Auditor 3	$ 5,179	$ 18,644	$ 18,644	$ 18,644	$ 18,644
Total Object A - Employee Salaries (Round 100)		**$ 18,600**	**$ 18,600**	**$ 18,600**	**$ 18,600**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Business & Professions Auditor 3		$ 7,248	$ 7,248	$ 7,248	$ 7,248
Total Object B - Employee Benefits (Round 100)		$ 7,200	$ 7,200	$ 7,200	$ 7,200

Strategic and Performance Outcomes

Strategic framework:

- Funding the Limousine Carriers Account supports the Governor's goal 4 for healthy and safe communities.
- Funding the Limousine Carriers Account supports the Governor's goal 5 for efficient, effective and accountable government.
- Funding the Limousine Carriers Account supports DOL's strategic vision to improve our management practices for prioritizing work and effectively using resources.

Performance outcomes:
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 will allow DOL to conduct timely response, investigation, auditing and administrative action to resolve the significant increase in complaints received associated with the limousine industry. The sooner regulatory action is taken, the fewer passengers exposed to potential risks.

If funding is not received, complaints from the public (such as unlicensed limousine activity) may not be addressed in a timely manner.

Performance Measure detail:

DOL will continue to measure timely action on complaints received from the public. Analysis and action to achieve performance targets for this measure (OP4b) is reported each month in our Results DOL Report.

Other Collateral Connections

Intergovernmental:
Utilities and Transportation Commission could be impacted as vehicles discovered might qualify for their regulation. Department of Revenue could be impacted as unlicensed businesses may not have a business license. Labor & Industries could be impacted if unregistered employees are discovered. Washington State Patrol could be impacted as there could be an increase in limousine service vehicle inspections.

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

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2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: MA - Vessel Renewal Reminders
Budget Session: 2019-21 Regular
Budget Level: Maintenance Level
Contact Info: Justin Leppa
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Agency Recommendation Summary

The Department of Licensing requests funds to continue mailing vessel registration renewal reminder postcards. During the 2017 legislative session, DOL was appropriated one-time proviso funding for this purpose, which resulted in a significant increase in renewal fee revenue and excise tax collection for the general fund account. (001-1 General Fund State)

Fiscal Summary

Dollars in Thousands

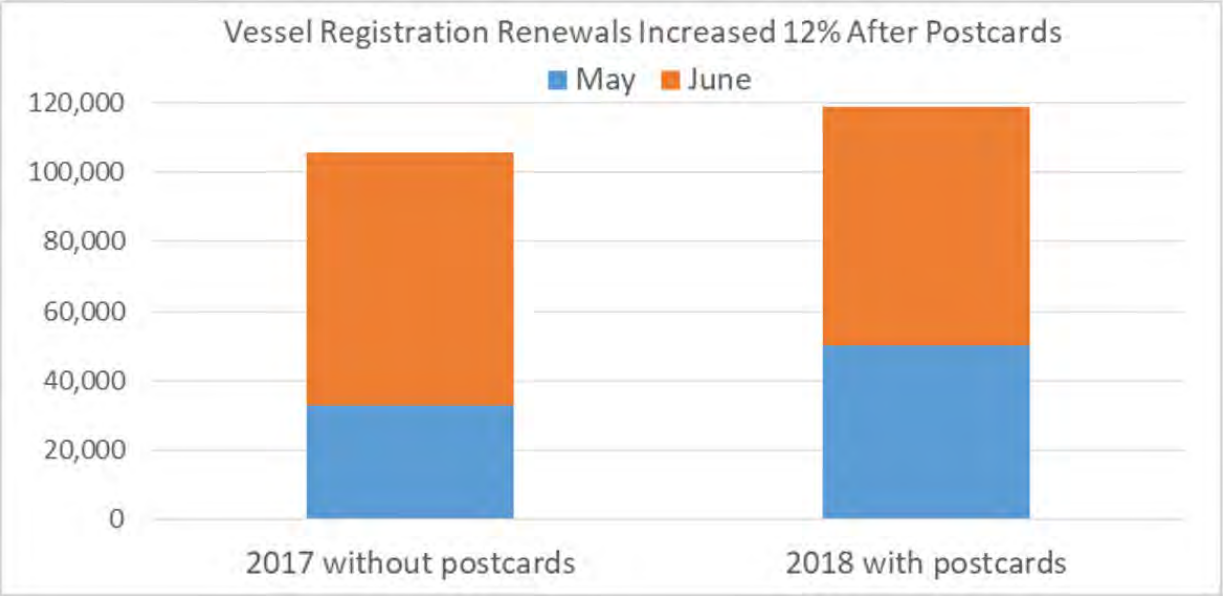
Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$95	$99	$99	$99
Total Expenditures	**$95**	**$99**	**$99**	**$99**
Biennial Totals		**$194**		**$198**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.1	0.1	0.1	0.1
Average Annual		**0.1**		**0.1**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$3	$6	$6	$6
Obj. B	$2	$3	$3	$3
Obj. E	$90	$90	$90	$90
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
001 - 0149	$696	$696	$696	$696

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
001 - 0279	$119	$119	$119	$119
Total	**$815**	**$815**	**$815**	**$815**
Biennial Totals		**$1,630**		**$1,630**

Package Description

The Department of Licensing requests funds to continue producing and mailing vessel registration renewal reminder postcards. Postcard renewal reminders were mailed out at the end of April 2018, at the approximate cost of $71,000. The Return on Investment was Significant:

- May and June vessel renewals were 12% higher in 2018 than 2017.
- May and June vessel renewal fee revenue and excise tax collection were over $800,000 more in 2018 than in 2017.



Additionally, revenue from recreational activities may also increase if more boaters renew early in the boating season when reminders arrive.

Background:

During the last major economic downturn, the state had to reduce general fund state expenditures. DOL had limited general fund state funds which only supported the Firearms and Vessel Programs. DOL was required to discontinue the vessel renewal postcard reminder efforts

in 2010 because it was the only activity that was discretionary. From that point on, only customers who voluntarily signed up for email renewal reminders received any type of notice.

In the 2017 legislative session, DOL was appropriated one-time funding for a pilot to resume mailing vessel registration renewal reminders. The preliminary results demonstrate a strong positive correlation between mailing renewal reminders and the increase in renewal fee revenue and excise tax collections. These results support the continuation of mailing renewal reminder postcards.

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

DOL has a limited appropriation of general fund state that doesn't allow flexibility. Additional funds are needed to send out renewal reminders postcards. The alternative would be to continue only emailing renewal reminders. The option to mail postcards was chosen because of the potential revenue increases to the general fund, as indicated by the pilot mailing in April 2018.

What are the consequences of not funding this request?

Not funding this request would result in forgoing revenue to operating budgets, as well as potential revenue resulting from recreational activities involving a vessel.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
001-1	A032	FTE	0	0	0	0
		Expenditures	50,004	49,996	248,000	61,000
Total	A032	FTE	0	0	0	0
		Expenditures	50,004	49,996	248,000	61,000

Note: The carry forward process removed the $209,000 proviso (HJ*) funding for the 2019-21 biennium. The remaining $50,000 base is only enough for vessel registration, decals, title production costs, and postage. The base budget does not support the production and mailing of vessel registration renewal reminders postcards.

Detailed assumptions and calculations:
Approximately 260,000 vessels in Washington State are currently registered.

260,000 Postcards X 0.34 each = $88,400 per year.

<u>Revenue Forecast</u>

The preliminary responses to the vessel renewal reminder postcards provided a baseline for forecasting potential future revenues. The table below shows an upper and lower revenue range. DOL anticipates the average of the ranges as the likely revenue impact for vessel registration fee and excise taxes.

Year	FY20	FY21	FY22	FY23
Upper	$ 1,057,000	$ 1,057,000	$ 1,057,000	$ 1,057,000
Lower	$ 572,000	$ 572,000	$ 572,000	$ 572,000
Average	**$ 815,000**	**$ 815,000**	**$ 815,000**	**$ 815,000**

Workforce Assumptions:

Support Services

Administrative support is included at a rate of 12 percent of the direct program costs. This percentage is split 7 percent for Management and Support Services (MSS) and 5 percent for Information Services Division (ISD) functions. DOL uses a Fiscal Technician 2 (MSS) and an IT Specialist 4 (ISD) staffing costs as a proxy to determine FTE and display them under Indirect Staff in table 3.B.

Administrative support funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Indirect MSS Object A - Salaries		**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Technician 2	38,988	3,300	3,300	3,300	3,300	3,300
Indirect MSS Object B - Benefits		**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Technician 2		1,600	1,600	1,600	1,600	1,600
Indirect ISD Object A - Salaries		**2020**	**2021**	**2022**	**2023**	**2024**
IT Specialist 4	81,516	-	2,900	2,900	2,900	2,900
Indirect ISD Object B - Benefits		**2020**	**2021**	**2022**	**2023**	**2024**
IT Specialist 4		-	1,000	1,000	1,000	1,000

Strategic and Performance Outcomes

Strategic framework:
This funding is expected to result in a significant return on investment, and therefore directly supports the Governor's and DOL's commitment to efficient, effective and accountable government.

Performance outcomes:
What specific performance outcomes does the agency expect?

Mailing reminder postcards is expected to generate as much as $815,000 in additional general fund revenue per year, or a net gain of as much as $716,200 after costs of $98,800.

Performance Measure detail:

What will you measure and what incremental improvement do you expect each fiscal year?

DOL will measure and analyze vessel transactions and revenue, to better understand and leverage the impact of various types of reminders (i.e. postcards, email, and social media).

Other Collateral Connections

Intergovernmental:
This request would generate additional revenue for other governmental agencies that receive vessel registration fees.

Stakeholder response:
N/A

Legal or administrative mandates:
N/A

Changes from current law:
N/A

State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?
No

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Summarized Revenue by Account and Source

Agency: 240 Department of Licensing

Session: 2019-21 Regular

Version: 10 - 2019-21 Initial Budget Request

Program: All (by programs) - All Programs at the Program Level

Supporting Text Included

Dollars in Thousands

	Maintenance Level		Policy Level		Annual Totals		
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	Biennial Total
001 - General Fund							
0149 - Watercraft Excis Tax - S							
MA - Vessel Renewal Reminders	696	696	0	0			
Total - 0149 - Watercraft Excis Tax - S	696	696	0	0	696	696	1,392
0279 - Vessel Regis Fee - S							
MA - Vessel Renewal Reminders	119	119	0	0			
Total - 0279 - Vessel Regis Fee - S	119	119	0	0	119	119	238
001 - General Fund - State	**815**	**815**			**815**	**815**	**1,630**
Total - 001 - General Fund	**815**	**815**			**815**	**815**	**1,630**
106 - Highway Safety Accnt							
0253 - Motor Vehicle Lic - S							
M9 - Unlicensed Limousine Activity	6	6	0	0			
Total - 0253 - Motor Vehicle Lic - S	6	6	0	0	6	6	12
0320 - Dept of Transportatn - F							
90 - Maintenance Level Revenue	1,136	158	0	0			
Total - 0320 - Dept of Transportatn - F	1,136	158	0	0	1,136	158	1,294
106 - Highway Safety Accnt - State	**6**	**6**			**6**	**6**	**12**
106 - Highway Safety Accnt - Federal	**1,136**	**158**			**1,136**	**158**	**1,294**
Total - 106 - Highway Safety Accnt	**1,142**	**164**			**1,142**	**164**	**1,306**
108 - Motor Vehicle Accnt							
0597 - Reimburs Contracts - P/L							
90 - Maintenance Level Revenue	2,500	2,520	0	0			
M1 - Credit Card Transaction Fees	1,250	1,250	0	0			

Summarized Revenue by Account and Source

Agency: 240 Department of Licensing

Session: 2019-21 Regular

Version: 10 - 2019-21 Initial Budget Request

Program: All (by programs) - All Programs at the Program Level

Supporting Text Included
Dollars in Thousands

	Maintenance Level		Policy Level		Annual Totals		
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	Biennial Total
Total - 0597 - Reimburs Contracts - P/L	3,750	3,770	0	0	3,750	3,770	7,520
108 - Motor Vehicle Accnt - Private/Local	**3,750**	**3,770**			**3,750**	**3,770**	**7,520**
Total - 108 - Motor Vehicle Accnt	**3,750**	**3,770**			**3,750**	**3,770**	**7,520**
Agency: 240 DOL - State	**821**	**821**			**821**	**821**	**1,642**
Agency: 240 DOL - Federal	**1,136**	**158**			**1,136**	**158**	**1,294**
Agency: 240 DOL - Private/Local	**3,750**	**3,770**			**3,750**	**3,770**	**7,520**
Total - Agency: 240 DOL	**5,707**	**4,749**			**5,707**	**4,749**	**10,456**
- unknown source title - Z							

M1 - Credit Card Transaction Fees
Biennializing

M1 - Credit Card Transaction Fees
The Department of Licensing requests appropriations to pay for increased credit card costs resulting from increased online vehicle and professional licensing related transactions. Credit card companies charge on average 2.25% of the total transaction amount. (Multiple Funds)

M9 - Unlicensed Limousine Activity
Department of Licensing requests funds for increased costs associated with regulation and enforcement of limousine unlicensed activity across the state. The Limousine program has minimal travel funds to investigate unlicensed activity that delays and limits enforcement. Funding will help protect legal businesses and improve public safety by ensuring licensed and inspected vehicles are being used. (17W Limousine Carriers Account)

MA - Vessel Renewal Reminders
The Department of Licensing requests funds to continue mailing vessel registration renewal reminder postcards. During the 2017 legislative session, DOL was appropriated one-time proviso funding for this purpose, which resulted in a significant increase in renewal fee revenue and excise tax collection for the general fund account. (001-1 General Fund State)

MA - Vessel Renewal Reminders

Summarized Revenue by Account and Source

Agency: 240 Department of Licensing

Session: 2019-21 Regular

Version: 10 - 2019-21 Initial Budget Request

Program: All (by programs) - All Programs at the Program Level

Supporting Text Included

Dollars in Thousands

The Department of Licensing requests funds to continue mailing vessel registration renewal reminder postcards. During the 2017 legislative session, DOL was appropriated one-time proviso funding for this purpose, which resulted in a significant increase in renewal fee revenue and excise tax collection for the general fund account. (001-1 General Fund State)

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2019-21 Central Service Fund Splits

Information and Instructions

1 Please contact Bryan Way (OFM) if you need help with adding a new fund source, need help, or have questions. Bryan Way (OFM)

2. This worksheet is dependent on macros, so if you receive a warning at the top of this worksheet, please click “enable.”

3. Select the worksheet titled “FundSplits.”

4. To update the worksheet for your agency, simply click on the drop box in cell F3, scroll down to your agency number/name, highlight the agency name/number with your mouse, and then click on the that agency name using your left mouse button.

5. The worksheet should have now show your agency’s name and, beginning in row 10, the various fund sources used in the 2019-21 budget for CFL. You will be able to delete or clear any row starting at row 10 and below.

6. To add or edit a new fund source or program, simply click on the handle bar on the right side of the cell you wish to edit. Please note that only the existing fund sources that apply to your agency are available on these drop downs.

7. Next you will need to review/update the percentage of that fund source for each of the various central service model fees beginning in columns J through S.

8. Program and Subprogram detail is only needed for certain agencies. The drop down will display a blank if the agency does not need program/subprogram detail.

9. Once the worksheet looks ok to you and you have made your changes, click on the “Save/Update" button so that your changes are recorded.

10. Email your file to your OFM budget analyst **and** Bryan Way (OFM) with a brief explanation of any changes you made. OFM budget analyst

Central Service Fund Splits

240-Department of Licensing

Save/Update

All Columns by Agency must equal 100%

Agency	Program	Subprogram (only used for DSHS in Program 030 and 040)	Account and Approp Title	Auditor	AttGen	OAH	Facilities & Services Only	CTS	Debt Services	Workers' Comp	All Other	Risk Mgmt Division	Self Insurance
Percent Totals (only applies when one agency chosen)				100.00%	100.00%	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	0.86%	1.48%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%
240-Department of Licensing			003-1 Architects' License Account-State	0.29%	0.58%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%
240-Department of Licensing			024-1 Professional Engineers' Account-State	1.04%	3.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
240-Department of Licensing			026-1 Real Estate Commission Account-State	3.35%	4.57%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
240-Department of Licensing			04E-1 Uniform Commercial Code Account-State	0.87%	0.67%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
240-Department of Licensing			06G-1 Real Estate Appraiser Comm Acct-State	0.46%	0.77%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
240-Department of Licensing			06L-1 Business & Professions Account-State	6.45%	10.31%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%
240-Department of Licensing			082-1 Motorcycle Safety Education Account-State	0.92%	0.67%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%
240-Department of Licensing			104-1 State Wildlife Account-State	0.13%	0.21%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
240-Department of Licensing			106-1 Highway Safety Account-State	62.11%	42.18%	62.11%	62.11%	62.11%	62.11%	62.11%	62.11%	62.11%	62.11%
240-Department of Licensing			108-1 Motor Vehicle Account-State	20.95%	29.91%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%
240-Department of Licensing			15V-6 Funeral and Cemetery Account-Non-Appropriated	0.48%	4.53%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
240-Department of Licensing			16B-6 Landscape Architects' License Acct-Non-Appropriated	0.12%	0.17%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
240-Department of Licensing			16M-6 Appraisal Management Company Acct-Non-Appropriated	0.06%	0.28%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
240-Department of Licensing			201-1 DOL Services Account-State	0.98%	0.01%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%
240-Department of Licensing			298-6 Geologists' Account-Non-Appropriated	0.14%	0.59%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
240-Department of Licensing			14V-1 Ignition Interlock Device Revolving-State	0.79%	0.01%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%

Department of Licensing
2018-2019 Enterprise Risk Management
Summary Report

Executive Summary

The Department of Licensing has a strong commitment to Enterprise Risk Management. This commitment is demonstrated in the 2018-2019 Enterprise Risk Mitigation Plan. The process to develop the plan included individual meetings with Executive Leadership Team members and their key staff. This was followed by Executive Leadership Team work sessions that identified and assessed risks, assigned risk owners as well as developed risk treatments, time frames and reporting schedules. Progress of the plan is reported out to the Executive Leadership Team on a quarterly basis.

This report contains the top three risks from the 2018-2019 Enterprise Risk Mitigation Plan. The risks and treatments are well managed and tracked monthly with executive oversight. If properly funded these risks do not present a significant concern by the agency.

Following is the summary of the top three risks and treatments:

1. Priority Risk: Data Stewardship & Privacy Protection
   Owner: Meghann McCann, Deputy Director
   Safeguarding the information of all Washington residents is one of the agency's highest priority strategic initiatives. As the guardian of the state's largest collection of personal data it is essential that the agency manages data throughout its lifecycle, while also managing the increased volumes, expectations and risks surrounding data privacy. The strategy and treatments identified will ensure the agency meets its stakeholders and customer's expectations and statutory requirements.

   Root Causes
   - Increased volumes and requirements surrounding data management and data privacy
   - Insufficient resources to meet the demands of high quality data management
   - Inadequate technology to properly administer data management and data privacy

   Treatment
   The agency's "P7 - Data Stewardship & Privacy" decision package lays out a comprehensive Data Stewardship and Privacy Protection effort focused on delivering the highest level of service in collecting, retaining, sharing, and using data while protecting privacy.

2. Priority Risk: Business and Technology Modernization Rollout 3 (BTM R3) project
   Owner: Jennifer Clawson, Business & Professions Assistant Director
   Modernizing the legacy Business and Professional licensing systems is one of the agency's highest priority strategic initiatives and will prevent the agency from failing to meet our customer's needs and statutory requirements.

   Root Causes
   - Frequent system problems and downtimes impact licensees and customers
   - Releases for required updates or to fix problems frequently have issues
   - Lack of technical support due to the age of the systems creates inefficiencies and results in manual workarounds

   Treatments
   - Replace legacy Business and Professions Licensing systems – In Progress

3. Priority Risk: Monitor and improve office wait times
   Owner: Dave Walker
   Several factors are causing increased wait times at Driver Licensing Services Offices. The increased wait times generate customer frustration and complaints as well as staff burnout and errors.

   Root Causes
   - Added demands from population growth and increased workload volumes from drivers securing Real ID compliant licenses and identification cards
   - New CIS system workflow changes and new camera outages
   - Drivers legacy system outages

   Treatments
   - The agency formed an executive level work team to support the planning, development and implementation of treatments. Implemented portions of the plan have already reduced customer wait times.
   - Wait time improvements, monitoring and reporting will continue throughout this risk treatment period.

Thank you for your interest in the Department of Licensing's Enterprise Risk Management.

For additional information please contact:
Jim Henly, Enterprise Risk Manager
Jim.Henly@dol.wa.gov (360) 902-3699

DOL Summary of 2019-21 Decision Packages that support Washington's Transportation Safety Goal

As stated in OFM Transportation Agency Budget Instructions 2019-21:
"Safety: to provide for and improve the safety and security of transportation customers and the transportation system"

DP Level	DP Name	support safety goal	Performance Outcomes Expected (from DPs)
Policy	**Target Zero - Motorcycle Safety**	**directly**	Increasing skills requirements will increase rider experience and decrease rider mistakes. Lawful motorcycle riders will: • gain basic riding experience before they earn their permit • gain advanced riding skills before they earn their endorsement • lower their risk of harming themselves or others on the road
	Target Zero - Novice Drivers	**directly**	Increasing novice driver training and skills requirements for earning their first license will improve their skills, decrease their mistakes, and lower their risk of harming themselves or others on the road. Collisions during the first two years of driving should decrease.
	Testing System Replacement	**directly**	All driver knowledge tests conducted by DOL and privately owned Driver Training Schools (approximately 250,000 per year) will be securely administered, with randomized questions to reduce the risk of compromised test taking and results, and increased capability to update test questions as laws or training curriculum change
	6 Year Facilities Plan	not directly	
	Cloud	not directly	
	Data Stewardship and Privacy	not directly	
	Firearms System	not directly	
Maintenance	**Ignition Interlock (14V)**	**directly**	Reimbursing more vendors for ignition interlock devices (IIDs) for installation, maintenance and removal costs will increase the use of IIDs, increase compliance by drivers sanctioned to use them, and ultimately reduce impaired driving and the risk such drivers pose to themselves and others on the road.
	Limo Carriers	**directly**	Funding will allow DOL to conduct timely response, investigation, auditing and administrative action to resolve the significant increase in complaints received associated with the limousine industry. The sooner regulatory action is taken, the fewer passengers exposed to potential risks.
	Abandoned RV	not directly	
	Appraisal Management	not directly	
	Credit Card Fees	not directly	
	Cost Allocation	not directly	
	DRIVES Maintenance	not directly	
	Facilities Minor Works	not directly	
	Leases	not directly	
	Leases >20k sf	not directly	
	Public Disclosure	not directly	
	Software Licenses	not directly	

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Agency 240
Department of Licensing

Motorcycle Safety Fund

Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/23/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 2,055.0	$ 1,811.2	$ 975.0
Revenue (June 2018)			
Motorcycle Endorsement Fees	4,524.7	4,162.8	4,854.6
DOL - Policy Level			
Estimated Interest Earnings	4.5	4.5	4.5
Total Revenues	$ 4,529.2	$ 4,167.3	$ 4,859.1
Expenditures			
DOL Expenditures	4,607.0	4,635.0	4,719.8
DOL Maintenance Level 2019 Supplemental	166.0		
DOL Policy Level 2019 Supplemental	-		
DOL Maintenance Level 2019-21 Budget Request		86.0	12.0
DOL Policy Level 2019-21 Budget Request		282.5	80.0
Total Expenditures	$ 4,773.0	$ 5,003.5	$ 4,811.8
Ending Fund Balance (Excluding Capital Reserve)	$ 1,811.2	$ 975.0	$ 1,022.3
Recommended Working Capital Reserve	$ 397.8	$ 417.0	$ 401.0

Agency 240
Department of Licensing

Highway Safety

Ten Year Financial Plan
Dollars in Thousands
Prepared: 7/23/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 33,019.0	$ (16,804.6)	$ 4,161.1
Revenue (June 2018)			
Driver License Fees	235,005.4	248,880.3	249,664.3
Copies of Record	34,906.6	35,691.2	36,336.4
Ignition Interlock Vendors Fee	2,348.6	2,348.6	2,348.6
Miscellaneous Revenues	6,964.0	6,945.6	6,931.4
Transfer to Motor Vehicle Account (108-1)	(30,000.0)		
Transfer to State Patrol Highway Account (081-1)	(33,000.0)		
Assumed Department of Licensing (DOL) Federal	240.0	1,294.0	1,293.0
Assumed WA Traffic Safety Commission (WTSC) Federal	22,205.0	22,304.0	22,304.0
WTSC Local Revenue	118.0	118.0	118.0
Estimated Interest Earnings	57.9	57.9	57.9
Total Revenues	$ 238,845.4	$ 317,639.6	$ 319,053.5
Expenditures			
WSP	1,074.0	1,103.0	1,123.2
WTSC State	4,329.0	4,295.0	4,373.6
WTSC Federal	22,205.0	21,304.0	21,304.0
WTSC Local	118.0	118.0	118.0
WTSC 2019-21 Policy Request, 106-1		645.0	645.0
WTSC 2019-21 Policy Request, 106-2		1,000.0	1,000.0
DOL Expenditures State	254,301.0	248,299.0	252,842.7
DOL Federal	240.0	1,294.0	1,293.0
Freight Mobility Strategic Investment Board - Capital	2,000.0		
DOT Local Programs - Capital	4,287.0		
DOL Maintenance Level 2019 Supplemental	1,189.0		
DOL Policy Level 2019 Supplemental	-		
DOL Maintenance Level 2019-21 Budget Request		7,924.0	3,064.0
DOL Policy Level 2019-21 Budget Request		10,692.0	6,343.0
Total Expenditures	$ 288,669.0	$ 296,674.0	$ 292,106.5
Ending Fund Balance (Excluding Capital Reserve)	$ (16,804.6)	$ 4,161.1	$ 31,108.1
Recommended Working Capital Reserve	$ 22,185.3	$ 22,839.7	$ 22,459.1

Agency 240
Department of Licensing

Impaired Driver Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/23/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 425.0	$ 425.0	$ 425.0
Revenue (June 2018)			
Driver License Fees	3,243.1	3,105.4	3,105.4
Estimated Interest Earnings			
Total Revenues	$ 3,243.1	$ 3,105.4	$ 3,105.4
Expenditures			
Other Agency Transfers (OST)	$ 3,243.1	$ 3,105.4	$ 3,105.4
Total Expenditures	$ 3,243.1	$ 3,105.4	$ 3,105.4
Ending Fund Balance (Excluding Capital Reserve)	$ 425.0	$ 425.0	$ 425.0
Recommended Working Capital Reserve	$ -	$ -	$ -

Agency 240
Department of Licensing

Ignition Interlock Device Revolving Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 09/10/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 3,085.0	$ 4,765.6	$ 5,209.4
Revenue (June 2018)			
Driver License Fees	7,508.7	6,820.8	6,820.8
Estimated Interest Earnings			
Total Revenues	$ 7,508.7	$ 6,820.8	$ 6,820.8
Expenditures			
Washington State Patrol	-	510.0	519.3
Department of Licensing	5,157.0	5,160.0	5,254.4
DOL Maintenance Level 2019 Supplemental	671.1		
DOL Policy Level 2019 Supplemental	-		
DOL Maintenance Level 2019-21 Budget Request		623.0	459.0
DOL Policy Level 2019-21 Budget Request		84.0	68.0
Total Expenditures	$ 5,828.1	$ 6,377.0	$ 6,300.8
Ending Fund Balance (Excluding Capital Reserve)	$ 4,765.6	$ 5,209.4	$ 5,729.4
Recommended Working Capital Reserve	$ 485.7	$ 531.4	$ 525.1

Agency 240
Department of Licensing

Department of Licensing Services Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/23/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 576.0	$ 910.1	$ 1,468.1
Revenue (June 2018)			
Transaction Fee	7,146.1	7,333.0	7,533.1
Estimated Interest Earnings	91.0		2.9
Total Revenues	$ 7,237.1	$ 7,333.0	$ 7,536.0
Expenditures			
Department of Licensing (DOL)	$ 6,903.0	$ 6,978.0	$ 7,105.7
DOL Maintenance Level 2019-21 Budget Request		(307.0)	13.0
DOL Policy Level 2019-21 Budget Request		104.0	86.0
Total Expenditures	$ 6,903.0	$ 6,775.0	$ 7,204.7
Ending Fund Balance (Excluding Capital Reserve)	$ 910.1	$ 1,468.1	$ 1,799.4
Recommended Working Capital Reserve	$ 575.3	$ 564.6	$ 600.4

Agency 240
Department of Licensing

License Plate Technology Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/23/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ 334.0	$ 906.9	$ 4,573.4
Revenue (June 2018)			
License Plate Technology Fee	3,572.9	3,666.5	3,766.4
Estimated Interest Earnings			
Total Revenues	$ 3,572.9	$ 3,666.5	$ 3,766.4
Expenditures			
DOL Expenditures	3,000.0	-	
Total Expenditures	$ 3,000.0	$ -	$ -
Ending Fund Balance (Excluding Capital Reserve)	$ 906.9	$ 4,573.4	$ 8,339.8
Recommended Working Capital Reserve	$ -	$ -	$ -

Agency 240
Department of Licensing

Abandoned Recreational Vehicle Disposal Account

Ten Year Financial Plan
Dollars in Thousands
Prepared: 07/30/18

	2017 - 19	2019 - 21	2021 - 23
Beginning Fund Balance	$ -	$ 63.2	$ 249.8
Revenue (June 2018)			
Abandoned RV Disposal Fee	375.2	3,096.6	3,119.9
Estimated Interest Earnings			
Total Revenues	$ 375.2	$ 3,096.6	$ 3,119.9
Expenditures			
DOL Expenditures	172.0	260.0	260.0
DOL 2019 2nd Supplemental Request	140.0	-	-
DOL 2019-21 Budget Request		2,650.0	2,800.0
Total Expenditures	$ 312.0	$ 2,910.0	$ 3,060.0
Ending Fund Balance (Excluding Capital Reserve)	$ 63.2	$ 249.8	$ 309.7
Recommended Working Capital Reserve	$ 26.0	$ 242.5	$ 255.0

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