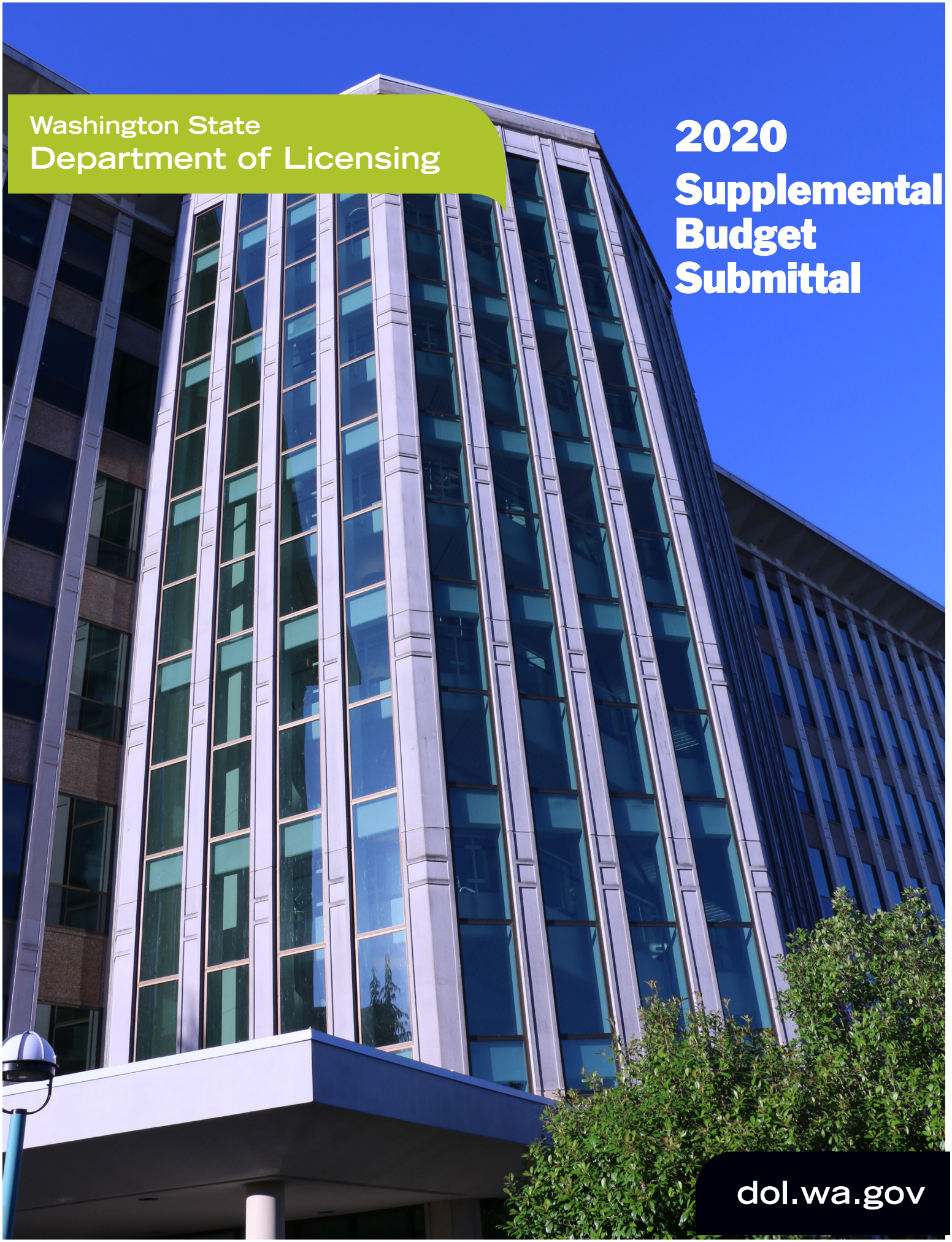
Washington State
Department of Licensing

2020 Supplemental Budget Submittal



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

September 20, 2019

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 2020 supplemental budget request for your review. Our proposed budget reflects Governor Inslee's goals for Health and Safe Communities and Efficient, Effective, and Accountable Government, as well as DOL's strategic initiatives.

The department is requesting funding to address facility and equipment needs, and respond to increased demands for DOL services. In addition, the department is seeking funding and/ or spending authority to cover the increase cost of doing business including lease and annual service costs, and increased public records requests.

Facilities Six-Year Plan: The agency requests $2,038,000 in one-time costs to relocate three Licensing Service Offices (LSO) and to conduct critical roof repairs to an agency owned facility. The LSO relocations are identified in the 2019-2025 Agency Six-Year Facilities Plan submitted to the Office of Financial Management (OFM). The request for LSO relocation responds to operational and emergent facility needs that accommodate increasing population, which affect workload volumes due to increased demand for driver licensing and identicard services.

Data Stewardship: DOL requests full funding of the Data Stewardship and Privacy Protection efforts to improve data governance and management, revenue forecasting, data analytics, and data contract compliance. The Office of the Chief Information Officer ranked the original request in the top three of 100, and the legislature partially funded it in the 2019-21 Transportation budget. Supplemental funding is required to put personnel and tools in place to manage and secure data, expand auditing of data contracts, and integrate data from agency systems and external sources into a centralized data warehouse as part of a comprehensive governance and compliance program.

Dol.wa.gov Accessibility and Usability: The dol.wa.gov website receives approximately 830,000 visitors every month, providing resources related to driver, vehicle, boat, and professional licensing. The user experience no longer reflects current best practices in an ever-changing digital world. The last major technical overhaul of the site was in 2006. Since then, the site has become difficult to navigate and does not meet accessibility or readability targets.

Public Disclosure: DOL holds data and records on virtually every Washington resident and is committed to data protection. Chapter 42.56 RCW requires DOL to provide records to any person who requests them. In the last three years, public record request volumes have increased significantly. Additionally, the requests are more complex and have greater legal risks associated with processing errors. The higher number and complexity of requests have created a growing gap between workload and staff capacity. DOL is requesting three additional staff to meet this demand.

Collector Vehicle License Plates: DOL requests funding to support agency-proposed legislation that will implement changes to collector vehicle registration statutes. The proposed changes will allow the

department to better enforce the issuance of the collector vehicle plates, decrease inappropriate use of those plates, and recover state revenue.

Business and Professionals Technology Maintenance: DOL requests increased spending authority for $10 million to finalize payment for vendor-provided software maintenance, support, and software license costs for the modernized Business & Professions Licensing System to support final phases of project implementation. The current approved budget covers development and deployment for 120 professions. Forty-two of these professions will begin using the new system in the fall of 2019 (Release 1), with the rollout of the remaining 78 professions (Release 2) in the summer of 2020. DOL will begin paying vendor maintenance support, and licensing costs after Release 1.

Hearing Workload: DOL requests funding to support the increase in hearings and interviews caseload. Over the last three years, the amount of annual hearing requests received has increased by 6.9 percent from CY 2016 to CY 2018.

Lease Increases: DOL requests supplemental funding for net increased and ongoing costs for leases, parking fees, and annual services for several Licensing Services Offices and one administrative office. These funds are necessary to support the 2019-2025 Agency 6-Year Facilities Plan submitted to the Office of Financial Management (OFM) (106-1 Highway Safety Account, 108-1 Motor Vehicle Account).

Cost Allocation: DOL 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).

Technical Corrections: DOL requests ongoing federal appropriation authority for the Joint Federal/State Motor Fuel Tax Compliance Project (108-2/UA0).

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, deliver the best value to the people of Washington State, and help every Washington resident live, work, drive and thrive. If you or your staff have any questions please contact me at (360)-902-3603 or Evelyne Lloyd at (360)-902-4044.

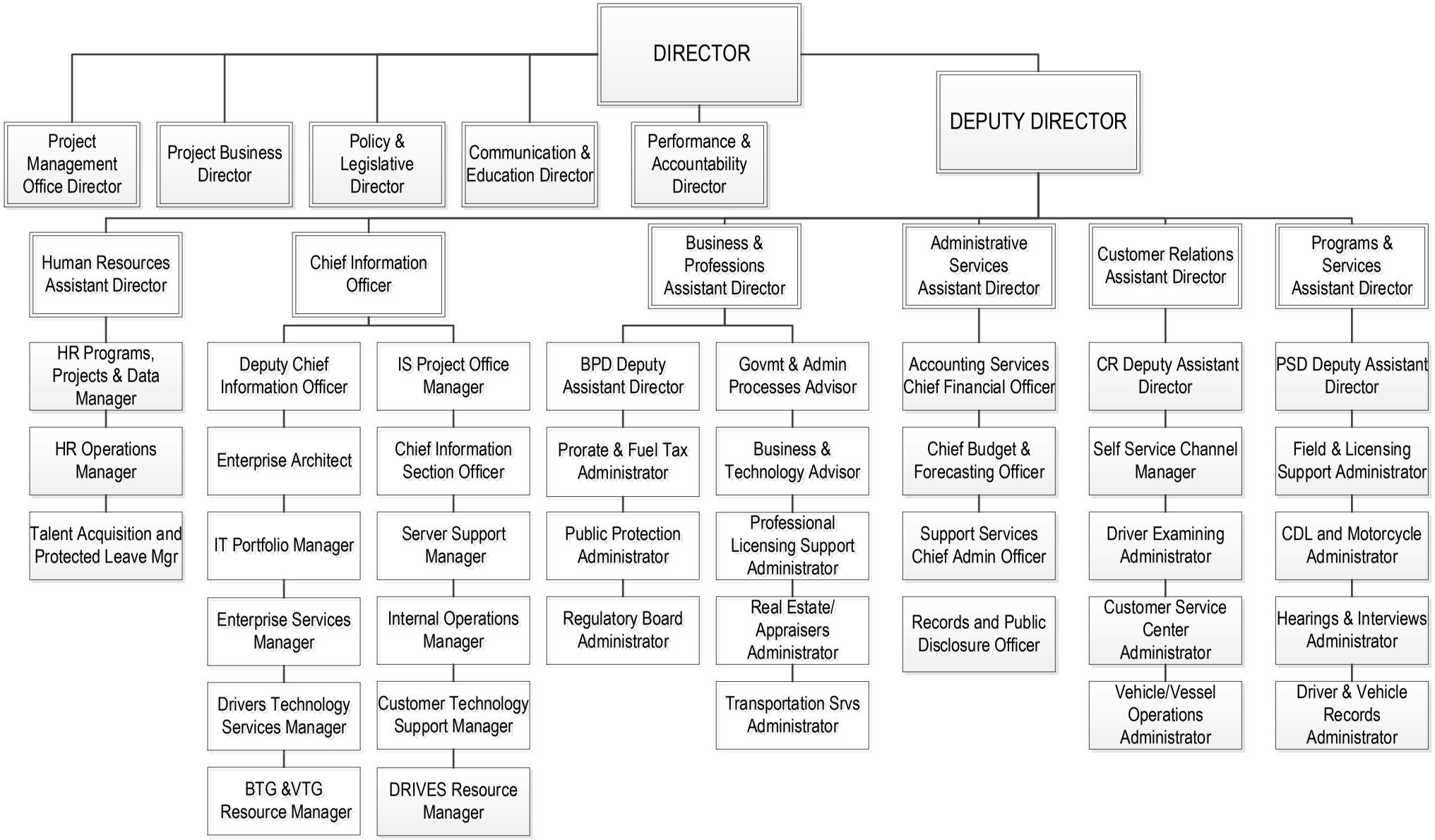
Sincerely,

Teresa Berntsen

Teresa Berntsen
Director

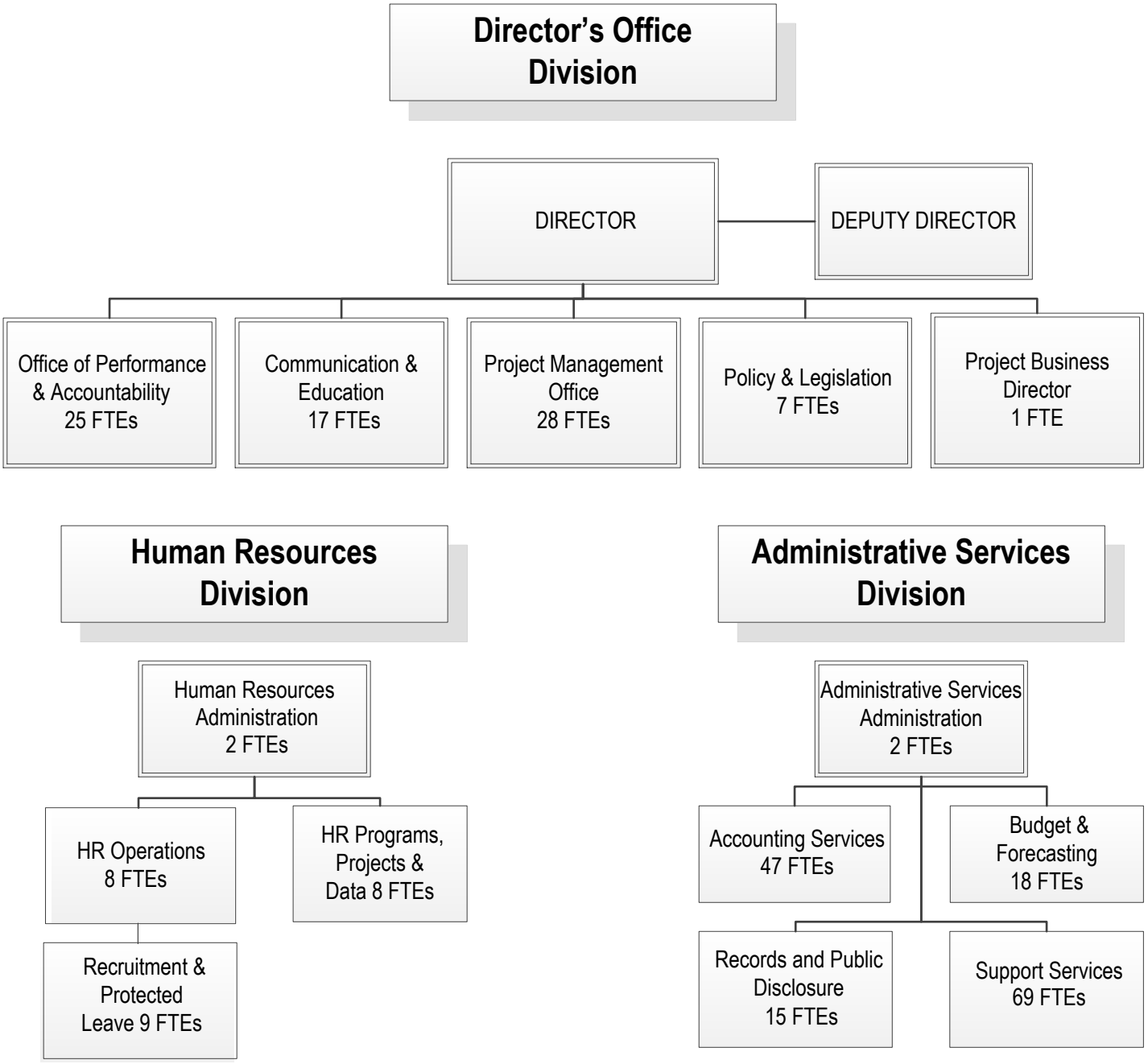
Enclosure

Department of Licensing



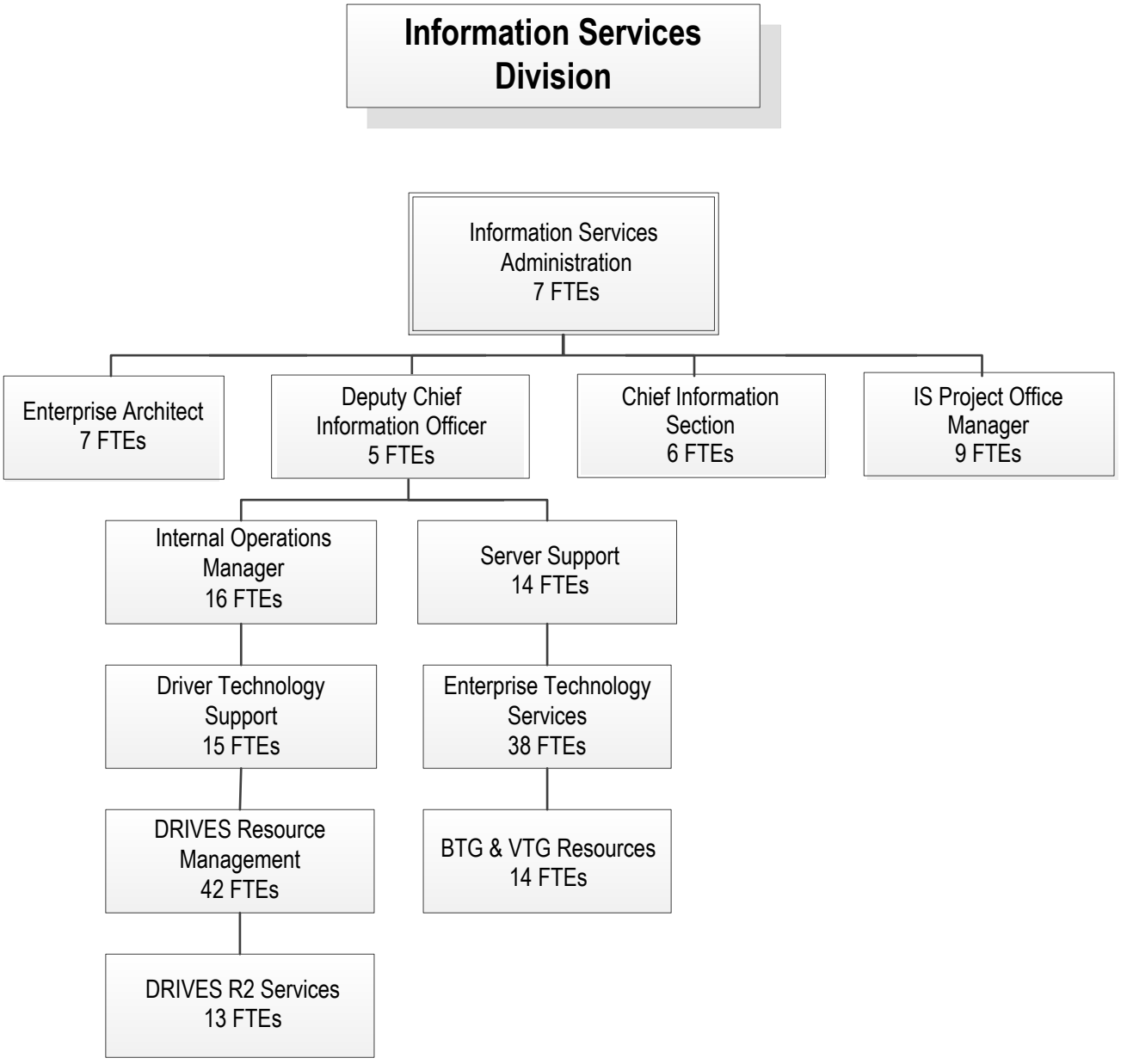
Department of Licensing

Program 100



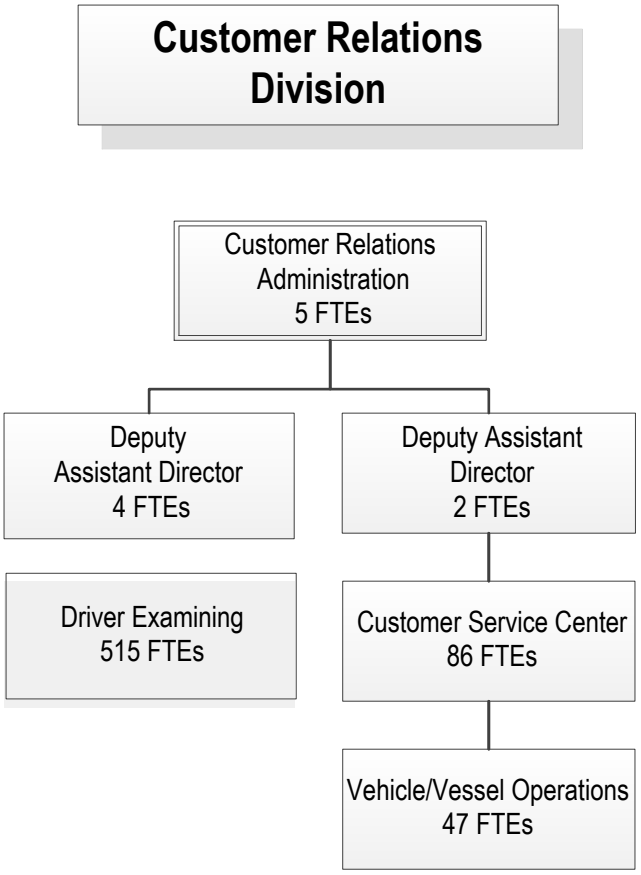
Department of Licensing

Program 200



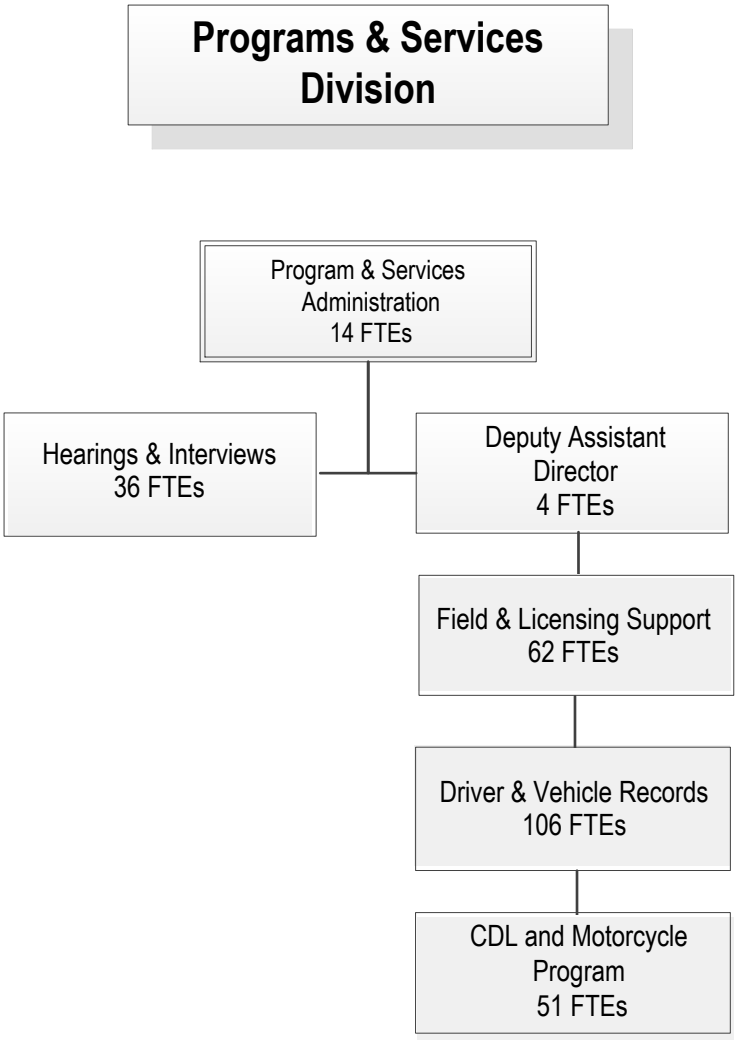
Department of Licensing

Program 300



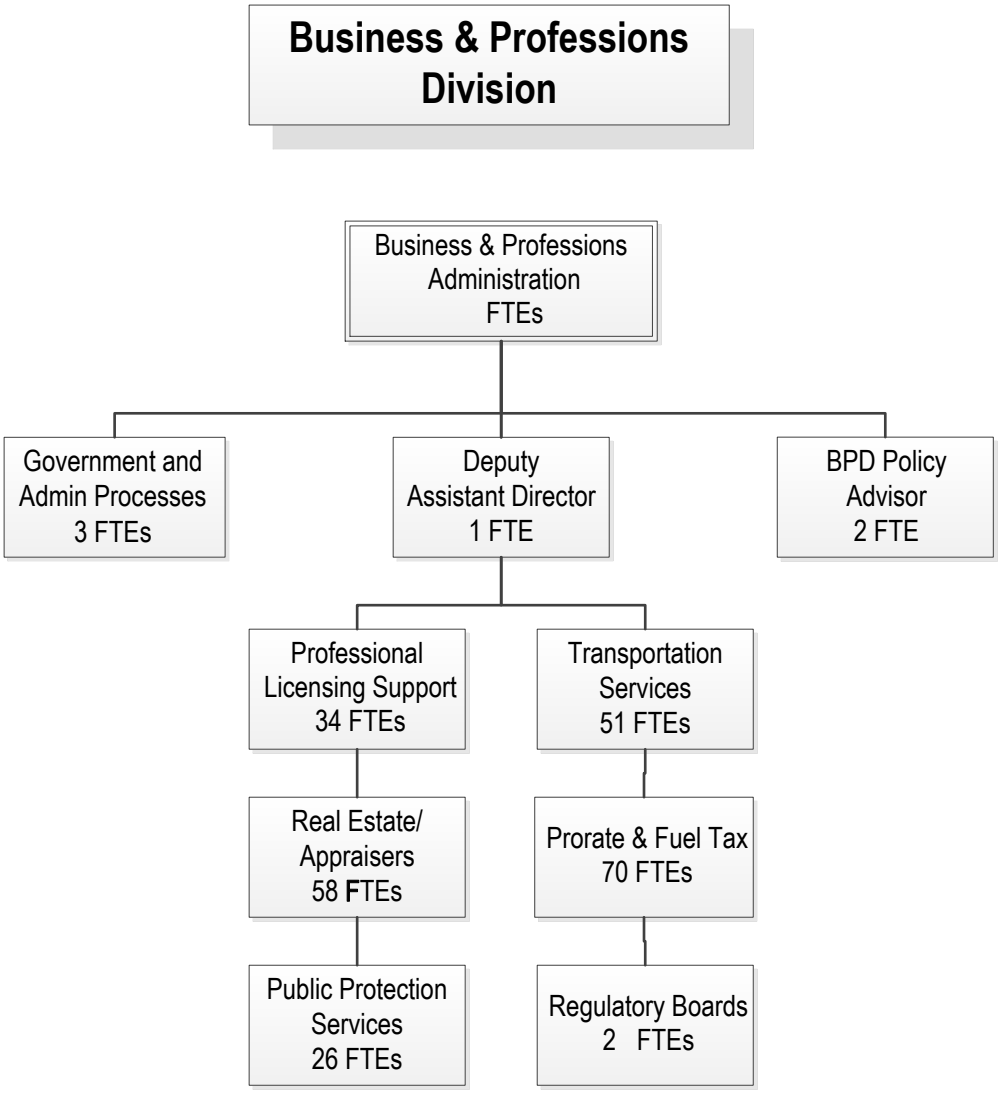
Department of Licensing

Program 600



Department of Licensing

Program 700



Washington Department of Licensing
2019-21 Biennium with 2020 Supplemental
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	Driver 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 UCC Firearms	Agency IT Projects	Overhead	Total	% of Total
Management and Support Services	Direct	7,828,813		19,811,490				12,359,040	112,000	40,111,343	31%
	Indirect	53,263,589	56,000	306,000			81,000	5,863,000	30,322,101	89,891,690	69%
	Total	**61,092,402**	**56,000**	**20,117,490**	**0**	**0**	**81,000**	**18,222,040**	**30,434,101**	**130,003,033**	**100%**
Information Services	Direct	7,591,405	21,898	3,865,382				14,335,790		25,814,475	48%
	Indirect	26,640,825	23,000						1,318,535	27,982,360	52%
	Total	**34,232,230**	**44,898**	**3,865,382**	**0**	**0**	**0**	**14,335,790**	**1,318,535**	**53,796,835**	**100%**
Customer Relations Division	Direct	2,545,660	96,341,723	20,123,143						119,010,526	100%
	Indirect									0	0%
	Total	**2,545,660**	**96,341,723**	**20,123,143**	**0**	**0**	**0**	**0**	**0**	**119,010,526**	**100%**
Program and Services Division	Direct	4,924,458	63,864,496	16,621,884						85,410,838	100%
	Indirect									0	0%
	Total	**4,924,458**	**63,864,496**	**16,621,884**	**0**	**0**	**0**	**0**	**0**	**85,410,838**	**100%**
Business and Professions	Direct	9,796,523	2,122,617	5,117,767	15,300,987	13,574,784	3,853,090			49,765,768	100%
	Indirect									0	0%
	Total	**9,796,523**	**2,122,617**	**5,117,767**	**15,300,987**	**13,574,784**	**3,853,090**	**0**	**0**	**49,765,768**	**100%**
TOTAL	Direct	32,686,859	162,350,734	65,539,666	15,300,987	13,574,784	3,853,090	26,694,830	112,000	320,112,950	73%
	Indirect	79,904,414	79,000	306,000	0	0	81,000	5,863,000	31,640,636	117,874,050	27%
	Total	**112,591,273**	**162,429,734**	**65,845,666**	**15,300,987**	**13,574,784**	**3,934,090**	**32,557,830**	**31,752,636**	**437,987,000**	**100%**
% of Total	Direct	29%	100%	100%	100%	100%	98%	82%	0%	73%	
	Indirect	71%	0%	0%	0%	0%	2%	18%	100%	27%	
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

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OUR PURPOSE

Helping every Washington resident live, work, drive, and thrive.

OUR VALUES

- **Respect:** We treat each other with dignity and respect.
- **Trust:** We earn your trust through our actions.
- **Diversity:** Our differences are our strengths.
- **Equity:** We meet each person's unique needs.
- **Inclusion:** Your voice informs and influences.

STRATEGIC PLAN 2019-2023

Easy and equitable access to great service

OBJECTIVES

- **Equitable access:** Everyone can easily find clear information about every service.
- **Better service:** Everyone can easily access and navigate every service.

STRATEGIES

- **Ask communities what they need:** Reach out to all communities, especially the underserved, to learn how to remove barriers to information and services.
- **Use clearer language:** Rewrite website content, forms, and letters, using customer, stakeholder, and employee input, so language is clearer, welcoming, and translatable.
- **Simplify online service:** Redesign web pages and transaction services, using customer, stakeholder, and employee input, to improve accessibility, usability, and translation.

Fully engaged and prepared employees

OBJECTIVES

- **Cultural competencies:** Every employee demonstrates DEI skills with each other and every customer.
- **Leadership competencies:** Universal opportunities to develop leadership skills.

STRATEGIES

- **Develop every employee's cultural competencies:** Provide every employee with Diversity, Equity, and Inclusion (DEI) training, tools, coaching, and performance expectations. Provide every supervisor with expert assistance.
- **Develop new leaders:** Deliver a new Employee Development Program reflecting agency purpose, values, goals, and leadership competencies.

Safer drivers

OBJECTIVE

- **Reduced risk:** More drivers avoid high-risk behaviors, traffic violations, and collisions.

STRATEGIES

- **Strengthen safety programs:** Revise driver training curriculum, tests, and laws to reflect research and expert partner input, and improve equitable access to training.
- **Promote a safe driving culture:** Partner with communities to increase public awareness and decrease high-risk driving behaviors.

Safer professions

OBJECTIVE

- **Professions' standards achieved:** More licensees achieve and sustain standards.

STRATEGY

- **Partner with professions to reduce consumer risk:** Provide more proactive and inclusive assistance to professions on how to prevent and correct consumer risk.

Safer data

OBJECTIVE

- **Data compliance:** Every internal and external data user meets the highest data privacy, protection, and management standards.

STRATEGIES

- **Strengthen data privacy and protection:** Implement advanced data management policies, standards, technologies, and compliance audits.
- **Develop data stewardship competencies:** Train and support employees to use the highest data privacy and protection standards for data collection, storage, and use.

WASHINGTON STATE DEPARTMENT OF LICENSING

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Recommendation Summary

Agency: 240 Department of Licensing
Version: 2020SUPP 2020 Supp Budget Request

Dollars in Thousands

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	1,437.5	9,194	414,016	423,210
2019-21 Current Biennium Total	**1,437.5**	**9,194**	**414,016**	**423,210**
Total Carry Forward Level	**1,437.5**	**9,194**	**414,016**	**423,210**
Percent Change from Current Biennium	.0%	.0%	.0%	.0%
Maintenance – Other Changes				
ML 8L Lease Adjustments < 20,000 sq. ft.	0.0	0	628	628
ML 8Y Cost Allocation Adjustment	0.0	19	(19)	0
ML HW Hearings Workload	2.5	0	553	553
ML PM Polaris Maintenance	0.0	0	4,818	4,818
ML TC Technical Corrections	0.0	0	186	186
Maintenance – Other Total	**2.5**	**19**	**6,166**	**6,185**
Total Maintenance Level	**1,439.9**	**9,213**	**420,182**	**429,395**
Percent Change from Current Biennium	.2%	.2%	1.5%	1.5%
Policy – Other Changes				
PL CP Collector vehicle license plates	0.2	0	286	286
PL DS Data Stewardship	8.0	36	4,367	4,403
PL P6 P6 – Facility Six-Year Plan	0.0	0	2,038	2,038
PL PD Public Disclosure	1.7	3	371	374
PL WE Web Accessibility and Usability	1.1	12	1,479	1,491
Policy – Other Total	**11.0**	**51**	**8,541**	**8,592**
Subtotal - Policy Level Changes	**11.0**	**51**	**8,541**	**8,592**
2019-21 Total Proposed Budget	**1,450.9**	**9,264**	**428,723**	**437,987**
Percent Change from Current Biennium	.9%	.8%	3.6%	3.5%

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2019-21 Supplemental Budget
Decision Package

Agency:	240 – Department of Licensing
Decision Package Code-Title:	P6 – Facility Six-Year Plan
Budget Session:	2020 Supplemental
Budget Level:	Policy Level
Contact Info:	Ellie McMillan (360) 902-3642 emcmillan@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests $2,038,000 in one-time costs to relocate three Licensing Service Offices (LSO) and to conduct critical roof repairs to an agency owned facility. The LSO relocations are identified in the 2019-2025 Agency Desired Six-Year Facilities Plan submitted to the Office of Financial Management (OFM). The request for LSO relocation responds to operational and emergent facility needs that accommodate increasing population, which affect workload volumes due to increased demand for driver licensing and identicard services.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106		$2,038	$0	$0
Total Expenditures	**$0**	**$2,038**	**$0**	**$0**
Biennial Totals		**$2,038**		**$0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$0	$1,531	$0	$0
Obj. J	$0	$507	$0	$0

Package Description

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

- Place offices in appropriate geographical customer areas to support increasing population, 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.
- Address issues related to environmental public health impacts, such as flooding and mold.

Funding for critical roof repairs at the East Vancouver LSO will:

- Provide space that supports the business needs of state agencies;
- Provide space that is healthy, safe, and sustainable; and
- Use the state's facilities efficiently.

Proposed Solution

To meet operational and facility needs consistent with OFM's six-year plan goals, DOL will relocate three LSOs in the 2019-21 biennium. These relocations respond to changes in population density, parking limitations, accessibility issues, environmental public health impacts, 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.

Solutions for current facility inadequacies shown below.

- An improved space design will integrate:
    - Process improvements, which enhance the customer experience and reduce wait and service time (i.e. cameras at every workstation, etc.)
    - Legislative mandates
    - Accessibility and Executive Order 16-07 for a modern work environment, including adjustable and ergonomic customer service counters
    - Shared work areas and combined-use rooms, designed to increase efficiency and limit square footage
    - Right-sized testing areas (2012 legislation removed most knowledge and drive testing from LSOs)
    - Right-sized lobbies (lobbies have sacrificed chair space for additional service counters, resulting in crowding during high volume periods creating a risk of non-compliance with local fire codes)
    - Number of service counters will reflect population growth and projections
    - Access to public transportation and adequate parking for customer volumes

Bel-Red Relocation: This is the busiest LSO in the state. King County is largest center for growth in the state. In early 2018, the building owner notified DOL of other plans for the property and that they would not renew the lease at expiration. DOL immediately filed paperwork with OFM and received approval to proceed with the relocation. A new office site was located in Redmond and DOL will complete the relocation later in 2019. Funding for the relocation received in the 2017-19 biennium. However, due to permitting delays, deferred construction and the resulting costs affect the 2019-21 biennium.

Lacey Relocation: This project relocates and expands operating capacity of the only LSO in Thurston County, serving an increasing population of county residents and military service members.

The current facility has the following site-specific issues:

- Multiple redesigns attempted to modify the customer lobby and service counter area to maximize space. This site has 12 counters, two of which are poorly located in a storage room isolating customers and staff from the lobby. The site needs 13 counters placed for efficient workflow.
- This office conducts centralized new LSR Training. This training is vital and allows DOL 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.
- Multiple environmental public health concerns, such as flooding, indoor air quality, rodent control, plumbing, and HVAC issues.
- Inadequate customer parking spaces.

Tacoma Relocation: This project relocates and expands operating capacity of the LSO within Pierce County. Lobby and back office area expansion is necessary to serve the volume of customers from Pierce, south King, and north Thurston counties, as well as military service members.

The current facility has the following site-specific issues:

- The current building in South Tacoma on the east side of I-5 is in close proximity to Parkland LSO and Puyallup LSO. Relocating further west would better serve the community currently without an LSO.
- 24 FTEs currently use 14 service counters. DOL needs 18 service counters to utilize FTE staff efficiently. There is inadequate space to add four counters.
- This office provides knowledge and drive tests. It is one of only 11 full testing locations statewide. The closest testing locations are in North Bend, Poulsbo and Morton. DOL needs a larger testing area to accommodate the regional area served.
- Back office space is inadequate. There is no secure space available to house the safe or conduct cash drawer audits. Three supervisors currently share one crowded office.

- Staff meetings conducted in the lobby because there is not enough space in the meeting room. This limits the effectiveness of meetings because it limits the ability to use digital media.

East Vancouver LSO Roof Replacement: This office was constructed in 1998. The building has a metal roof that has sustained significant water damage overtime. In addition to a damaged roof, water has penetrated the building resulting in mold and rot in a section of the front wall. Leaking has been a recurring issue, with the last repairs done in 2014. In March of 2019 following a significant rainstorm, several leaks penetrated the roof and leaked into the building. The DOL obtained an emergency declaration in March of 2019 to repair the leaking. DOL treated the area to include sealing off and placing a temporary water collection system until the roof and damaged walls repairs are completed.

The Department of Enterprise Services (DES) engaged architects to identify required repairs under an emergency procurement to stop the leaking as an interim solution. The architects noted the following:

- There were three locations where interior damage evidenced active water leaking. The primary and worst leak was in the customer waiting area immediately west of the main entrance on the south wall. Less damaged areas included the west perimeter wall near the old drive-thru lane and on the north perimeter wall east of the mechanical well on the roof.
- The occupant had installed water diversion and collection at leak.
- Observed significant damage to the interior wallboard, ceiling, and finishes and at the exterior wall siding at leak.
- The gutters of the main entrance roof discharge onto the lower roof directly into the lower gutter. This concentrates water and could be contributing to the leaking.
- The source of debris collecting on the roof and gutters contributing to the leak issues caused by the surrounding trees. Increased frequency of roof and gutter cleaning has not resolved the issue. DOL is unable to remove trees due to city ordinance. Trees adjacent to the building qualify as “specimen trees” and removal permitted only when they present an imminent public hazard.

Additionally, the architects stated: “The history of frequent leaks indicate the highest priority for a long-term fix is to completely remove the existing roofing structure and replace. The scope would also include reconstruction of the damaged exterior wall and replacement of water damaged interior finishes.”

Anticipated estimate for the recommended repairs to total $368,616 with total project costs to be $567,000.

The East Vancouver LSO employs 10 fulltime and one halftime staff. This office generated $3,483,235.45 in revenue for the 2017 calendar year. In 2018, they generated $3,311,881.48 in revenue. Through May 15, 2019, the operation has generated $1,184,708.98 in revenue.

In addition to the LSO, this building also houses Auto License Service (ALS), a vehicle licensing subagent that employs 20 staff. This office generated $21,692,278.40 in revenue for the 2017 calendar year. In 2018, they generated $23,241,170.45 in revenue. Through May 15, 2019, the operation has generated $8,585,333.71 in revenue.

Decision Package Justification and Impacts

Justification Summary

Office	Action	Lease Expiration	Population Increase*	Primary Justification	Secondary Justifications
Bel-Red	Relocate	1/31/20	22%	Population	Owner will not renew lease
Lacey	Relocate	7/31/20	20%	Population	Health, safety, & space issues
Tacoma	Relocate	6/30/20	25%	Population	Space & location issues
East Vancouver	Repair	n/a (owned)		Health & safety	Community impact

Population increase basis:

Supplemental Projections of the Total Resident Population for Growth Management
2017 GMA Projections - Medium Series

	Census	Estimate		Projection							
	2010	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
State	**6,724,540**	**7,061,410**	**7,310,300**	**7,426,346**	**7,535,510**	**7,638,415**	**7,736,240**	**7,827,874**	**7,916,032**	**8,001,476**	**8,085,043**
										increase 2010-25:	**20%**
King	1,931,249	2,052,800	2,153,700	2,181,564	2,207,401	2,231,408	2,257,650	2,283,693	2,308,542	2,332,421	2,355,571
										increase 2010-25:	22%
Pierce	795,225	830,120	859,400	874,137	888,066	901,251	913,426	924,876	935,842	946,412	956,682
										increase 2010-25:	20%
Thurston	252,264	267,410	276,900	282,965	288,768	294,333	299,069	303,611	308,012	312,300	316,508
										increase 2010-25:	25%

OFM - Forecasting & Research | January 2018 DOL - P&P estimate of increase | August 2019

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 with the most fiscally conservative and energy efficient footprints, with adequate parking, access to public transportation to support the needs of customers, DOL, and the state.
3. Provide office layouts to support implementation of workplace strategies for efficient customer workflows that sustain lobby wait times under 30 minutes and total customer experience time under 45 minutes.

4. Create modern work environments that benefit customers and staff by using shared or multipurpose workspaces that are adjustable and ergonomic.
5. Replace the roof on DOL owned East Vancouver LSO.

If not funded, or partially funded, wait times, customer satisfaction, and employee engagement may deteriorate.

Alternatives Explored

- Alternative 1: Do nothing - This option does not maintain DOL's ability to serve customers or resolve the critical facility roof repair.
- Alternative 2: Conduct major reconfigurations of current space - DOL has already done all remodeling possible for the proposed relocations. DOL identified no additional efficiencies.
- Alternative 3: Co-locate with other state agencies - DOL considers co-locations when working with OFM and DES. However, typically this option is not a good fit with many other agencies due to high customer volumes, which result in traffic congestion and parking impacts to neighboring businesses.
- Alternative 4: Relocate LSOs and address critical repairs - 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.

  This would provide the following:

  - Invest in the strategic relocation of the Lacey and Tacoma offices.
  - Fund the already in-process Bel-Red relocation.
  - Replace the DOL owned East Vancouver LSO roof.

What are the consequences of not funding this request?

If not funded, DOL will be unable to address population growth, provide adequate space for staff and customers to meet business needs, maintain wait time standards, or address ongoing health and safety issues.

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.

Table 3 represents the base funded levels for lease and annual services that correspond the three 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 2018	FY 2019	FY 2020	FY 2021
106	A031	Leases	$508,463	$508,463	$678,478	$803,721
106	A031	Annual Services	$85,974	$85,974	$146,663	$140,363
Total Base Budget			$594,437	$594,437	$825,141	$944,084

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 and the Vancouver roof replacement addressed in Table 1. Costs by expenditure type for all locations displayed in Table 2.

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

Table 1				**Biennium 2019-2021**	
Date of Action	**Office Title**	**UFI**	**Action Type**	**FY 2020**	**FY 2021**
7/1/2020	Tacoma	A10552	RELOCATION		$ 498,000
6/1/2021	Lacey	A06055	RELOCATION		$ 485,000
10/1/2019	Bel-Red	A07756	RELOCATION		$ 475,000
5/1/2020	Vancouver	A02992	EM REPAIR		$ 580,000
Grand Total					**$2,038,000**

Table 2	Biennium 2019-2021		Biennium 2021-2023	
Expenditure Type	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
DES Fees		$178,000		
Furniture (New)		$507,000		
Furniture Relocation		$6,000		
IT Infrastructure		$95,000		
Tenant Improvement		$1,217,000		
Moving/Supplies		$5,000		
Building Security/Access		$30,000		
Grand Total		**$2,038,000**		

Workforce Assumptions:

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

Strategic and Performance Outcomes

Strategic framework:

Relocation, redesign, or repairs of the four sites described above align directly with DOL's number one Strategic Goal to provide "Easy and equitable access to great service", and indirectly to our very Purpose of "Helping every Washington resident live, work, drive, and thrive". Bringing these four sites up to safe and efficient standards will also reflect our value of equity; these communities may experience a lower standard of service than communities with safer and more efficient sites.

Improving these four sites aligns well with the Governor's priority for "Efficient, effective, and accountable government" and interest in measures of customer satisfaction.

Performance Outcomes:

DOL anticipates performance outcomes and improvement at all four sites.

- Bel-Red: We estimate serving over 114,000 customers in 2025 (using FY19 actual customers served and OFM's forecast of county growth 2018-25). We estimate 85% or more will have a combined wait and service time of under 45 minutes (sustaining or improving actual FY19 performance).
- Lacey: Using the same estimating methods as with Bel-Red, DOL estimates serving over 73,000 customers in 2025, and 81% within 45 minutes.
- Tacoma: DOL estimates serving over 100,000 in 2025, and 80% within 45 minutes.
- East Vancouver: DOL estimates serving over 91,000 driver customers in 2025. Safety improvements will positively affect all customers, staff, and agents.

Performance Measure Detail:

Measure Title: Statewide results	Actual FY19	FY20 estimate	FY21 estimate*	FY22 estimate	FY23 estimate
% of customers served within 45 minutes	87%	87%	83%	87%	88%
% of customer feedback that is positive	94%	94%	90%	94%	94%

* FY21 performance may dip due to disruption during project months.

Other Collateral Connections

Intergovernmental:

N/A

Stakeholder response:

These relocations and the East Vancouver roof replacement will support improved customer service in their specific region or county.

Relocated offices will support increased workload volumes of driver transactions due to population growth, acceptable lobby wait times, work place strategies (including workflow efficiencies), and geographical customer areas.

The East Vancouver roof replacement will provide a safe and healthy environment for our staff and customers, and maintain the structural integrity of the building.

Legal or administrative mandates:

Executive Order 16-07: Building a modern work environment.
Executive Order 18-01: State efficiency and environmental performance.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

Replacing the roof in the East Vancouver state owned facility ensures the structural integrity of the facility. Additionally, it will prevent further structural damage necessitating more costly repairs.

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: Department of Licensing
Decision Package Code-Title: DS -Data Stewardship
Budget Session: 2020 Supplemental
Budget Level: Policy Level
Contact Info: Ellie McMillan
(360) 902-3642
emcmillan@dol.wa.gov

Agency Recommendation Summary

Department of Licensing requests full funding of the Data Stewardship and Privacy Protection efforts to improve data governance and management, revenue forecasting, data analytics, and data contract compliance. The Office of the Chief Information Officer ranked the original request in the top three of 100, and the legislature partially funded it in the 2019-21 Transportation budget. Supplemental funding is required to put personnel and tools in place to manage and secure data, expand auditing of data contracts, and integrate data from agency systems and external sources into a centralized data warehouse as part of a comprehensive governance and compliance program.

Fiscal Summary

Operational Summary
Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$18	$18	$14	$14
Fund 003 - 1	$7	$7	$5	$5
Fund 026 - 1	$79	$79	$59	$59
Fund 04E - 1	$16	$16	$12	$12
Fund 06G - 1	$13	$13	$10	$10
Fund 06L - 1	$146	$146	$110	$110
Fund 082 - 1	$20	$20	$15	$15
Fund 104 - 1	$2	$2	$2	$2
Fund 106 - 1	$1,368	$1,361	$1,016	$1,016
Fund 108 - 1	$482	$483	$365	$365

Fund 14V - 1	$18	$18	$14	$14
Fund 15V - 6	$11	$11	$9	$9
Fund 201 - 1	$20	$20	$15	$15
Fund 298 - 6	$5	$4	$3	$3
Total Expenditures	**$2,205**	**$2,198**	**$1,649**	**$1,649**
Biennial Totals		**$4,403**		**$3,298**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	7.0	9.0	9.0	9.0
Average Annual		**8.0**		**9.0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
A	$615	$787	$787	$787
B	$210	$269	$269	$269
E	$1,282	$1,063	$529	$529
G	$45	$60	$60	$60
J	$53	$19	$4	$4
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	$0	$0	$0	$0
Total	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Note: Totals may vary due to rounding.

Package Description

DOL requests funding to complete implementation of the partially funded Data Stewardship and Privacy Program. DOL is developing the program to improve its data governance and management, revenue forecasting, data analytics, and data sharing compliance program. DOL oversees the personal data of more Washington residents than any other state agency, with over seven million drivers and identification card holders, eight million vehicles and vessels, and nearly 300,000 business and professional records. As stewards of the state's largest collection of personal data, DOL manages data throughout its lifecycle while concurrently managing rapid growth in the volume of data collected and expectations surrounding data privacy. The agency has been taking note of frequent news of data breaches and the misuse of personal information, which underscores the agency priority for governance and compliance.

In 2018, DOL submitted a comprehensive proposal on Data Stewardship and Privacy protection focused on providing the highest level of service in collecting, retaining, sharing, and using data while protecting the privacy of residents. DOL outlined the people, processes, and data-specific technologies needed to enhance its data lifecycle governance and management. DOL developed a proposal for a new program that includes three components: Data Management, Data Analytics, and Data Sharing and Compliance. DOL will utilize these three components comprehensively to support the overall data lifecycle management of collecting, managing, using, retaining, and sharing data in accordance with state law, while protecting customer privacy.

The Chief Information Officer (OCIO) scored the 2018 proposal in the top three rankings of one hundred evaluated. OCIO recommended full funding and noted DOL resources were well accounted for.

The state of Washington partially funded the proposal in the 2019-2021 Transportation (ESHB 1160, 2019) and Omnibus budgets. DOL is using the partial funding for planning and framework development, but not implementation. DOL is seeking the remaining funds to implement a comprehensive program, and put the resources in place to protect personal data while preparing for trending concerns such as facial recognition.

DOL will need the required resources requested in this decision package to complete the program and succeed in hitting all defined performance outcomes, as the agency is currently at a 0% baseline for bringing data up to new DOL standards for quality and privacy. Moreover, the agency is operating at a baseline of 16% audits for data compliance of bulk data sharing agreements. Lastly, DOL cannot create the data warehouse without the remaining funding. The additional funding will allow us to implement the Data Stewardship and Privacy Program. The agency will use the funds in this request to increase privacy, security, compliance, quality, and management by the targets set forth in the Strategic Performance Outcomes section.

The comprehensive Data Stewardship and Privacy program and resource needs are:

Data Stewardship and Privacy Management (Data Management)

DOL has made significant progress toward modernization of its operational systems where the data resides, including the Prorate and Fuel Tax system, Drivers and Vehicles System (DRIVES), and Central Issuance System (CIS). The agency implemented the modernized systems to set the foundation and readiness for the agency 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 commercial off the shelf software (COTS) solutions, not all DOL data resides in a single system. The modernization projects 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 throughout its full life cycle.

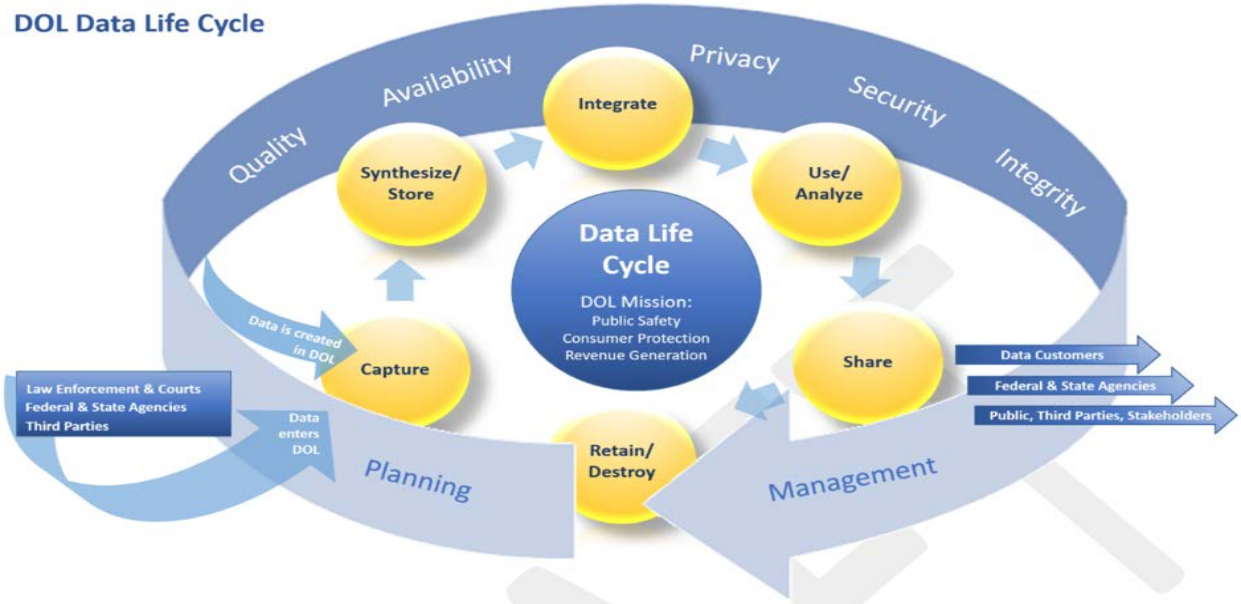


Figure 1 – DOL Data life cycle

Funded in 2019-2021 Transportation Budget:

The legislature funded The Data Stewardship and Privacy Officer in the 2019-2021 Transportation budget. The Data Stewardship and Privacy Officer as well as the data stewards are responsible for knowing why, where, and how DOL collects and processes data. The Data Stewardship and Privacy Officer will lead the stewardship, management, compliance, and governance of all DOL data. This role will take on the responsibilities of constructing a framework with goals for providing better Data Stewardship and a plan to achieve those goals; creating and implementing data policies, overseeing data sharing contracts and compliance, establishing assurance processes and metrics for data, and strengthening agency data standards and controls. This position will also continue developing the agency's data privacy training in partnership with OCIO. This training will be available for all state agencies to use.

***Supplemental Request*:**

- Five (5.0) Data Stewards (Management Analyst 5). A data steward is an individual who is responsible for the data domains defined for an organization. Data stewards take ownership of the data and work with program/business areas to define the program's objectives. The data stewards will maintain data control in data governance and master data management initiatives on a day-to-day basis. Data Stewards are required for managing DOL data along with the tools such as data management, monitoring and protection software. The data stewards would implement the data privacy and stewardship activities across data inventory, collection, management, reporting, quality, use, retention, protection, and disposition of all data elements within their data domains. The data stewards would track the purpose of collecting data, how the agency shares data, and track and report who has access to said data. The Chief Data Privacy

Officer does not have the capacity to answer these questions alone, nor manage 24 data domains with 16,180 data attributes across multiple programs areas without the data stewards.

As per the Gartner survey of data roles, (see **Figure 2)**—the Data Stewards are the #1 sought after role that organizations would be adding by 2020. DOL would use the funding of this request to keep the agency at the forefront of Data Stewardship. **Appendix C** provides additional information regarding the role of the Data Stewards and their workload.

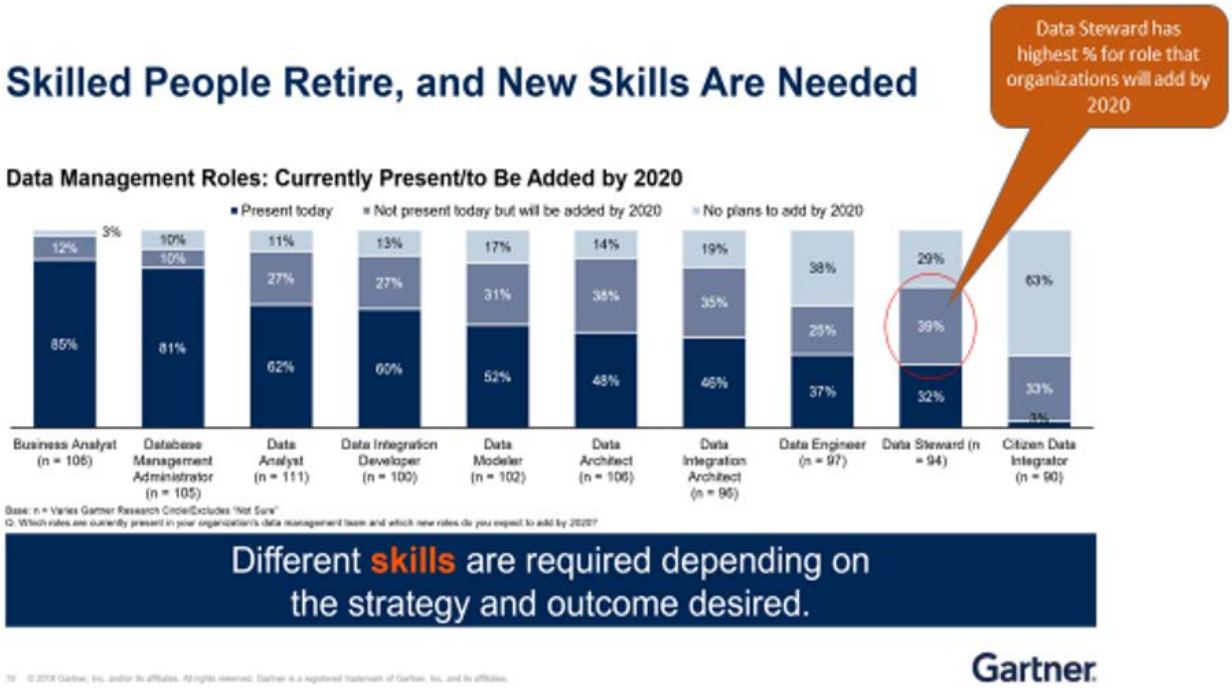


Figure 2 - 2018 Gartner Survey of Data Roles

- DOL is requesting software and associated costs (consultation, setup fees, and training) for Data Privacy and Protection Management, Data Quality, and Data Cataloging. DOL will use these tools to inventory, manage, and monitor the release of and protection of sensitive data.

Data Analytics

While DOL has consolidated over 200 applications into several major commercial off the shelf (COTS) solutions, not all DOL data resides in a single system. DOL set the foundation to develop data analytics capabilities through modernization of consolidation of applications by building a data warehouse that would integrate data from different internal systems and external sources.

DOL is requesting funding for a data warehouse that would build on the modernization reporting improvements and grow capabilities to conduct privacy and threat modeling, fraud detection, predictive analytics, and strategic decision support. DOL would build the warehouse so that it would enable internal and external self-service reporting and direct publication to open data portals. This warehouse would provide benefits to analysts, data or Privacy Officers, stewards, data scientists, data sharing and compliance/audit staff, and security staff. The warehouse would provide the above mentioned enhancements to end-users including Legislature, Office of Financial Management (OFM), universities, other agencies, private entities, etc., that obtain copies of data sets for self-service analysis where personally identifiable information has been removed.

Funded in 2019-2021 Transportation Budget: DOL requested two positions (Data Warehouse Engineer and Data Warehouse Technician) in the original package for data analytics and the data warehouse. The legislature only funded the Data Warehouse Engineer.

Supplemental Request:

- DOL is requesting the Data Warehouse Technician (IT Data Management – Journey), and the supporting tools to have a fully planned and operational data warehouse. This position would be the data-centric IT professional who analyzes source data, and operates the Extract, Transform, Load (ETL) processes to ensure the data warehouse is up-to-date with the latest data and changes from various source systems. This position would be key to the implementing the data warehouse solution and providing technical support to the data management office for data quality and cataloging software.

Data Sharing and Compliance ("Data Compliance")

DOL oversees the personal data of more Washington residents than any other state agency. DOL stores this data and provides business with access as needs arise, such as through public disclosure requests, license issuance, or delivery to a commercial data broker. DOL maintains 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. At present, data brokers provide 34,500 customers access to DOL data, and although DOL requires the brokers to audit their customers, the compliance program has limited resources to ensure this work takes place.

The state of Washington mandates DOL to audit and enforce data security and permissible use requirements per RCW 46.12.630 and focuses on those receiving lists of vehicle owners. DOL inserted the audit requirements, considered a best practice, into all contracts for bulk driver data. Today the compliance program is proactively auditing only bulk data sharing agreements for data security. DOL conducts limited permissible use audits as current constrained resources allow, with the focus on those data brokers sharing significant amounts of data with their customers.

DOL must first audit new data recipients to prove they meet data security and permissible use requirements *prior* to receiving personal information. DOL previously conducted compliance work with one manager and auditors on loan from Internal Audit. DOL primarily focused on data security audits given the staffing constraints. The agency internal auditor is no longer able to support the compliance efforts, as their own internal audit workload was suffering. Dedicated external auditors are currently required to support the compliance program.

DOL audits bulk data recipients to ensure they comply with DOL requirements to secure and use confidential information as written in their contracts. DOL needs to tailor compliance activities to the volume of data sharing. For example,

- DOL would audit bulk data recipients for data security and permissible use.
- The agency would require e-service users pulling individual records to submit annual self-certifications of compliance and be subject to random permissible use checks.
- The agency would augment current field audits of recipients, such as subagents, to include data security and permissible use components.

DOL would expand the compliance program to all areas across the agency where DOL shares confidential information with outside parties and requires dedicated resources, which are not presently available. DOL would use this funding to ensure auditing of all data brokers on a regular cycle based on risks. DOL would audit brokers or outside parties that pose higher risks more frequently to ensure compliance with laws, RCWs, executive orders, and contracts.

Funded in 2019-2021 Transportation Budget: The legislature approved two (2.0) IT Specialist 4 (ITS4) and one (1.0) Contract Specialist 2 positions in the 2019-2021 Transportation budget. The ITS4 positions will manage the data security audits, and 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 compliance of recipients' IT systems with permissible use restrictions. The contract specialist will manage the annual data security and permissible use certifications that all data recipients must submit.

<u>Supplemental Request:</u>

- DOL is requesting the two (2.0) auditors (Management Analyst 5) to audit bulk data recipients against uniform data security, permissible use, and compliance requirements, and provide expertise in enforcement of data security and permissible use requirements. Together with the ITS positions, these auditors would be responsible to audit bulk data recipients and assist with other compliance activities. DOL is requesting an automated compliance application to monitor and manage compliance activities consistent with the 2019 budget proposal.

Shared Costs - Project Management (PM), Organizational Change Management (OCM), and Quality Assurance (QA) services

DOL did not receive the requested funding for the required Project Management, Organizational Change Management, and Quality Assurance services in the 2019-2021 budget.

Supplemental Request:

- DOL requests a project manager to provide stability and continuity to succeed as well as to ensure align of funding, scale, and scope consistent with OCIO, OFM and legislative expectations. DOL assesses project risk when the agency determines the level of PM needed for the project. Please note that risk comes in many forms, including scale and complexity. This project is very complex and requires an expert-level project manager.

- OCIO policy 132 requires that agencies hire an independent project Quality Assurance provider, which must be included in project budgets, for all major projects. The OCIO has identified the Data Stewardship project as being a "major project," thus requiring OCIO oversight.

- Furthermore, DOL must develop comprehensive organizational change management for a successful Data Privacy and Stewardship Program, including the right organizational structure to support the new program.

Assessment of Current State and Resource Needs:

A centralized Data Stewardship and Privacy Protection Program will create and standardize the agency's practices across separate teams and allow DOL to complete permissible use audits of data 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.

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 shift DOL culture to treat data as an asset. The study also recommended 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 system modernizations. Since 2008, DOL has modernized many major systems and demonstrated the readiness to undertake data initiatives.

DOL Data Governance and Management Board: In 2017, in response to a growing number of incidents and opportunities involving data, DOL formed a Data Governance and Management

Board. The board assessed the degree to which different data policies (quality, privacy, security, availability, and ethics) contribute to DOL 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 should 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 governance, management, and oversight of data.*

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 is 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 the assessor summarized DOL data 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)**

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 the leadership team 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).**

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 five years, the compliance program has evolved to be a leader in data sharing compliance efforts. Today, DOL must audit new data recipients to prove they meet data security requirements *prior* to receiving personal information. DOL must audit those with ongoing contracts 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 for data security, representing a small fraction of all data sharing contracts across the agency. Proactive permissible use audits were conducted as resources allow or in reaction to claims of misuse. Two auditors on loan from the Internal Audit program provided data security audits, however, they are unable to continue to perform external audits as it was inhibiting their ability to meet their own workload requirements.

The assessments summarized below rank DOL's current data capability maturity at "Reactive" per industry benchmarks. **(Figure 3)** – Data Management Maturity Model. 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 Washington residents' personal data.

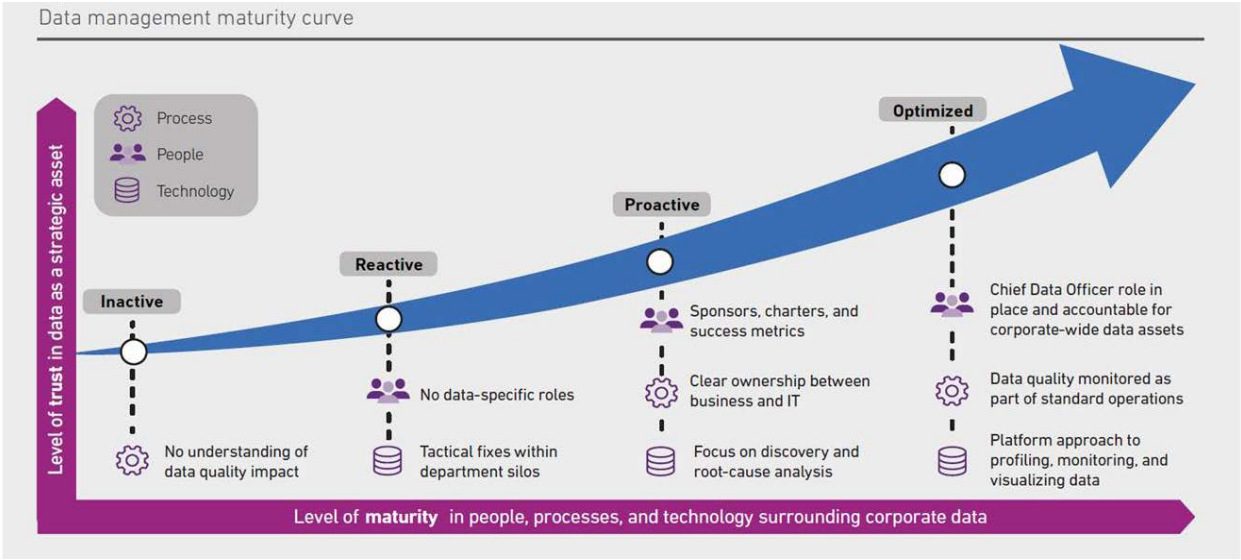


Figure 3 – Data Management Maturity Model - *Source: The 2018 State of Data Management Report – A public sector benchmark report by Experian*

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

Data Management
Continue with the current approach to managing data: DOL would continue to manage data in a de-centralized manner. Business areas would continue 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 the stewards do not capture ecosystem partners.2. A business unit makes a decision to stop collecting certain data as a part of a transaction. While this does not directly affect the operational transaction, it prevents DOL from managing the correlation of data elements within the larger DOL enterprise or broader ecosystem-partners with whom the agency shares the data. The other problem with the current approach is the lack of Data Stewards leaves the data management decision-making process to analysts, operational 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. Without Data Stewards, DOL will lack the resources needed to properly catalogue and manage its 24 unique data domains. As a result, DOL will not be able to collect, inventory, retain, disposition, and protect personal data from security threats in accordance with DOL

Strategic Plan initiative item number five “Safer Data”. Currently, there are no staff available to provide the above services nor to train DOL to properly manage data, scrub unnecessary redundant data from systems, and provide enforcement of DOL data management and governance standards.

In addition to staff, DOL does not have software necessary to manage, provide quality control, and catalog data.

While the partial funds help to develop plans and frameworks for data privacy and stewardship, DOL cannot implement those plans without full funding, as it currently lacks the resources to do so. DOL needs full funds to build the data capabilities necessary to address the growing risks in data privacy.

DOL will remain at a baseline of zero percent for data meeting the new standard for quality and privacy if the agency does not receive funding.

Data Analytics

Keep to only funded portion, i.e. do not add Data Technician – DOL used extensive research and expert consultation from Gartner in developing funding request for the data warehouse. With only the funded data engineer and infrastructure costs, DOL can plan and design the data warehouse, but will not be able to implement it due to a lack of resources. The role of this data technician is to support the data engineer in data migration, data updates, and overall maintenance of the data warehouse on a daily basis.

DOL has determined this is not a viable option because without a data warehouse, DOL’s reporting and analytics will be limited to manual processes for combining data from different agency systems. Moreover, if DOL chose this option, existing staff would need to extract and integrate data from each source system, on a case-by-case basis to produce the desired report or result. DOL will need to assign this labor-intensive process to the Data Technician to deliver consistent results. Over time, the fulfillment of data requests becomes unmanaged as each program/division will develop disconnected 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. Lastly, DOL will only be able to continue to answer five percent of all data requests with the existing resources available.

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 of them implemented data warehouses in addition to DRIVES to fulfill data analytic needs.

Data Compliance

- **Use existing compliance staff plus the positions approved in the 2019-2021 Transportation Budget** - The two funded IT Specialist 4 (ITS4) positions will manage data security audits, and will only be conducting limited permissible use audits or investigations if DOL becomes aware of, or suspects, misuse. The program cannot expand agency-wide. The funded contract specialist position will perform compliance monitoring of e-Service agreements (e.g. Driver and Plate Search (DAPS)). Therefore, DOL would remain at the currently baseline of sixteen percent of bulk data sharing contracts being audited for compliance due to a lack of resources needed to reach its performance goals.

- **No technology solution** – In the absence of an application to track and manage audits, the program will rely on a spreadsheet. This presents challenges for multiple users, reporting, forecasting workload, scheduling audits. Additionally, DOL would lack a dashboard view of the standing of current program status.

What are the consequences of not funding this request?

The agency will not be effective in managing its data and ensuring data recipients are complying with contract requirements without this request. 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 a data privacy and protection program in the coming years can result in significant cost to the agency and risk to the residents of Washington as seen in the industry following examples:

- 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 $4.7 million.

- The total volume of industry data around the world is doubling every two years and DOL is experiencing similar significant growth in electronic content. An industry benchmark shows average organization costs of $2.8 million every three years to store one Petabyte (1000 Terabytes) of data. The Data Stewardship program can mitigate DOL's costs 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 $20 million or more.

Additionally, DOL anticipates that the Legislature will continue to enact legislation related to privacy and data sharing. DOL requires the resources requested in this decision package to meet anticipated future legislative needs.

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:

- DOL 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 does not have the bandwidth to perform all the functions of full-time data stewards.

- DOL identified the need for permissible use audits last biennium. The agency temporarily addressed this need by reassigning two internal auditors. Unfortunately, this created a backlog of internal agency audits that need to occur, and they were unable to support the program long term.

- 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 Information Services staff because analytics requires back and forth investigative data queries. To fill the gap, we added Information Services and analytics staff to the production support processes. However, this is not sustainable as this is taking away staff time from critical Information Services operations.

- DOL received partial funding in the 19-21 Transportation budget from the Legislature to start the planning phase of our agency data transformation efforts. While this funding has provided the necessary framework to build the Program, DOL needs the additional funding to continue the next phase of planning and start the implementation of our data management and data compliance program.

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

Note – above represents one (1) manager and half (0.5) Contract Specialist currently completing compliance audits. Auditors "on loan" and Data Management FTEs not part of this project are excluded.

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 (1.0) 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 Information Services engineer and technician (part of this package).

- Records Management: One (1.0) WMS employee 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 Database Administration Unit: DOL Information Services division has a unit comprised of three database administrators. This unit's work is primarily operational and involves administering and maintaining the entire 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 supplemental package requests the second data warehouse staff to build and maintain the data analytics environment.

- Research and Analysis Program: DOL's research and analysis office has ten researchers and data scientists to conduct agency-wide in-depth analysis and research activities to support policy development, performance management, and operational initiatives. This team does not have the Information Services expertise or skills needed to develop and maintain a data warehouse.

Data Compliance

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. DOL is managing the existing program 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 unable to perform critical internal audit activities and assurance services, preventing the risk based audit plan from being completed, and the auditing of agency programs.

Detailed assumptions and calculations:

Data Management

Data Management Cost Breakout			
Cost Category	**FY 20**	**FY 21**	**Total**
FTE Costs	$ 347,000	$ 578,200	$ 925,200
Standard Costs for FTEs	$ 76,100	$ 105,100	$ 181,200
Technology Services	$ 450,000	$ 350,000	$ 800,000
Grand Total:	**$ 873,100**	**$ 1,033,300**	**$ 1,906,400**

- Five (5) Data Stewards (Management Analyst 5) are required to properly manage and protect DOL data. DOL is basing this request upon 24 DOL data domains encompassing more than 16,180 unique data fields that total more than 25 million records among vehicle & vessel, drivers, Prorate & Fuel Tax (PRFT), and business professions. The annual workload estimate is 12,053 hours.
- Protection management, data quality, and data catalog software is estimated at $100k-per-year (based upon multiple internet search results) for each software suite multiplied by two (2) years per biennium plus taxes & other fees; to include setup and consultation costs in fiscal year one of this request.

Data Compliance

Data Compliance Cost Breakout			
Cost Category	**FY 20**	**FY 21**	**Total**
FTE Costs	$ 231,300	$ 231,300	$ 462,600
Standard Costs for FTEs	$ 50,700	$ 36,000	$ 86,700
Out-of-Sate Travel for Auditors	$ 45,100	$ 60,000	$ 105,100
Audit Tracking Software	$ 170,000	$ 20,000	$ 190,000
Grand Total:	**$ 497,100**	**$ 347,300**	**$ 844,400**

- Two (2) Auditors (Management Analyst 5) are necessary to conduct required compliance activities, including auditing entities who receive bulk volumes of vehicle or driver data as required by RCW 46.12.630. DOL based auditor workload on completing 15 data security and 15 permissible use audits each-year on bulk data recipients and assisting with compliance activities (e.g. annual certificates of compliance) on 4,100+ recipients of DOL data.
- DOL needs professional audit tracking and management software for managing and reporting on compliance activities across 4,100+ contracts. DOL based costs upon MetricStream (DOL will choose the actual vendor via the Request for Proposal (RFP) process).

Below – MetricStream costs obtained from vendor website:

Cost of Deploying **MetricStream** Audit Management Solution	
Software License **Cost**	$100,000
Implementation Services **Cost**	$50,000
Annual Support and Maintenance	$20,000
Total **Cost**: Year 1	$170,000

- DOL based travel costs for the auditors upon historical auditor travel expenses (in-state/out-of-sate travel, per-diem, etc.).

Data Analytics

Data Analytics Cost Breakout			
Cost Category	**FY 20**	**FY 21**	**Total**
FTE Costs	$ 131,000	$ 131,000	$ 262,000
Standard Costs for FTE	$ 25,500	$ 18,200	$ 43,700
Grand Total:	**$ 156,500**	**$ 149,200**	**$ 305,700**

- DOL requests One (1) Data Analytics Technician (Journey) to manage the day-to-day operations of the data warehouse. DOL based this request upon the findings of a consultant study provided by *Quest Information System* as well as a separate consultant assessment by *MathTech*.

Other Costs

Other Costs			
Cost Category	**FY 20**	**FY 21**	**Total**
Independent Quality Assurance	$ 205,800	$ 205,800	$ 411,600
Project Management Services	$ 329,900	$ 329,900	$ 659,800
Change Management Services (OCM) MA5	$ 115,700	$ 115,700	$ 231,400
Standard Costs for OCM FTE	$ 25,500	$ 18,200	$ 43,700
Grand Total:	**$ 676,900**	**$ 669,600**	**$ 1,346,500**

- DOL calculated all standard costs from a DOL "decision package cost calculator" using rates found in all DOL fiscal notes and decision packages.
- The independent Quality Assurance (QA) contractor is required per OCIO policy 132 using current contractor rates of $31,662-per-month at a need of 6.50 months of work per-fiscal-year over the course of two total years.
    - $31,662 x 6.50 months x 2 years duration = $411,600 (rounded to nearest hundred)
- A full time project manager is required due to the OCIO defining the Data Stewardship project as a "major project." Costs were derived using current rates of $27,492 per month at a need of 12 months of work per year, over the duration of two years.
    - $27,492 x 12 months x 2 years duration = $659,800 (rounded to nearest hundred)
- One (1) Data Steward (Management Analyst 5) is required for Change Management services, based upon experience with other projects (such as DRIVES).

Workforce Assumptions:

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Management Analyst 5 (Data Stewards)	$7,172	3.0	5.0	5.0	5.0
Management Analyst 5 (Auditors)	$7,172	2.0	2.0	2.0	2.0
IT Data Management-Journey (Analytics Tech)	$8,232	1.0	1.0	1.0	1.0
Management Analyst 5 (OCM)	$7,172	1.0	1.0	1.0	1.0
Total FTEs (Round 10)		**7.0**	**9.0**	**9.0**	**9.0**

Object A - Salaries		2020	2021	2022	2023
Management Analyst 5 (Data Stewards)	$7,172	$258,200	$430,300	$430,300	$430,300
Management Analyst 5 (Auditors)	$7,172	$172,100	$172,100	$172,100	$172,100
IT Data Management-Journey (Analytics Tech)	$8,232	$98,800	$98,800	$98,800	$98,800
Management Analyst 5 (OCM)	$7,172	$86,100	$86,100	$86,100	$86,100
Total Object A - Salaries (Round 100)		**$615,200**	**$787,300**	**$787,300**	**$787,300**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Management Analyst 5 (Data Stewards)		$88,800	$147,900	$147,900	$147,900
Management Analyst 5 (Auditors)		$59,200	$59,200	$59,200	$59,200
IT Data Management-Journey (Analytics Tech)		$32,200	$32,200	$32,200	$32,200
Management Analyst 5 (OCM)		$29,600	$29,600	$29,600	$29,600
Total Object B - Benefits (Round 100)		**$209,800**	**$268,900**	**$268,900**	**$268,900**
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
Data Management & Governance Software Suites		$450,000	$350,000	$350,000	$350,000
Audit Tracking Software		$170,000	$20,000	$20,000	$20,000
Project Manager Contractor		$329,900	$329,900	-	-
Independent Quality Assurance Contractor		$205,800	$205,800	-	-
Standard Costs for FTEs		$124,700	$158,900	$158,400	$158,400
Total Object E – Goods & Services (Round 100)		**$1,280,400**	**$1,064,600**	**$528,400**	**$528,400**
Object G – Travel		**2020**	**2021**	**2022**	**2023**
Travel for Auditors		$45,100	$60,000	$60,000	$60,000
Total Object G – Travel (Round 100)		**$45,100**	**$60,000**	**$60,000**	**$60,000**
Object J – Equipment		**2020**	**2021**	**2022**	**2023**
Standard Costs for FTEs		$53,100	$18,600	$4,400	$4,400
Total Object J – Equipment (Round 100)		**$53,100**	**$18,600**	**$4,400**	**$4,400**

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 Objective for Data Compliance.

Performance outcomes:

Data Management Outcomes:

- DOL data would be inventoried and organized into domains, and reflect DOL's improved standards for data capture, storage, security, use, sharing, retention and destruction.
- All data domains would have assigned data stewards who enforce those standards.
- All DOL staff with authorization to access a data set would receive training on new agency data standards.
- As the agency identifies and removes unnecessary data, the volume of data stored by DOL would decrease.

Data Compliance Outcomes:

- All entities receiving confidential data from DOL would be subject to data security and permissible use requirements as stated in contracts with DOL.
- Bulk data and e-Services recipients would submit annual compliance attestations.
- DOL will audit all bulk data recipients for data security and permissible use compliance once every three years (approximately 15 data security audits and 15 permissible use audits annually).
- DOL will fully remediate all audit violations under a corrective action plan containing compensating risk controls.

Data Analytics Outcomes:

- DOL would ensure data queried for analytical or reporting purposes by authorized and qualified DOL employees would use a new secured data warehouse.
- DOL would fulfill internal and external requests for DOL data, analysis and related research more often. DOL is currently able to answer 5% of data requests with existing statistical data sets. DOL expects this to increase to 10%, 20%, and then 25% within the first three years. This will allow the agency to devote more resources to more in depth research and analysis.
- DOL would fulfill internal and external requests for DOL data, analysis and related research more timely. Development of custom data sets takes three to six months today. DOL expects a 50% to 80% reduction in turnaround time for similar work.

- 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:

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

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

Performance Measure Detail:

Data Management: Percent of data domains meeting DOL's new standards for data quality and privacy shown below.

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: Percent of bulk data sharing contracts audited for compliance shown below.

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

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

Project Management Plan

Required EPMO resources:

- *Will this require agency governance? (Will it impact more than 1 division?)*

Yes. This request will impact all divisions, requiring agency governance.

- *Will this require Project Management OCM, Lean, Product Owners or Portfolio resources?*

Yes. The following resources will be required:

- **Independent Quality Assurance Contractor** - Per OCIO policy 132 - Agencies shall hire and use an independent project QA provider on all major projects.
- **Project Management Services** - OCIO has defined Data Stewardship as a "major project," and thus the agency requires project management resources.
- **Change Management Services (OCM)** - As part of overall project planning, DOL 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, training, and supervisor/manager coaching.

Project timeline with major deliverables:

August 2019 – June 2020

Charter created
Submit plan to transportation committees of the Legislature by 12/31/2019
Develop and submit OCIO Information Technology Project Assessment (ITPA)
Develop and submit OCIO Concept Brief
Receive initial funds to hire resources for Data Stewardship planning (*gated funds released)*
Submit Supplemental 2020 decision package
Hire:
• Chief Privacy Officer (1 FTE)
• Auditors (2 FTEs)
• Contract Specialist (1 FTE)
• Data Architect (1 FTE) (existing DOL position; excluded from ask in this decision package)
• Data Engineer for Data Warehouse (1)
Upon Supplemental 2020 Decision Package Funding
Data Stewardship: Data privacy awareness training for all staff
Data Stewardship: Develop Data Management and Governance committee charter and templates with Responsible, Accountable, Consulted, and Informed (RACI) team
Data Warehouse: Complete vendor capability assessment
Data Warehouse: Complete conceptual architecture blueprint
Data Warehouse: Initiate equipment and software acquisition
Data Compliance: Train Auditors and Contract Specialist
Data Compliance: First independent audit conducted by new auditors
Request for Proposal (RFP) and obtain independent Quality Assurance (QA) oversight resource
Hire:
• Data Stewards (3 FTEs)
• IT Data Management – Journey (Analytics Technician) (1 FTE)
• Auditors (2 FTEs)
• Project Manager (contracted resource)
• Organizational Change Management (OCM) (1 FTE)
• Quality Assurance (QA) oversight (contracted resource)

July 2020 – December 2020

Execute Plan
Initiate QA oversight
Request for Proposal (RFP) and obtain Project Manager
Complete Organizational Change Management (OCM) planning
Data Stewardship: Execute instructor led Data Privacy for supervisors and staff leads
Data Stewardship: Develop master data plan for global, regional, local data
Data Stewardship: Develop data quality assessment
Data Warehouse: Develop data integration plan
Data Warehouse: Create logical data warehouse design
Data Warehouse: Review infrastructure design
Data Warehouse: Determine vendor and solution for data warehouse
Data Stewardship: Publish data privacy standards for master data
Data Stewardship: Publish data quality standards for master data
Data Stewardship: Data corrections based on updated standards
Data Warehouse: Production ready data marts and data lakes
Data Warehouse: Publish datasets for distribution
Create data warehouse
Hire:
• Data Stewards (2 remaining FTEs)

Early in 2019 DOL updated its four-year Strategic Plan, adding “Safer Data” as a key element as illustrated below:

OUR PURPOSE

Helping every Washington resident live, work, drive, and thrive.

OUR VALUES

- **Respect:** We treat each other with dignity and respect.
- **Trust:** We earn your trust through our actions.
- **Diversity:** Our differences are our strengths.
- **Equity:** We meet each person's unique needs.
- **Inclusion:** Your voice informs and influences.

STRATEGIC PLAN 2019-2023

Easy and equitable access to great service

OBJECTIVES

- **Equitable access:** Everyone can easily find clear information about every service.
- **Better service:** Everyone can easily access and navigate every service.

STRATEGIES

- **Ask communities what they need:** Reach out to all communities, especially the underserved, to learn how to remove barriers to information and services.
- **Use clearer language:** Rewrite website content, forms, and letters, using customer, stakeholder, and employee input, so language is clearer, welcoming, and translatable.
- **Simplify online service:** Redesign web pages and transaction services, using customer, stakeholder, and employee input, to improve accessibility, usability, and translation.

Fully engaged and prepared employees

OBJECTIVES

- **Cultural competencies:** Every employee demonstrates DEI skills with each other and every customer.
- **Leadership competencies:** Universal opportunities to develop leadership skills.

STRATEGIES

- **Develop every employee's cultural competencies:** Provide every employee with Diversity, Equity, and Inclusion (DEI) training, tools, coaching, and performance expectations. Provide every supervisor with expert assistance.
- **Develop new leaders:** Deliver a new Employee Development Program reflecting agency purpose, values, goals, and leadership competencies.

Safer drivers

OBJECTIVE

- **Reduced risk:** More drivers avoid high-risk behaviors, traffic violations, and collisions.

STRATEGIES

- **Strengthen safety programs:** Revise driver training curriculum, tests, and laws to reflect research and expert partner input, and improve equitable access to training.
- **Promote a safe driving culture:** Partner with communities to increase public awareness and decrease high-risk driving behaviors.

Safer professions

OBJECTIVE

- **Professions' standards achieved:** More licensees achieve and sustain standards.

STRATEGY

- **Partner with professions to reduce consumer risk:** Provide more proactive and inclusive assistance to professions on how to prevent and correct consumer risk.

Safer data

OBJECTIVE

- **Data compliance:** Every internal and external data user meets the highest data privacy, protection, and management standards.

STRATEGIES

- **Strengthen data privacy and protection:** Implement advanced data management policies, standards, technologies, and compliance audits.
- **Develop data stewardship competencies:** Train and support employees to use the highest data privacy and protection standards for data collection, storage, and use.

WASHINGTON STATE DEPARTMENT OF LICENSING

Other Collateral Connections

Intergovernmental:

Intergovernmental impacts primarily focus on the data DOL shares with governmental organizations. In these situations, they depend on the quality and accuracy of data to fulfill their obligations under the law.

The current process causes inconvenience, specific to compliance, governmental organizations receiving personal information with the compliance requirements (e.g. audit). DOL's compliance program extends the opportunity to leverage OCIO audits and similar work products to avoid the unit of government going through multiple audits.

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 collaborate with DOL or request information from the agency. Increased data availability and quality enables greater collaboration with tribal entities in Target Zero efforts.

- **Other government agencies and law enforcement**: Many government agencies and law enforcement rely on DOL data for verification of resident identities as well as possession of vehicles, vessels, firearms, and professional licenses. DOL will ensure the ability to monitor and control access to data that is critical for protecting the public. 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.

- **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.

- **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.

- **Courts**: Courts use DOL data to adjudicate and administer justice in criminal matters.

Stakeholder response:

The public has a reasonable expectation DOL secures their personal information from harm. News over the past several years regarding misuse of personal information demonstrates the public's strong reaction when they learn data recipients use data for purposes without their consent (e.g. Facebook and Cambridge Analytics). Robust Data Stewardship and privacy principles are required to maintain the public's trust in DOL handling their information.

- **State residents**: DOL collects and retain Personal information 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.

- **Academic and Non-Profit Data Consumers**: Multiple entities have access to DOL data and use it to benefit 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 the economy, institutions, and society as a whole.

- **Businesses/Employers**: DOL uses data to verify a potential employee driving record when the job entails driving vehicles.

- **Commercial Data Brokers**: Commercial data brokers provide a valuable service in disseminating DOL data to their customers. Examples of data brokers include RL Polk for manufacturer recalls, LexisNexis for insurance companies and HireRight for employment. 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:

Framework of the Stewardship and Privacy Decision Package illustrates actions DOL wants to implement to ensure full compliance with Executive Orders 16-01 and 17-01. Besides the Executive Orders, RCW 46.12.630 mandates DOL audit all entities receiving bulk vehicle or vessel data for data security and permissible use.

Changes from current law:

Current laws support the original and supplemental proposals. Recently proposed legislation (e.g. SB 5376 & SB 5377) illustrate the trend in ensuring all public agencies have the protections and processes in place to secure personal information from harm.

State workforce impacts:

Current workforce regulations, collective bargaining agreements, compensation and benefit structures support this proposal without any impacts.

State facilities impacts:

No known impacts; proposed FTEs can be accommodated within existing facilities.

Puget Sound recovery:

Not applicable to this proposal.

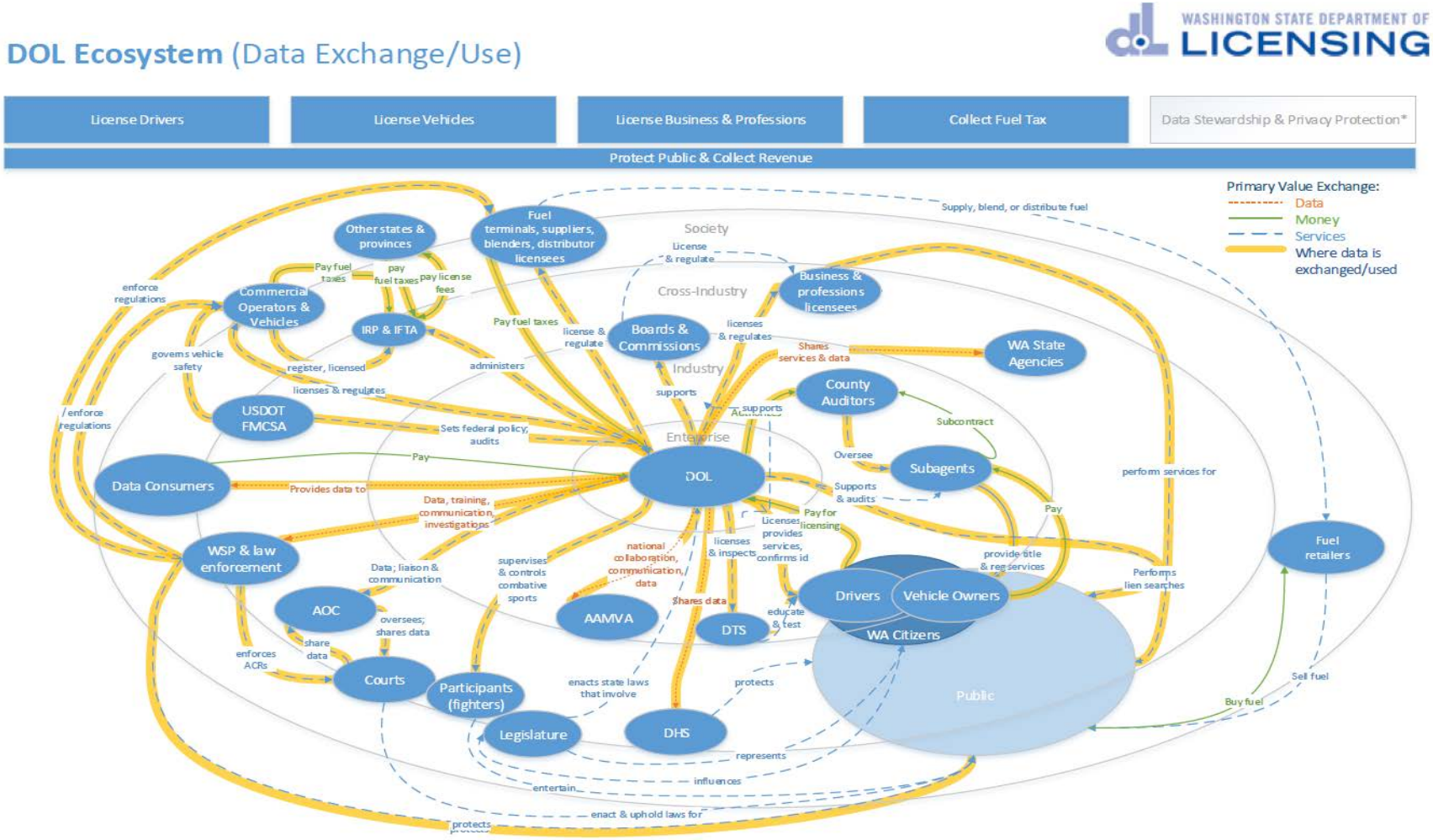
Reference Documents

Please see attachment for full version of Data Stewardship Decision Package submitted last session.

See Appendices

See IT Addendum

Appendix A –DOL Data Ecosystem

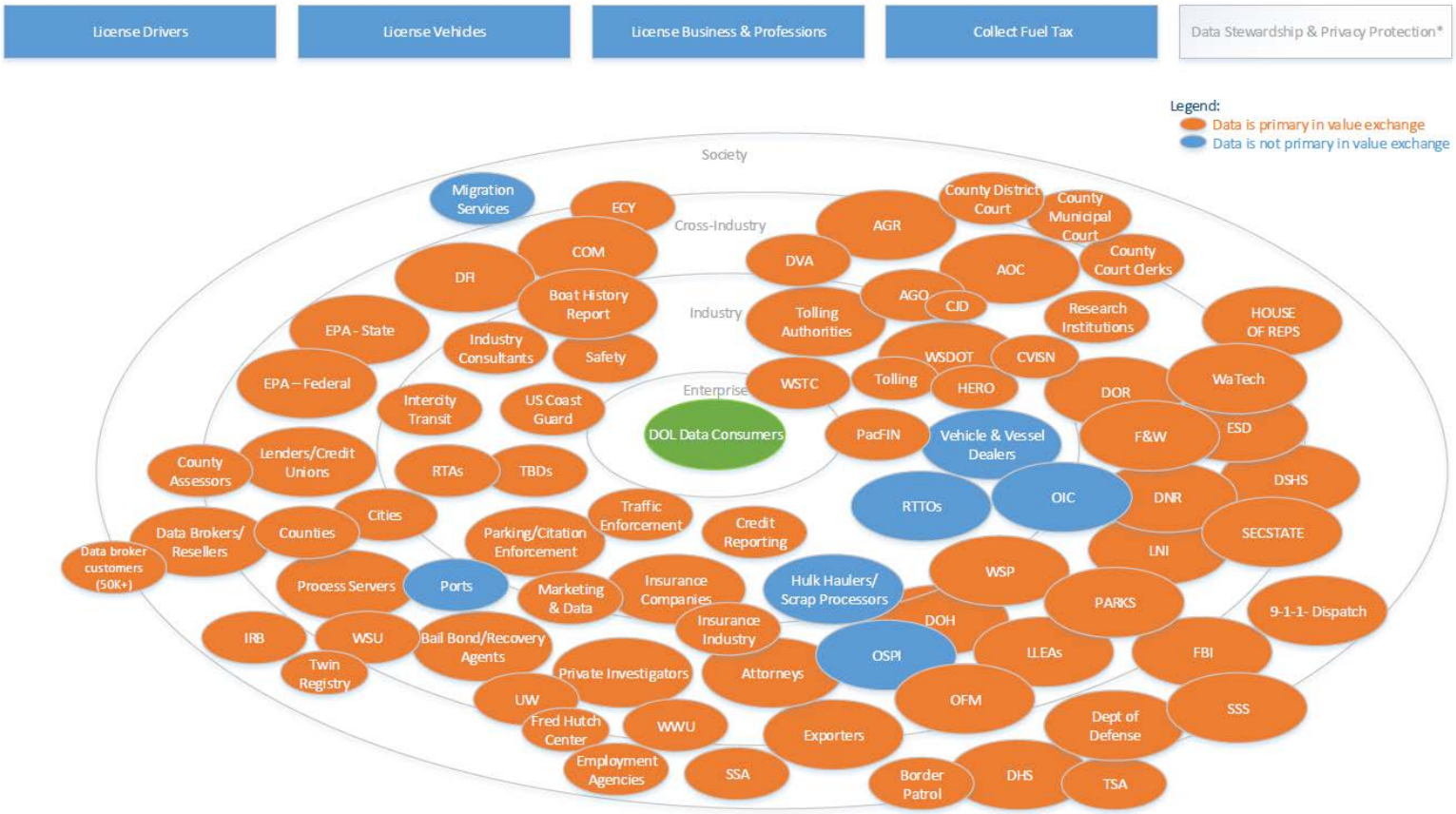


* Data Stewardship and privacy protection is not currently, and has not historically, been recognized as part of DOL's mission or core business functions, yet is vital to ecosystem members. DOL is currently engaging in strategic planning efforts to close that gap

Appendix A –DOL Data Ecosystem – cont.

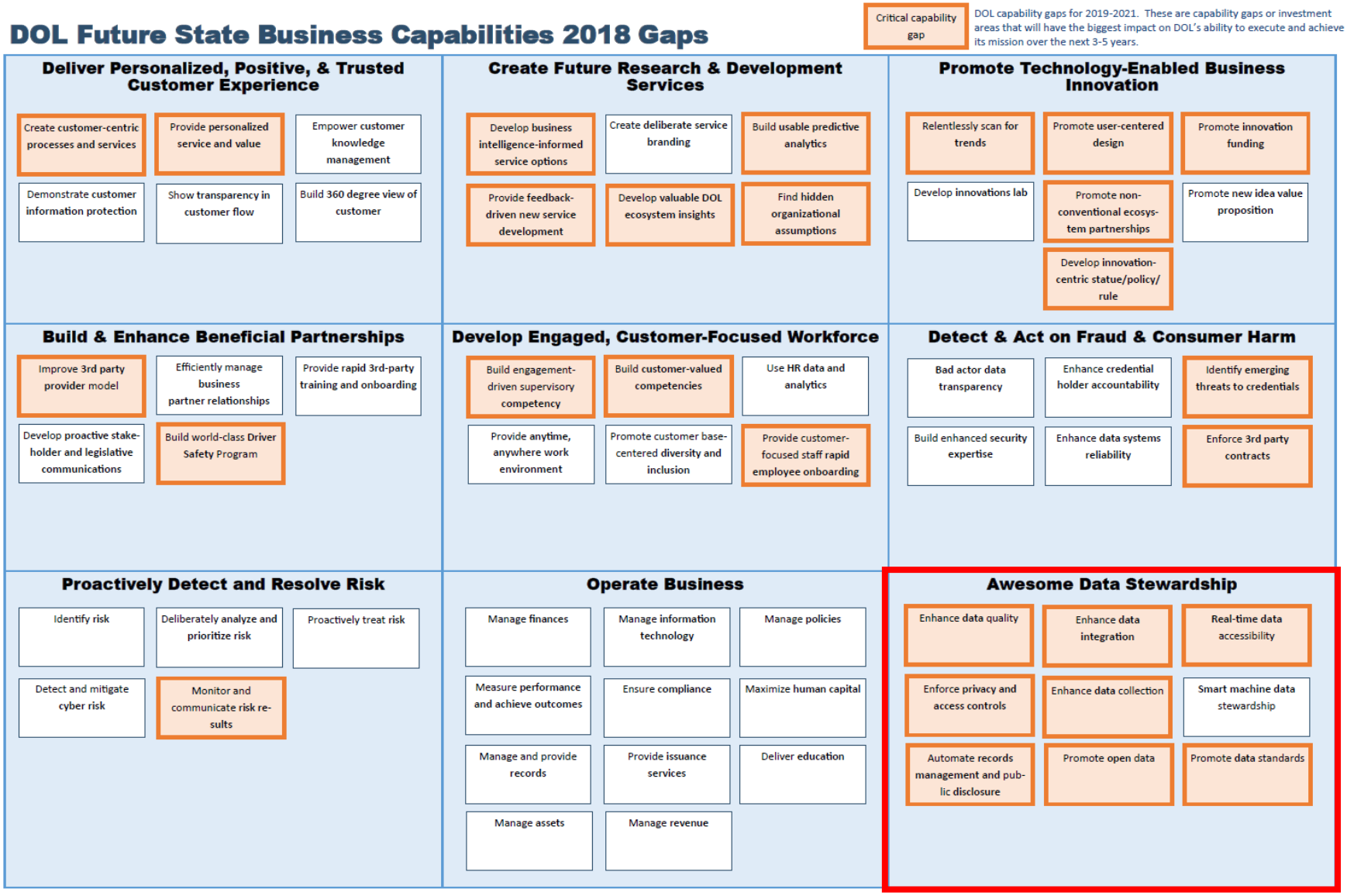
DOL Ecosystem (Data Sharing)

WASHINGTON STATE DEPARTMENT OF LICENSING



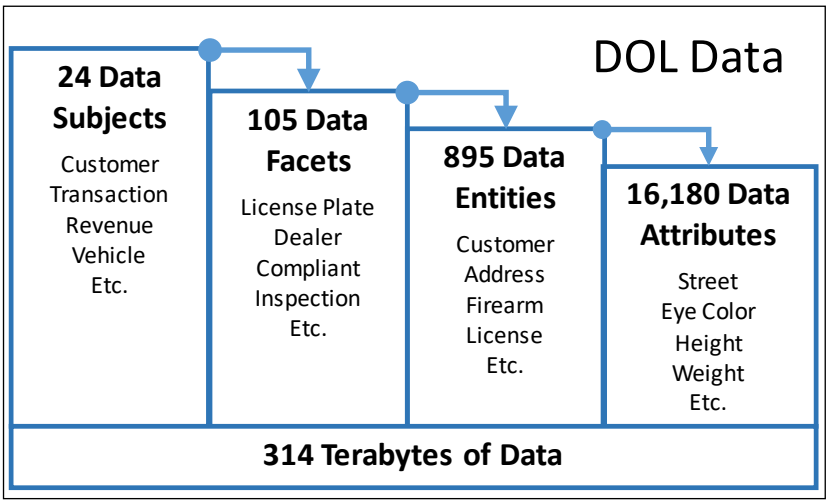
* Data Stewardship and privacy protection is not currently, and has not historically, been recognized as part of DOL's mission or core business functions, yet is vital to ecosystem members. DOL is currently engaging in strategic planning efforts to close that gap

Appendix B - DOL Future State Business Capabilities 2018 Gaps



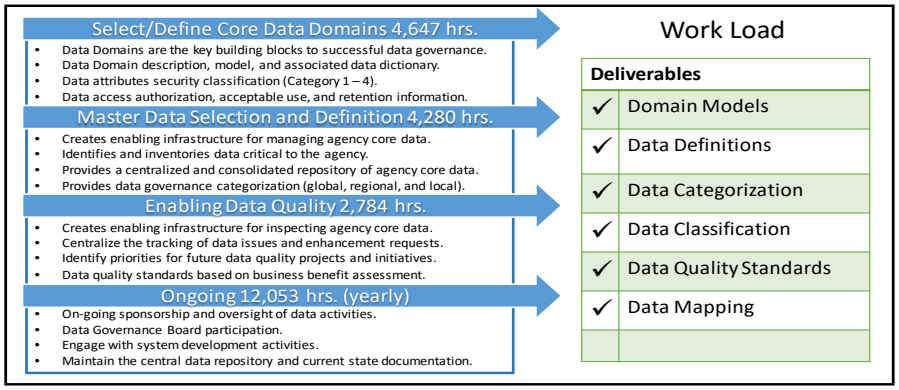
Appendix C – DOL Data Steward Workload Model

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. DOL also based he workload model on the 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 requires management 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 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.



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.

Data Stewardship IT addendum Table.xls

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) recognizes that it must develop a comprehensive organizational change management for a successful Data Privacy/Stewardship Program, including the right organizational structure to support the new program. The scope of DOL's OCM plans encompasses

entire DOL ecosystem including internal staff that handle data, agents/sub-agents that DOL relies on for vehicle licensing, ecosystem partners, and ecosystem data users that receive DOL data.

The following are key OCM activities that DOL has either started with current funds as well critical OCM that must be further included through full funding.

Already Started/Part of approved funding:

- ✓ Development of agency-wide communications on why data is part of the DOL strategic plan.
- ✓ An internal assessment and decision on the location of the new Data Management Office and the accountable/sponsoring executive for the program.
- ✓ Aligning the roles in data sharing contracts with location of new Data Management Office.
- ✓ An initial scope of the data program that OCM effort will focus on.
- ✓ Pre-project planning that includes identification of OCM tasks.
- ✓ Drafted agency-wide policies on:
    - Data Ethics
    - Data Security
    - Data Privacy
    - Data Sharing
- ✓ Groundwork for expanding the compliance program including interviewing all agency program managers sharing confidential information. Through the interview process, managers were informed of possible compliance recommendations specific to their program.
- ✓ Started development of Data Privacy Awareness Training for all agency staff and agents/sub-agents.

While the partial funded DP helps with planning for the new data program, DOL efforts fall short in implementing and OCM without data stewards, project management, change management resource, and quality assurance. The requested funding (that was part of original Data DP but not funded) will enable the OCM through the following activities:

- Data Stewards will develop domain specific OCM plans for each operational area that will drive full data literacy for DOL. This includes hands on Data Privacy Awareness and Standards training.
- Data Stewards will develop specific OCM plan for each data policy and help internal staff, vendors, and external (ecosystem) users plan detailed actions to enable change.
- The data stewards will develop and monitor performance measures for each data domain so that progress of data initiatives can be monitored in the various data assets. This includes continuous adjustment to OCM plans.
- Due to high project complexity, a dedicated project manager, change management staff, and independent quality assurance resources will ensure OCM is done and at the right level.
- Employees' roles and responsibilities will be modified and/or clarified related to data management and privacy and include specific language in job descriptions.

As part of overall project planning, DOL 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, training, and supervisor/manager coaching.

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.

   The DOL I.T. portfolio consists of:

   - New modernized systems of records (new DRIVES system, Central Issuance System, Prorated Fuel Revenue Collection).
   - Legacy business systems in the process of being 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.).
   - I.T. infrastructure and management tools.

   Both legacy and new systems are operational systems focused mainly on transactional processing. While data is collected, maintained, and reported by each operational system, the features and functions are strictly transactional based. The underlying data structures and architecture are optimized specific to an individual process or transaction, 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 and auditing tools.
   - Data privacy and 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. After several months assessing whether we could ensure Washington residents' personal data privacy with partial funding, DOL has concluded the original decision package was very complete and comprehensive and still the best option for protecting privacy.

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 C of the Supplemental DP – 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. DOL will also leverage the cloud funding it received in 2018 to maximize its technology efficiency via cloud based data warehousing technologies, however, DOL must obtain the full data warehouse personnel to have a production ready environment for data warehouse.
- 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 request reflected in the DP is sized appropriately to improving its data management, data analytics, and data compliance 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 funding request, that includes specifics of the resources (people, processes, technologies), was based on suite of data and evidence compiled from past consultant studies, recent industry trends analysis from Gartner Consulting, conversations with other agencies and states that implemented similar systems, and internal data capabilities maturity assessment.

- DOL started with the baseline resourcing plan provide by the past consultant study (Quest Inc.). The consultant provided detailed resourcing plan for the Chief Privacy Officer role as well the number of data stewards and their specific roles. DOL can provide this report upon request.
- DOL also utilized Gartner Inc. to provide the latest industry data on the role and scope of data stewards and incorporated that into a workload model **(Appendix C).**
- DOL's internal teams also analyzed the volume and sensitivity of DOL data and developed a workload model **(Appendix C)** for the number of data domains and their level of complexity.
- DOL's enterprise architecture team conducted a data capabilities assessment on the current maturity in people, process, and technology for all data areas. This helped identify new roles or technologies that will need to be added to build capability for data privacy, stewardship, compliance/auditing, and data warehouse.
- DOL contacted similar states (e.g. Minnesota) who have implemented DRIVES and developed data warehouses after implementation, and obtained their resourcing plans for stewardship and warehousing.
- On data compliance, DOL assessed all existing contracts where personal information is being shared. We developed a compliance strategy for each type (bulk data, business partners, driver training schools, e-services, vehicle subagents), which uses current DOL resources and subagent auditors. This allowed us to estimate additional resources for expanding the compliance program agency-wide.

Other factors and assumptions for resource planning, and risk mitigation:

- To effectively recognize and prioritize the change for Data Privacy and Stewardship at the agency level, DOL has revised its new strategic plan and added 'Safer Data' as key pillar along with strategies to incorporate all three areas of this decision package. This has established agency focus and priority for data that allows DOL's Enterprise Project Management Office (EPMO) to build agency level capacity plans.
- DOL has also completed modernization of its major vehicle and driver licensing systems. The completion of these large-scale projects provides all staff at DOL the ability to now focus on data with leadership provided through the new resources (part of this DP).
- As part of OCIO gated funding, DOL's EPMO is in process of developing detailed project management plans for implementation.
- DOL has also established its Data Governance Board, a business-focused board serving as the decision-making authority for managing data/information/records (data) across DOL programs. The DGB will serve as key oversight board to remove barriers and ensure the data efforts are successfully achieving business outcomes.
- The DOL Lean Program, is 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.

- 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 to make the culture change around data.

In summary, DOL's resourcing plan for people, processes, and technologies (outlined in this funding request) was developed through extensive analysis supported by internal, external, and industry data. DOL must obtain full funding for data privacy and stewardship in order to be successful.

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, used, or disclosed. This supplemental DP proposes full funding to establish and implement 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. DOL is receiving growing pressures from Washington residents and stakeholders on protecting their data. For example, June 2019, DOL was asked to explain how it protects data privacy in its facial recognition system. In July 2019, DOL was asked about its data ethics policy.

☐ 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 focuses 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 Management 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 Management Office will have a new data management environment 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 as 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 institutionalize business-driven data governance. The new Chief Privacy 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 Privacy 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 secure and 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 Management 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.

Because DOL holds more personal data than other agencies, and as such, DOL is on forefront of having to address data privacy and security. DOL is working closely with State Office of Privacy to develop the plans, frameworks, and training that all agencies can benefit from. For example, in 2019, DOL partnered with OCIO Chief Privacy Office and DES to develop data privacy training. DOL is awaiting full funding of data stewards so that the privacy training can be rolled out with full OCM. This training was created so that other agencies can leverage and modify with ease.

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 data customers are following DOL's data security and permissible use requirements.
   - 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 Privacy 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 the DGB.

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 consultants such as Gartner.

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 focuses 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, and 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 stewards are pivotal to advancing data privacy and data quality standards for each piece of DOL data.
- 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 a 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.

Although DOL received partial funds, these funds greatly help with planning but not implementation. Without full funding DOL cannot complete implementation and build the capabilities that attain the business outcomes necessary for growing pressures in data privacy.

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 at least 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 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.
    - As a 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 of 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, archived, shared, and released. 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 partial funding received helps DOL build the plans and framework, however, without data stewards, DOL cannot implement the plans and grow the literacy and competencies to meet the growing pressures and concerns of Washington residents on data privacy and data quality.

    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.

2019-21 Biennium Budget
Decision Package

Agency: Department of Licensing
Decision Package Code-Title: WE- Dol.wa.gov Accessibility and Usability
Budget Session: 2019-21 Supplemental
Budget Level: Policy Level
Contact Info: Ellie McMillan
(360) 902-3642
emcmillan@dol.wa.gov

Agency Recommendation Summary

The dol.wa.gov website receives approximately 830,000 visitors every month, providing resources related to driver, vehicle, boat, and professional licensing. The user experience no longer reflects current best practices in an ever-changing digital world. The last major technical overhaul of the site was in 2006. Since then, the site has become difficult to navigate and does not meet accessibility or readability targets.

We propose to:

- Redesign website structure to improve accessibility, usability, and navigability.
- Rewrite web content to improve readability and translatability.
- Modernize website to keep up with customer expectations and streamline internal workflow processes.

Fiscal Summary

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001	$0	$12	$14	$3
Fund 003	$0	$4	$5	$1
Fund 026	$2	$51	$61	$14
Fund 04E	$0	$10	$12	$3
Fund 06G	$0	$9	$11	$3
Fund 06L	$3	$94	$114	$26
Fund 082	$0	$13	$16	$4

Fund 104	$0	$2	$2	$0
Fund 106	$31	$902	$1,091	$253
Fund 108	$11	$312	$377	$87
Fund 14V	$0	$12	$14	$3
Fund 15V	$0	$7	$9	$2
Fund 201	$0	$13	$16	$4
Fund 298	$0	$3	$4	$1
Total Expenditures	**$47**	**$1,444**	**$1,746**	**$404**
Biennial Totals		**$1,491**		**$2,150**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	2.2	2.3	.50
Biennial Annual		**1.1**		**1.4**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$164	$176	$41
Obj. B	$0	$59	$63	$15
Obj. E	$47	$1,204	$1,508	$348
Obj. J	$0	$17	$0	$0
Total Expenditures	**$47**	**$1,444**	**$1,746**	**$404**
Biennial Totals		$1,491		$2,150
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	$0	$0	$0	$0
Total	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Note: Totals may vary due to rounding.

Package Description

We propose to redesign dol.wa.gov using User Centered Design (UCD) principles. The driver for this website redesign is access to all users, including those with physical, language, or cognitive barriers. Our website provides critical information to Washington residents to live, work, drive, and thrive, and must be accessible to everyone equitably. This effort will help Department of Licensing (DOL) resolve the gap with underrepresented communities, and improve citizen experience.

Dol.wa.gov provides information and services to:

- Washington residents, who need identification to work, find housing, attend school, open a bank account, travel, or receive government services.
- Teens and adults, who are attempting to get their first driver license.
- Professionals, who work in industries including architecture, cosmetology, engineering, geology, home inspection, land surveying, real estate, personal security, transportation, and vehicle sales.

DOL won three awards in 2007:

- The Webby Awards recognized dol.wa.gov as an honoree in the Government Website category.
- The American Association of Motor Vehicle Administrators recognized DOL for two Customer Service Excellence Awards: Web Site Redesign, and Clear Communications Program.

We completed the last major technical and customer-centered overhaul of dol.wa.gov in 2006. After wrapping up that front-end work, DOL shifted focus onto modernizing online services and back-end applications.

As DOL's back-end modernization projects are wrapping up, we plan to bring our focus back to the front-end customer-facing website.

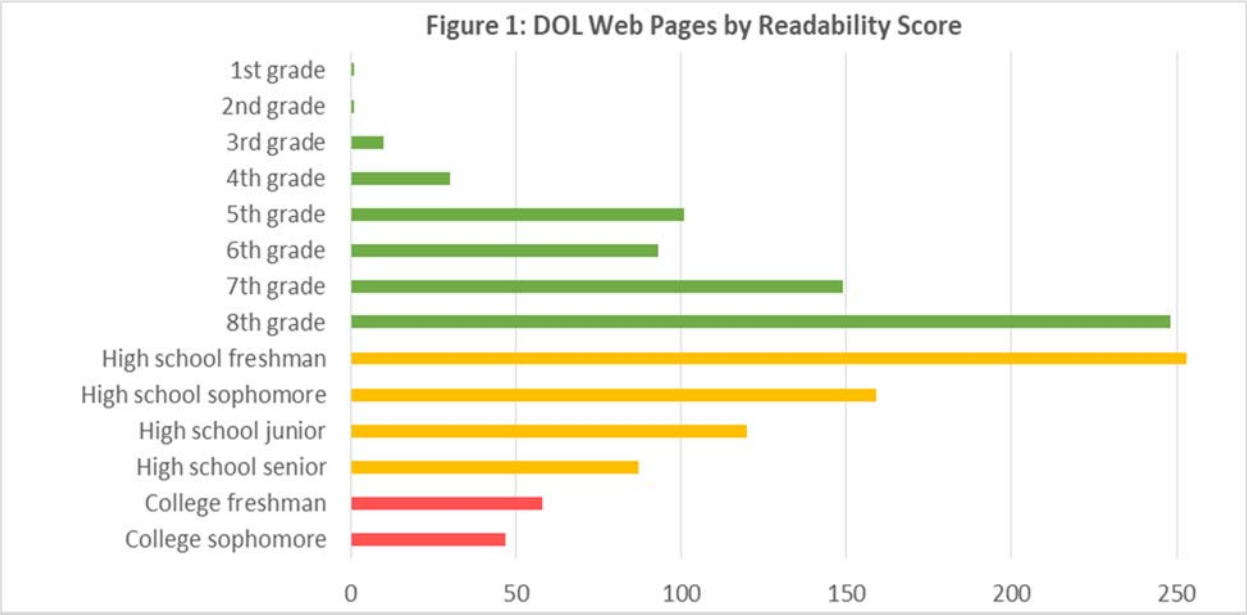
Problem 1: Dol.wa.gov fails to provide equitable access to every Washington resident

Using the U.S Census Bureau's American Community Survey, which provides detailed demographic, housing, social, and economic data, DOL estimates Washington residents experiencing disproportionate barriers to equitable access include:

- Nearly 1.3 million residents who speak a language other than English at home.
  - Among those residents, over 510,000 who speak English less than "very well."
- Over 449,000 residents who lack a high school degree.
- Nearly 357,000 residents who have a cognitive impairment.

DOL website structure, content, and organization make finding critical information difficult for users, especially those with less than high school level education, cognitive impairments, or limited English proficiency.

Using the Flesch Kincaid Grade Level standards for readability, 53% of DOL web pages score at or above high school reading levels (see Figure 1). This exceeds our stretch goal of 0%, and causes significant translation barriers for customers with limited English proficiency.



Readability scores determined by Site Improve, an industry standard reporting tool for website quality assurance.

Washington State Office of the Chief Information Officer (OCIO) Policy 188 sets a Minimum Accessibility Standard for compliance at Web Content Accessibility Guidelines 2.0 AA level. This ensures that people with disabilities have access to the same services and content offered to people without disabilities.

Currently the site does not serve individuals with certain disabilities. Ideally it should be:

- Perceivable - all non-text items must have text alternatives, controls and inputs must have descriptions (i.e. Search box).
- Operable – accessible via key board keys. Users should have enough time to read content, so pages should not contain blinking, flashing or other distracting features.
- Understandable – text is readable and navigation makes a clear path to needed information.
- Robust – capable of handling unexpected situations without error, not prone to failure.

This non-compliant and non-optimized status puts DOL at an increased risk of lawsuits and directly contradicts the agency's commitment to equity and inclusion.

These issues impose significant barriers to service, especially to vulnerable populations residing in Washington. Not correcting these issues excludes a portion of the population from interacting with government.

Problem 2: Dol.wa.gov is difficult to use and does not meet customer expectations

While the website was award winning over 12 years ago, it has not kept pace with advances in technology or customers' growing expectations.

DOL has validated this problem using three User Centered Design industry methodologies:

Intensive baseline usability study, conducted in a lab setting

A usability study provides in-depth qualitative data on how people interact with a website. The lab-based portion of the study involved recruiting a representative sample of users of dol.wa.gov. We observed these users as they attempted to complete a set of pre-selected tasks on the site. We measured:

- The length of time it took to complete tasks.
- Whether users were able to successfully complete tasks.
- Whether users comprehended the information on the site.

Public intercept survey, conducted at the Olympia Transit Center

We invited participants with greater barriers to service to complete a smaller set of tasks on the site. This effort brought equity into the data-gathering phase of the project. We measured:

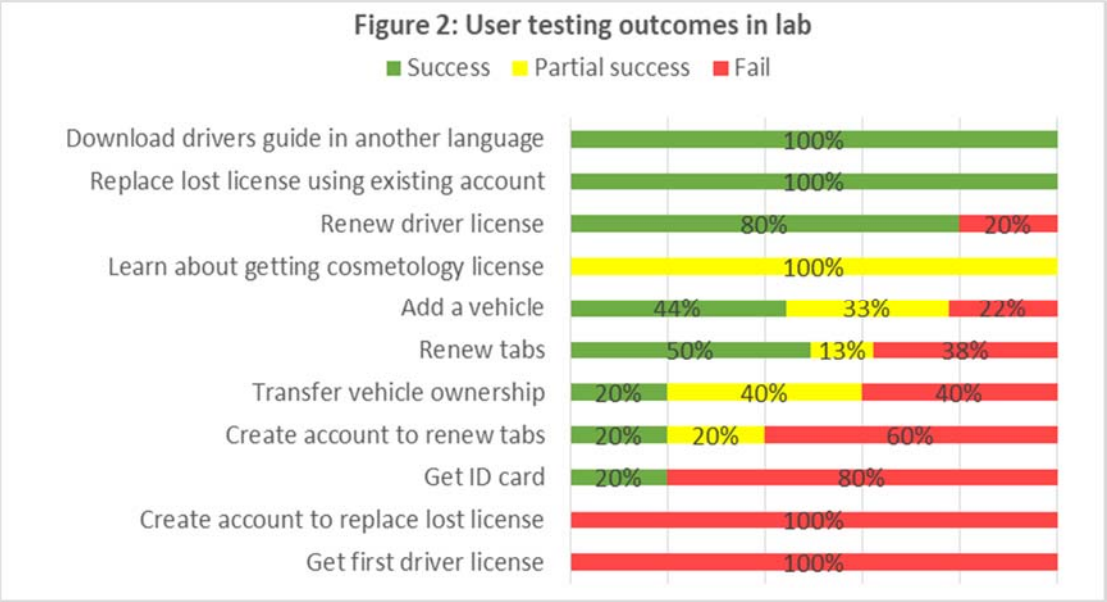
- The length of time it took to complete tasks.
- Whether users were able to successfully complete tasks.
- Whether users comprehended the information on the site.

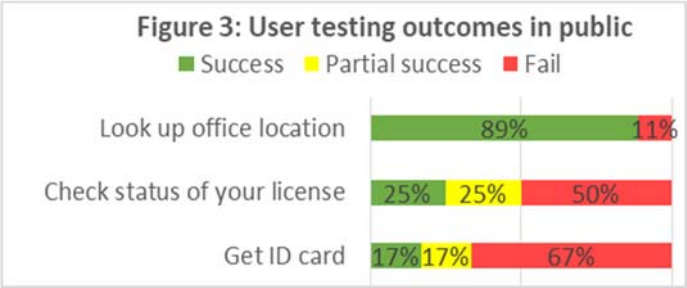
Ongoing analysis of online survey responses

We receive thousands of survey responses each month on the helpfulness of web pages and customers' overall experience using dol.wa.gov. We regularly review and analyze this data for trends. DOL practices data-informed decision-making by examining how changes affect our online customers.

Baseline usability testing identified several tasks that customers have difficulty completing online, including:

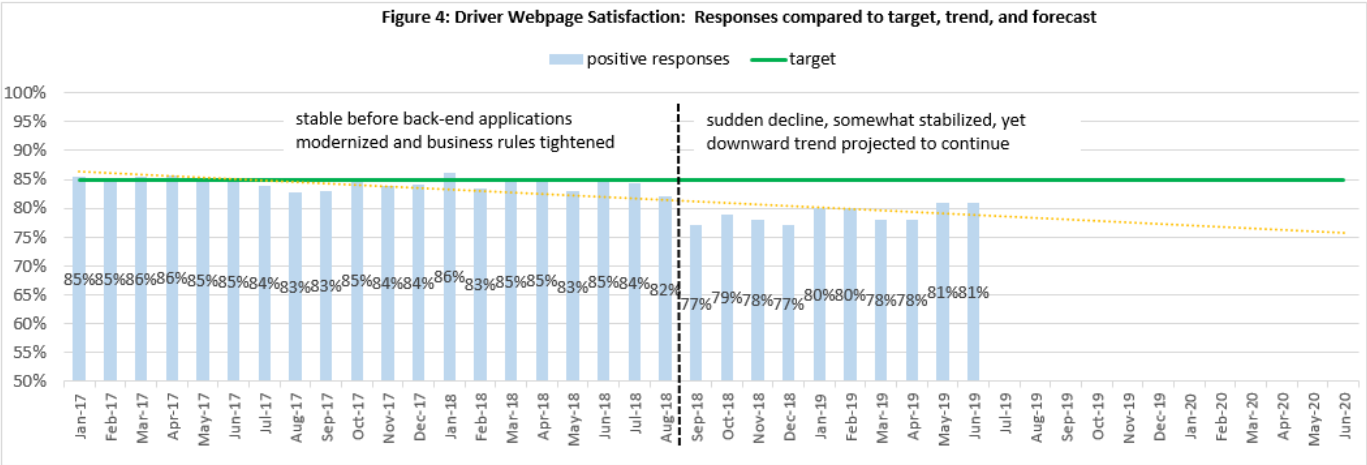
- Learning how to get a driver license for the first time.
    - 100% of lab-based study participants failed to complete this task.
- Learning how to get an ID card (see Figure 2).
    - 80% of lab-based and 67% of public intercept survey participants failed to complete this task (see Figures 2 and 3).
- Checking the status of a driver license.
    - 50% of public intercept survey participants failed to complete this task (see Figure 3).

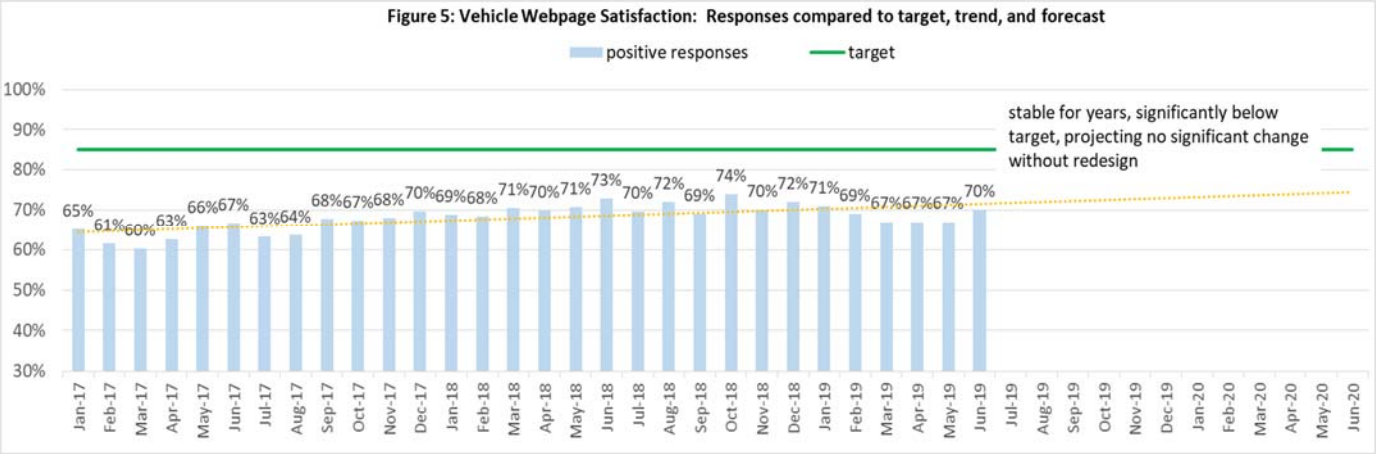




Task success summary from baseline usability study report-out, provided by AnthroTech.

Customer feedback on the helpfulness of driver and vehicle related pages shows we have not been able to improve their experience using the existing site and resources (see Figures 4 and 5).





Mobile compatibility issues

Between July 1, 2018 and June 30, 2019, 46% of visitors used a mobile phone or tablet to access dol.wa.gov. 75% of Washington households have smartphones and 58% have a tablet or other portable wireless computer, according to the U.S. Census Bureau's American Community Survey.

Customers expect dol.wa.gov to function as well on mobile as it does on desktop, but not all pages perform well on mobile. Difficulties for mobile users include:

- Tap targets are too small throughout the mobile experience, making it difficult to select the right links. (See Figure 6)
- Font size is too small, especially for older audiences. (See Figure 7)
- The navigational menu contains an overwhelming number of choices, and duplication appears at that bottom of each page. (See Figure 8)
- Parts of the mobile site are not responsive, requiring customers to zoom in and scroll from left to right to read content. (See Figure 9)

Figure 6

Figure 7

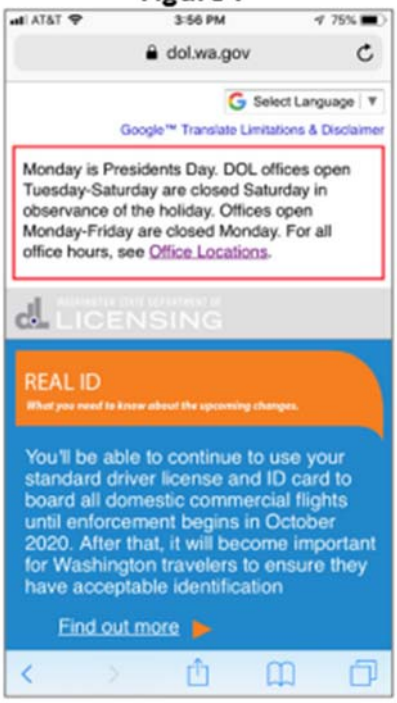


Figure 8

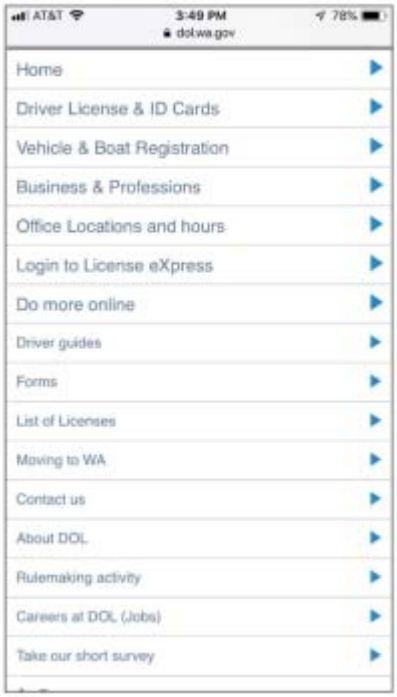


Figure 9

Customers expect to do more online, and to be able to do it efficiently. Not correcting these issues will result in more time spent by customers in-person at licensing service offices, and more phone calls to the customer service center.

Problem 3: The current platform is old and difficult to maintain

A Content Management Framework (CMF) does not currently support dol.wa.gov. A CMF is a system that manages web content and offers:

- One place to make changes that appear globally.
- Scheduled posts and expiration of time-sensitive content.
- Templates and components to streamline creating new content.
- Workflows for delegating tasks and approving changes.
- Some built-in quality assurance tools.

Without a CMF, our staff currently maintain dol.wa.gov manually, by coding each change in HTML, PHP, and CSS. Changes take time to deploy and need added quality assurance.

Spending time on routine and simple updates prevents staff from making customer-centered improvements. If we do not migrate to a CMF, staff will not have the capacity to work on solving problems 1 and 2.

Our manual platform requires special skills to support. In recent years staff turnover on DOL's website team has been increasingly difficult to mitigate. We cannot find candidates with the coding skills to maintain our manual platform.

Proposed solution & recommended purchases

DOL proposes to rebuild the dol.wa.gov website and rewrite the content.

Customer centered approach

Improving dol.wa.gov to be more useable will take time, resources and a new governance model. We will embrace a customer-centered design process. This means making design and technology decisions based on direct customer input throughout the entire design process.

DOL has already completed a baseline assessment to discover and prioritize customer pain points. We will continually gather customer data and re-test with tasks from the baseline usability testing to ensure the changes we make improve website usability.

Inclusive design

While accessibility is a core requirement, inclusion means much more. It enables people with diverse characteristics (like age, income and education levels, or language proficiency) to use our online channels in a variety of different environments. Inclusive design expands the reach of our online channels and supports DOL's strategic goals.

We planned for inclusion during our customer research phase by surveying individuals with greater barriers to service to see if they could navigate our website. We plan to

continue including underserved individuals as we rebuild our website. Ensuring that the website meets the needs of the most vulnerable of our customers will result in an experience that is easier for everyone to use.

3.0 FTEs as in-kind contributions, for the project duration

DOL will redistribute 3.0 FTE for the duration of the project. These staff will assist with the rewriting and redesign efforts. DOL will also provide 0.4 FTE project management support for 3 months to facilitate the initial startup work for OCIO gated funding.

1.5 FTEs for Organizational Change Management, for the project duration

On this project, the organizational change managers will identify impacts to internal and external stakeholders, conduct readiness assessments, plan and coordinate communications, create and manage the sponsor roadmap, provide OCM coaching, coordinate training, and provide resistance management activities. The largest impacts based on the planned scope: internal process changes for changing content, impacts to customer service and others from webpage content changes and impacts to external stakeholders (boards, government agencies, licensees, etc.)

Organizational change managers will support these impacted groups:

- 1,400 DOL business area staff and their management
    - Information available to customers will change; staff send customers to webpages frequently for specific information, or use the information to answer questions themselves.
- Up to 50 Division webmasters and their management
    - New processes
    - System or interface
    - Roles
- Over 1,000 External stakeholders
    - Some information on our webpages impacts boards, state and federal agencies, licensees, etc.

Contracted backfill for IT positions

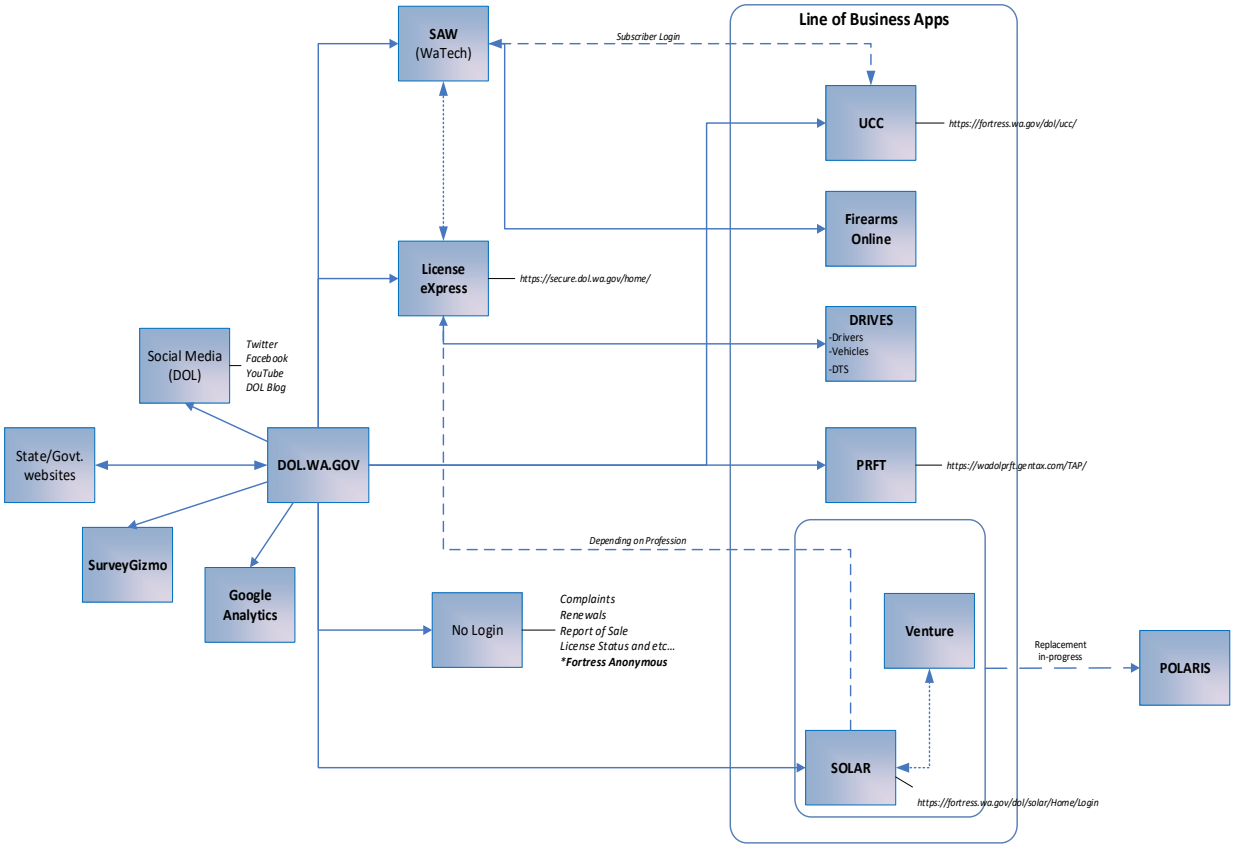
DOL uses an integrated staffing plan to ensure operational and project staff are not over-allocated by employing temporary staff when needed. In a review of current and future initiatives, along with day-to-day operational work, DOL has determined that this project is a fulltime undertaking and will require temporary staff to augment this critical project.

Before the procurement of new software, the proposed solution will undergo a standard architecture and security review in compliance with current DOL and OCIO policies. Due to the high number of external public customers that rely on information from this site and the

complexity from integrations with internal systems, DOL will work closely with any vendor to mitigate risks.

DOL IT staff will provide integration support with existing online web applications (see Figure 10).

Figure 10



Contracted project management

OCIO Policy 121 requires procedures for oversight and transparency in planning and implementing major technology investments.

Contracted Quality Assurance for project oversight

OCIO Policy 132 requires ongoing independent project Quality Assurance. This will provide assessment of project management problems and activities.

Purchased consultant services

Purchased consultant services would include:

- Researching customer needs.

- Establishing digital governance.
- Prioritizing fixes to current website to deploy before launching the rebuilt website.
- Redesigning website in a content management framework.
- Rebuilding structure and functionality to meet customer needs, including:
    - Accessibility for customers with a range of abilities, in order to comply with OCIO Policy 188.
    - Mobile device compatibility.
- Conducting usability testing throughout the project to ensure new structure and content meet customers' needs.
- Scoping future work to improve online applications.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal is not an expansion of a current program or service. DOL is requesting funding to redesign and modernize of DOL's website.

Detailed assumptions and calculations:

Direct Cost				
Cost Object	**Item**	**Rate**	**Purpose**	**Cost**
Salaries & Benefits (A&B)	OCM Consultant (MA5)	0.76	Three years of an Organizational Change Managers (OCM) Consultant at an average of 0.76 FTE will identify impacts to internal and external stakeholders, conduct readiness assessments, plan and coordinate communications, create and maintain a sponsor roadmap, provide OCM coaching, training and resistance management activities.	$ 273,163
Salaries & Benefits (A&B)	OCM Consultant (MA5)	0.50	Two years of an OCM Consultant at 0.5 FTE On this project, an organizational change managers will identify impacts to internal and external stakeholders, conduct readiness assessments, plan and coordinate communications, create and maintain a sponsor roadmap, provide OCM coaching, training and resistance management activities.	$ 118,766
			Salaries & Benefits Total:	**$ 391,929**
Good & Services (E)	Tester		Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 59,000

Good & Services (E)	Business Analyst		Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 100,500
Good & Services (E)	Project Manager		Manage schedule and contracts	$ 769,800
Good & Services (E)	Quality Assurance		Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	$ 221,700
Good & Services (E)	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.	$ 40,700
Good & Services (E)	Developers		Modify programming and coding to all major systems	$ 142,000
			Compliance and Testing Contractors (OICO Compliance):	**1,333,700**
Good & Services (E)	Website Transformation Vendor		Vendor estimate for website rebuild and redesign services.	$ 819,800
			Website Rebuild and Redesign Contractor:	**819,800**
Good & Services (E)	Webhosting		Tier 2 for first two years, plus Tier 3 when DOL.wa.gov is live	$ 85,200
Good & Services (E)	Standard Costs for FTEs		Supplies, phones, etc.	$ 5,300
Equipment (J)	Standard Costs for FTEs		Laptops and work stations	$ 17,100
			12% Indirect	$ 208,813
			Overhead	**316,413**
			Total Direct	**2,861,842**
20% Contingency	Contingency	20%	Contingency of Direct and In-Kind	$ 779,200
			Total Cost of Contingency:	**779,200**
			Total Cost of Direct Funding:	**3,641,042**
In-Kind				
Cost Object	**Item**	**Rate**	**Purpose**	**Cost**
Salaries & Benefits (A&B)	Communication Consultant 3	1.94	Cost for duration of project	$ 651,858
Salaries & Benefits (A&B)	IT Specialist 3	1.00	Cost for duration of project	$ 376,902

Salaries & Benefits (A&B)	Project Manager ITS6	0.40	Cost for Office of EPMO expert to provide assistance to start the project	$ 53,598
			Total Cost of In-Kind	**1,082,358**
			Total Cost of Project:	**4,723,400**

Workforce Assumptions:

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Management Analyst 5	$7172	0.0	1.4	1.5	.4
Total FTEs (Round 10)		**0.0**	**1.4**	**1.5**	**.4**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Management Analyst 5	$7172	$0	$124,100	$133,000	$35,500
Total Object A - Salaries (Round 100)		$0	$124,100	$133,000	$35,500
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Management Analyst 5		$0	$42,200	$45,200	$12,000
Total Object B - Benefits (Round 100)		$	$42,200	$45,200	$12,000
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
Management Analyst 5		$0	$17,600	$18,600	$5,000
Total Object E – Goods & Services (Round 100)		$0	$17,600	$18,600	$5,000
Object G – Travel		**2020**	**2021**	**2022**	**2023**
Management Analyst 5		$0	$0	$0	$0
Total Object G – Travel (Round 100)		$0	$0	$0	$0
Object J – Equipment		**2020**	**2021**	**2022**	**2023**
Management Analyst 5		$0	$17,100	$0	$0
Total Object J – Equipment (Round 100)		$0	$17,100	$0	$0

Strategic and Performance Outcomes

Strategic framework:

This funding will allow us to achieve our number one Strategic Goal of "Easy and equitable access to great service," by:

- Focusing on our number one Objective "Equitable access means everyone can easily find clear information about every service."

- Implementing our key strategy of "Use clearer language: Rewrite website content using customer, stakeholder and employee input, so language is clearer, welcoming, and translatable."

This funding request aligns with the Governor's priority goal area of Efficient Government and specific results area of Improving the Customer Experience.

This funding request aligns with Washington's Enterprise Technology Strategic Plan to "Create opportunities for operational efficiency & improve constituent access to services" and "Develop accessible & responsive designs."

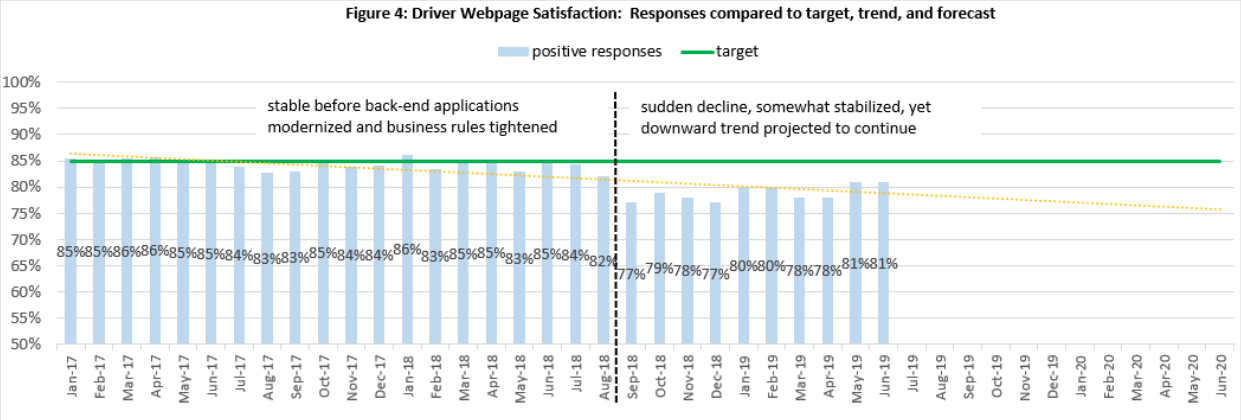
Performance Outcomes:

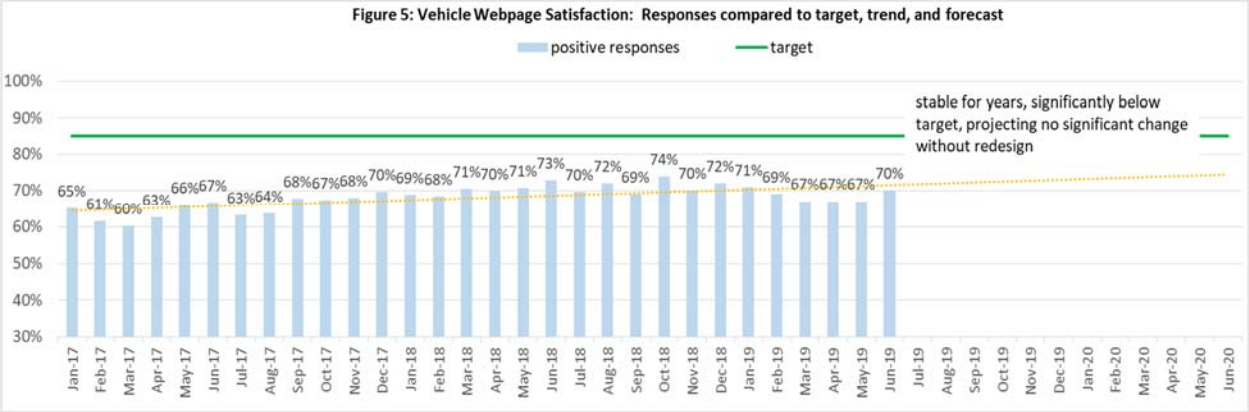
All visitors to our website will benefit from DOL redesigning our website. In 2018, over seven million individuals visited our website. Benefits will include:

- Improving readability and translatability by rewriting content to grade level 7.
- Improving usability by repackaging content to reflect user experience testing insights.
- Improving navigability by redesigning content flow and prompts.
- Adding content to prepare the user who wants to complete an online transaction, as an interim solution to redesigning web applications in response to user feedback.

Measurable outcomes expected include:

- Rewriting and repackaging 90% of content (nearly 1,300 of the 1,427 web pages) to achieve benefits above.
- Improving customer feedback from current trend to targets (see Figures 4 and 5).





For instance, to improve our vehicle customers' experience we would start by rewriting the following web pages. Based on ongoing survey data we collect, customers report these to be the least helpful pages on our website:

- Renew your tabs
- Report of sale
- Moving to WA? Get plates
- Renewal and registration fee information
- Replace a title
- Emissions testing
- Personalized plates
- Salvaged vehicles
- Disabled parking: Permanent
- Regional Transit Authority (RTA) tax

Performance Measure Detail:

Measure Title	Actual	Estimates			
	FY19	FY20	FY21	FY22	FY23 *
% of customers rating DOL webpages helpful	77%	78%	80%	82%	85%
% of driver customers who say web application to complete an online transaction met or exceeded their ideal expectation	33%	35%	40%	45%	55%
% of driver customers who say web application to complete an online transaction met or exceeded their ideal expectation	51%	55%	60%	65%	70%

* FY23 estimates assume progress will be limited as shown. Further progress would depend on funding transaction application improvements next biennium.

Project Management Plan

Required EPMO resources:

- Will this require agency governance?
  - Yes, it will affect multiple divisions and both internal and external customers.
- Will this require Project Management OCM, Lean, Product Owners or Portfolio resources?
  - Yes, OCM, Portfolio, Enterprise Architecture, Security, Project Management, Budget, Communication and Outreach, Tester, Developer, QA Oversight, Business Analyst, Server & Network Support.

Project timeline with major deliverables:

Gate	Activity and Deliverables	Timeline
Gate 0: Project initiation	• Charter • Establish project governance • OCIO Technology Budget • Hire Project manager, QA Oversight, and Web site usability contractors	May 2020 – July 2020
Gate 1: Project planning	• Hire OCM consultant backfills • OCIO Investment Plan • QA Readiness report • Discovery & customer research • Digital governance framework, processes, guidelines, and team structures	August 2020 – January 2021
Gate 2: Foundational design	• Develop a user-center information architecture for the site • Overhaul current writing process and ensure consistency across contributors • Iteratively develop, usability-test, and refine the final website design	February 2021 – June 2021
Gate 3 & 4: Redesign external website	• Finalize content strategy training(s) and guides for writing effective content for the web • Review, evaluate and integrate DOL's branding across the website • Iterative testing with external users to evaluate data driven decisions and adjust where necessary • Evaluate, document and remedy accessibility and ADA compliance issues • Set up and configure Content management System • Set up new hosting site • Design page layouts, migrate content, develop new content, test quality	FY22

	• Develop new processes and ongoing maintenance governance models • Train content authors and other impacted stakeholders	
Gate 5: Project closeout	• QA Oversight report • Project closeout report	FY23

Other Collateral Connections

Intergovernmental:

Impact would be extensive to the all customers of dol.wa.gov due to the new website redesign and new content structure. Example: regional transit authority tax calculation and other state agencies searching for DOL statistics.

Stakeholder response:

Impact would be extensive to the all customers of dol.wa.gov due to the new website redesign and new content structure. Example: Customer gets new driver license or renewal.

Legal or administrative mandates:

As per OCIO Policy #188, Section 508 and Web Content Accessibility Guidelines (WCAG) 2.0 AA, it is the expectation that people with disabilities have access to and use of information and data and be provided access to the same services and content that is available to people without disabilities. Our website and web applications are not compliant with these policies, and not easy to use for people with disabilities. This not only puts us at an increased risk of lawsuits by the Department of Civil Justice, but also contradicts our agency's commitment to equity, accessibility and inclusion.

Changes from current law:

No rulemaking required or requested legislation.

State workforce impacts:

Possible impacts due to IT reclassifications.

State facilities impacts:

None

Puget Sound recovery:

None

IT Addendum

IT addendum is included in decision package details to provide additional information for IT related costs and comply with RCW 43.88.092

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

☒ YES ☐ NO

If yes, please download the IT Addendum Template *and follow the directions on the bottom of the addendum to meet requirements for OCIO review.*

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

Worksheet in IT Addendum2020sup

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) effort to redesign dol.wa.gov, its public-facing website, will affect both internal and external agency stakeholders. The intent of this project is to make dol.wa.gov accessible to all individuals and more useable to all users. Therefore, DOL recognizes

that a significant focus on OCM is essential to increasing customer satisfaction in the customer-centered design approach to the site redesign. Examples of stakeholders impacted by this effort include:

Group: DOL business area staff and their management
Size: 1400 employees
Change: Because the information available to customers is changing, internal DOL staff that frequently send customers to webpages for specific information or potentially using the information as a source to answer individual questions for customers.

Group: Division webmasters and their management
Size: less than 50
Change: New processes due to newly established governance model in phase 1 of project will affect roles, content creation, reviews, approvals, and system/interface.

Group: External stakeholders
Size: more than 7 million
Change: Both the general public and other governmental organizations, such as local, state, and federal agencies, use information on DOL webpages. Some of these groups have some (or perceived) authority over this information. For example, regulatory boards may have authority over the content of some professional licensees.

The OCM manager will be responsible to:

- Identify impacts to internal and external stakeholders
- Conduct organizational readiness assessments
- Plan and coordinate communications
- Integrate OCM plans into project plans
- Hire additional OCM resources as needed
- Develop roadmap with sponsor, document current & future processes
- OCM coaching and system/process training activities
- Monitor and manage resistance management activities

DOL has adapted the ADKAR model (Awareness, Desire, Knowledge, Ability, and Reinforcement) for change management. DOL's internal OCM program is a part of the Enterprise Project Management Office (EPMO) and will have oversight over the project's OCM activities. The funding request includes 1.5 FTEs for the planning, execution, monitoring of OCM activities for the project duration.

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.

The DOL Information Technology portfolio consists of:

- Recently modernized systems of records (new DRIVES system, Central Issuance System, Prorated Fuel Revenue Collection).
- Legacy business systems in the process of being modernized (Business/Profession Licenses, Driver Testing, etc.).
- Legacy administrative systems, such as One Washington, which are in scope (human resources, payroll, etc.).
- Business Productivity tools (SharePoint, Microsoft Office, etc.).
- I.T. infrastructure and management tools.

DOL is nearing the completion of the modernization of its major business technology systems, which focused on improving and automating backend processes with updated technologies. While the underlying backend technology has improved, DOL must now shift its focus to customer-facing frontend technologies to meet its customer's expectations for usability and compliance with mandated accessibility standards.

This proposed project focuses on the agency's external public-facing website, which will include the modernization of the underlying platform as well as improved capabilities with a web Content Management Framework (CMF). This project specifically addresses:

- The current DOL website (dol.wa.gov) was last updated in 2006, composed of custom PHP, HTML, SASS, and CSS which is maintained through Dreamweaver and requires the usage of several open source tools (PuTTY & Xming are used to interact with Red Hat Enterprise Linux server backend) for the development lifecycle.
- The current DOL website does not meet OCIO Policy #188, Section 508 and Web Content Accessibility Guidelines (WCAG) 2.0 AA.
- Due to compatibility, the site was migrated to a temporary hosting solution from WaTech Shared Web Hosting to WaTech Private Cloud in 2018.

This project would improve the overall health of the agency's IT portfolio by:

- Providing the ability to efficiently implement content changes and security updates using a modern Content Management Framework (CMF).
- Reducing risks associated with current web hosting situation and multiple components of the current custom solution.
- Developing accessible and responsive website for constituents to access information about agency services and programs.

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.

   Over 7 million Washington residents rely on the Department of Licensing (DOL) for services, causing the agency's website to have a significant amount of web traffic. Based on the feedback from over 30,000 users in 2019, an estimated 1.9 million customers found the website unhelpful. This investment proposes to:

- Improve usability, readability, and translatability by rewriting content.
- Redesign website structure and design to improve accessibility, usability, and navigability.
- Create a modern website experience to keep up with customer expectations and leverage advances in technology.
- Develop content that prepares customers to complete their transactions online.

The majority of the focus of this proposal is on enhancing user experience through user-centered design (UCD) and usability testing. While improving user experience and addressing accessibility standards, this opportunity compels the modernization of the underlying technology and implementation of a feasible long-term solution. This includes the proposed re-platforming to a Content Management Framework (CMF) and the migration to a cloud-based web hosting service provider.

With the assistance of a vendor to develop a roadmap with a recommended approach, the website redesign will take an estimated 18 months to complete and includes:

- Redesigning the information architecture
- Develop content improvement plan and strategies
- The iterative design process (including prototypes, visual design, usability testing)
- Evaluation, documentation, and remediation of ADA compliance standards
- Content Management Framework (CMF) setup, configuration, development, implementation, and quality assurance testing
- Organizational Change Management (OCM), Project Management, Architecture & Security design reviews (including integrations with systems of record)

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 worked with a vendor to develop a roadmap for this digital transformation effort. Based on this recommendation and other agency projects, the agency will use appropriated funds to hire contractors to accomplish a portion of this work and support current staff implementing the remaining portions of this effort.

   Additionally, the appropriated funds include hiring agency temporary staff to support permanent staff assigned to this effort. Specifically, resources were determined with the following considerations:

   - DOL uses an integrated staffing plan to ensure operational and project staff FTEs are not over-allocated.
   - During the review current and future project initiatives and day-to-day operational work, DOL determined that this is a major fulltime 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

DOL.WA.GOV ACCESSIBILITY AND USABILITY

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:
As per OCIO Policy #188, Section 508 and Web Content Accessibility Guidelines (WCAG) 2.0 AA, it is the expectation that people with disabilities have access to and use of information and data and be provided access to the same services and content that is available to people without disabilities. Our website and web applications are not compliant with these policies, and not easy to use for people with disabilities. This not only puts us at an increased risk of lawsuits by the Department of Civil Justice, but also contradicts our agency's commitment to equity, accessibility and inclusion.

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

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

Reason:
During the website redesign, the effort includes upgrading the site from a difficult to maintain custom solution to a commercial of the shelf (COTS) web Content Management Framework (CMF) and utilizing a cloud-based web hosting service.

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

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:

1. **Efficient & Effective Government**: create opportunities for operational efficiency and improve constituent access to services
    - Maximize the state's buying power by leveraging master contract
    - Create constituent focused portal
    - Develop accessible and responsive designs
2. **Accountable IT Management**: develop accountability & transparency while managing with integrity
    - Strengthen business driven governance
    - Continuously improve technology lifecycle management

3. **Enterprise Architecture**: identify strategic technology investments to support common business needs/functions
    - Increase capacity to management and share information
    - Modernize infrastructure and applications to mitigate business, legal, and technical risks

In addition to aligning to the Enterprise Technology Strategic Plan, the solution will align to DOL's enterprise architecture guiding principles of outside-in design, adaptable/interoperable, and enterprise value & strategy.

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.

   This investment aligns with technical elements of the Enterprise Technology Strategic Plan by:

   1. DOL will ensure that the redesign will meet OCIO policy 188, section 508 and WCAG 2.0 AA requirements.
   2. DOL will ensure that the redesign will meet data and system security requirements.
   3. DOL will ensure that the solution is scalable to meet future business, customer experience and legislative enhancements.
   4. Reduces manual processes for manual code development and will increase website mobility and disaster recovery availability.
   5. The solution will provide an improved customer focused public portal that will be mobile friendly from various mobile devices and form factors.

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 recently executed multiple IT modernization projects and has matured with its governance processes with lessons learned from each implementation.

   The agency's executive management governance process has been in place for several years to govern its major projects. The governance board reviews monthly status, scope, budget, risks, and responds timely to decisions and risks. DOL uses an integrated agency staffing plan to monitor resources commits to projects, ensuring operational impacts and any potential over-commitment of resources are considered. An internal organizational change management (OCM) program was established and it has become a cultural expectation to include change management activities for project initiatives.

The agency's enterprise project management office (EPMO) performs project planning, and monitors and controls processes aligned to OCIO Standard 112.30 Managing Information Technology Portfolio – Projects. An experienced project manager manages DOL IT projects through the EPMO. The PMO has a defined gated process for project selection and prioritization. When a project exceeds $500,000 dollars or a six-month duration, a steering committee is formed to provide guidance, risk review and change control. Larger projects may have separate risk review boards and change control boards as necessary.

A portfolio management complexity matrix determines the level of rigor for a project. OCIO policies 132, 132.10, 132.20, 132.30, and 132a determine quality assurance (QA) support for projects. When the OCIO does not require QA oversight, the steering committee may use internal QA resources for projects, or assume the responsibilities within the steering committee.

DOL has also established an enterprise architecture governance body, 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 directly with the vendor to:

- Monitor performance and ensure deliverables are met
- Review and approve invoices
- Work closely with DOL Contracts experts to execute contract amendments, suspensions, and terminations.

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 leverage the state master contract and use components that are already in use at other state agencies. DOL staff members have met with other agencies that either have recently or are currently undergoing website modernizations. Many other state agencies are currently employing a Content Management Framework (CMF) to assist with the management of their agency's web content.

A CMF will enable staff to enforce a new governance process for the development, approval, and publication of agency public-facing content, including the approval workflow that replaces the many current manual development processes.

DOL.WA.GOV ACCESSIBILITY AND USABILITY

A cloud-based web hosting is also available via the state master contract, which DOL plans to leverage this service with the new CMF. Web hosting through a service offers many additional benefits, such as automated development and testing toolsets to create operational efficiencies.

BUSINESS/CITIZEN DRIVEN TECHNOLOGY

Measurable business outcomes

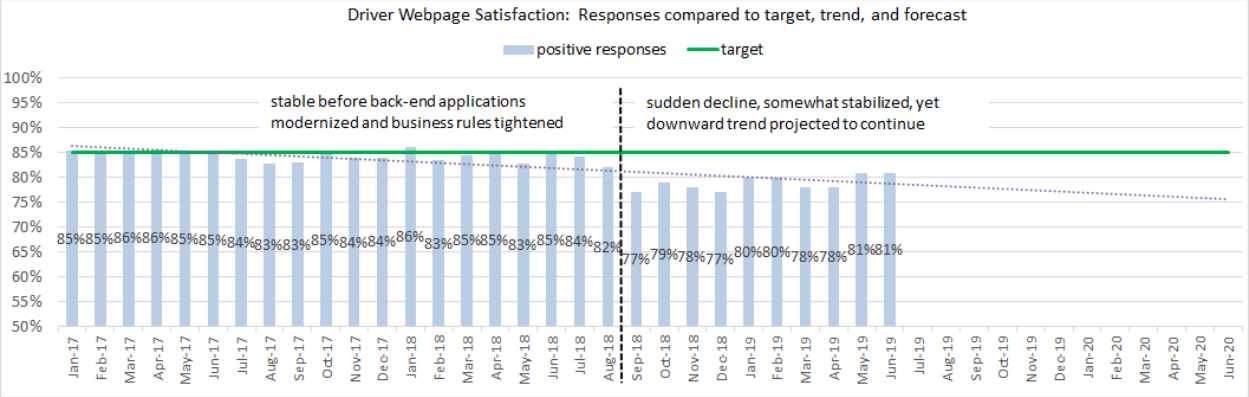
10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

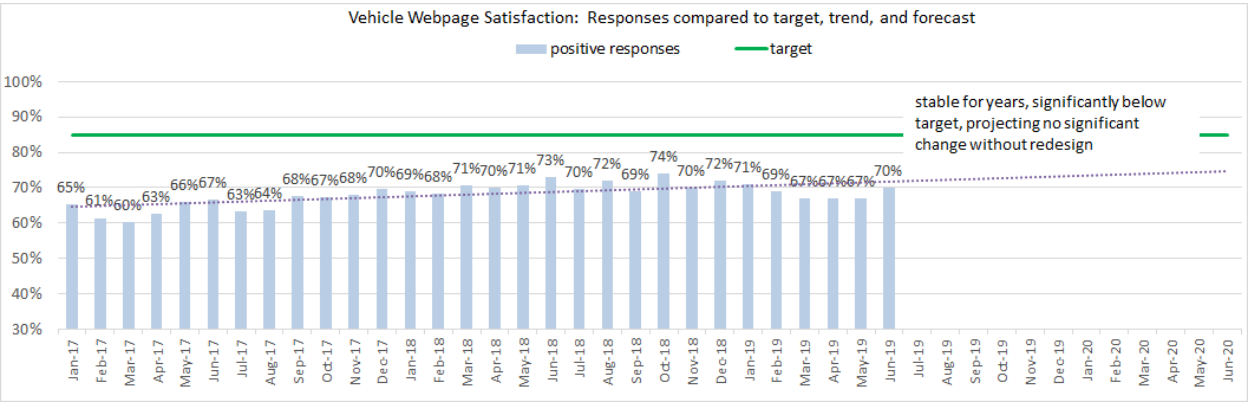
All visitors to our website will benefit from DOL redesigning our website. In 2018, over seven-million individuals visited our website. The benefits will include:

- Improving readability and translatability by rewriting content to grade level 7.
- Improving usability by repackaging content to reflect user experience testing insights.
- Improving navigability by redesigning content flow and prompts.
- Adding content to prepare the user who wants to complete an online transaction, as an interim solution to redesigning web applications in response to user feedback.*

Measurable outcomes expected include:

- Rewriting and repackaging 90% of content (nearly 1,300 of the 1,427 web pages) to achieve benefits above.
- Improving customer feedback from current trend to targets as shown below:





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 completed a benchmark usability study during FY 2019 and identified several user experience issues to address with this project:

- **Improving the mobile experience**. Currently over 45% of customers visit dol.wa.gov using a mobile device. Participants in both the lab-based and intercept portions of the study experienced inconsistencies and cumbersome navigation while using mobile devices.
- **Improving the success rate for users attempting to complete crucial tasks on dol.wa.gov**. For example:
  - Users attempting to learn about getting their first driver license. This task had a 100% failure rate by participants in the lab-based portion of the baseline usability study.
  - Users learning how to get an official standard ID card had an 80% failure rate by participants in the lab-based portion of the baseline usability study, and a 67% failure rate in the intercept portion.
  - The function of a user checking the status of a driver license had a 50% failure rate by participants in the intercept portion of the baseline usability study.
  - And other similar anomalous activity.

The driver for this initiative is accessibility to all users, including those with physical, language, or cultural barriers. To that end, DOL will redesign the dol.wa.gov website using used centered design (UCD) principles.

The dol.wa.gov website provides critical information to Washington residents to live, work, drive, and thrive, and must be accessible to everyone equitably. This effort will help DOL resolve usability and accessibility gaps with underrepresented communities, and improve customer experience.

The current website is not optimized for individuals with disabilities. The redesigned site would be:

- **Perceivable** - all non-text items must have text alternatives, controls and inputs must have descriptions (i.e. Search box).
- **Operable** – accessible via key board keys. Users should have enough time to read content, so pages should not contain blinking, flashing or other distracting features.
- **Understandable** – text is readable and navigation makes a clear path to needed information.
- **Robust** – capable of handling unexpected situations without error, not prone to failure.

The plan includes streamlining internal processes by leveraging common content management framework (CMF) features. A CMF and digital governance will eliminate duplication of efforts for updating webpages. The current process is to have staff submit a ticket describing desired changes and file attachments. The UX Team then implement the changes by modifying the solution's custom code (HTML, PHP, SASS, & CSS) in the staging environment and, then deploys them to

production environment. In a CMF, DOL program staff would use a modern editor to submit changes and the communications team would approve or make edits before deploying the changes to production.

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's public-facing website provides critical information to Washington residents to live, work, drive, and thrive. However, an estimated 1.9 million customers found dol.wa.gov unhelpful and the site is not complaint with minimum state accessibility standards.

DOL estimates this IT investment deliver significant value to its customers, including:

- Optimizing development processes and realigning enable internal business partners to take ownership of their content.
- Replacing manual business processes and workarounds using a modern web development toolkit, resulting in the improved service delivery.
- The online experience will align with respectful communicators by removing the barriers and difficulties working with the current manual processes used to develop the website.

In the rollout plan, DOL will collaborate closely with stakeholders and follow change management best practices to communicate vision, business drivers, and other context.

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.

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2019-21 Biennium Budget
Decision Package

Agency: Department of Licensing
Decision Package Code-Title: PD - Public Disclosure
Budget Session: 2019-21 Supplemental
Budget Level: Policy Level
Contact Info: Ellie McMillian
(360) 902-3642
emcmillan@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing (DOL) holds data and records on virtually every Washington resident and is committed to data protection. Chapter 42.56 RCW requires DOL to provide records to any person who requests them. In the last three years, public record request volumes have increased significantly. Additionally, the requests are more complex and have greater legal risks associated with processing errors. The higher number and complexity of requests have created a growing gap between workload and staff capacity. DOL is requesting three additional staff to meet this demand.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001-1	$0	$3	$3	$3
Fund 003-1	$0	$1	$1	$1
Fund 026-1	$0	$14	$13	$13
Fund 04E-1	$0	$3	$3	$3
Fund 06G-1	$0	$2	$2	$2
Fund 06L-1	$0	$25	$24	$24
Fund 082-1	$0	$4	$3	$3
Fund 106-1	$0	$228	$212	$212
Fund 108-1	$0	$84	$78	$78
Fund 14V-1	$0	$3	$3	$3
Fund 15V-6	$0	$2	$2	$2
Fund 201-1	$0	$4	$3	$3

Fund 298-6	$0	$1	$1	$1
Total Expenditures	**$0**	**$374**	**$348**	**$348**
Biennial Totals		**$374**		**$696**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	3.4	3.4	3.4
Average Annual		**1.7**		**3.4**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$208	$206	$206
Obj. B	$0	$83	$83	$83
Obj. E	$0	$60	$59	$59
Obj. J	$0	$23	$0	$0
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	$0	$0	$0	$0
Total	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Note: Totals may vary due to rounding.

Package Description

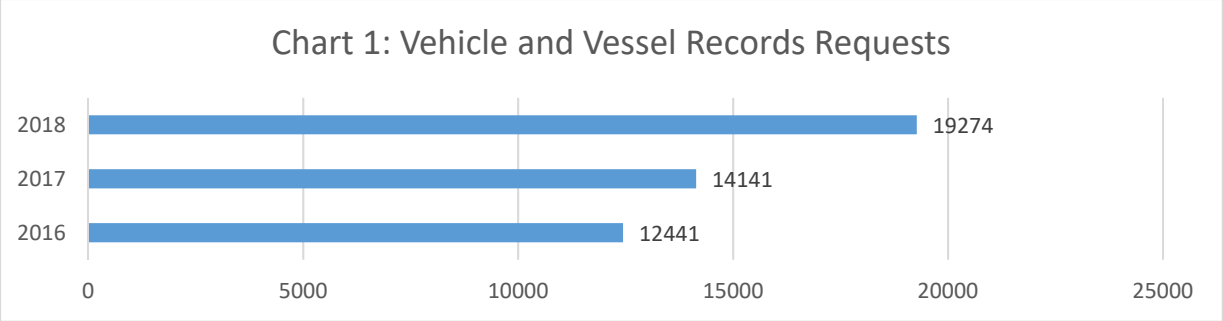
DOL utilizes a centralized approach to managing public disclosure requests. The Records and Disclosure Unit (RAD) is comprised of thirteen staff, ten of which are responsible for fulfilling records requests in accordance with the Public Records Act (PRA). The other three unit members are responsible for records management, administrative duties, policy review, and supporting thoughtful data management throughout DOL. All unit staff have a working knowledge of the federal and state laws that regulate the protection of sensitive and confidential information.

RAD sorts public records requests into two broad categories:

- Requests for vehicle and vessel title or registration documents
- Requests for any other record or data retained by DOL

Requests for Vehicle and Vessel Records

RAD saw a 14% increase in vehicle and vessel records requests between calendar years 2016 and 2017; there was a 36% increase between calendar years 2017 and 2018. (Chart 1) Six Forms and Records Analysts 3 (FRA3) fulfill requests. These six employees respond to thousands of requests each month. Staffing levels have not changed since 2015.



Most requests for vehicle and vessel records come from business entities, attorneys, and law enforcement agencies. These requests could be:

- Class action lawsuits needing hundreds of registration records for evidence.
- Detectives who need title histories, transaction logs, and supporting documents as part of investigations into illegal auto importers.
- Businesses that export vehicles to other countries; timelines are often one to two days to meet exporting schedules. Timely response to these requests is critical to avoid costly storage and shipping fees.

FRA3s must balance the requestors' often urgent business needs with DOL's mandate for data security. FRAs must determine the requestors' legal right to receive the records. Staff review every page extracted from DOL's database, screening for protected information, as defined by RCW and the Driver's Privacy Protection Act (DPPA). Some packages of responsive records are thousands of pages long.

In FY2019, RAD processed 17,707 vehicle requests, 63% completed in under 3 days, 37% of the requests took 4 days or longer to complete. (Chart 2) This means that thousands of customers waited a week or more to get the records needed to carry out their business, appear in court, or pursue a suspect during a criminal investigation.

Chart 2: Days to Complete Request						
Less than 1 Day	1 Day	2-3 Days	4-7 Days	8-14 Days	14-30 Days	31+ Days

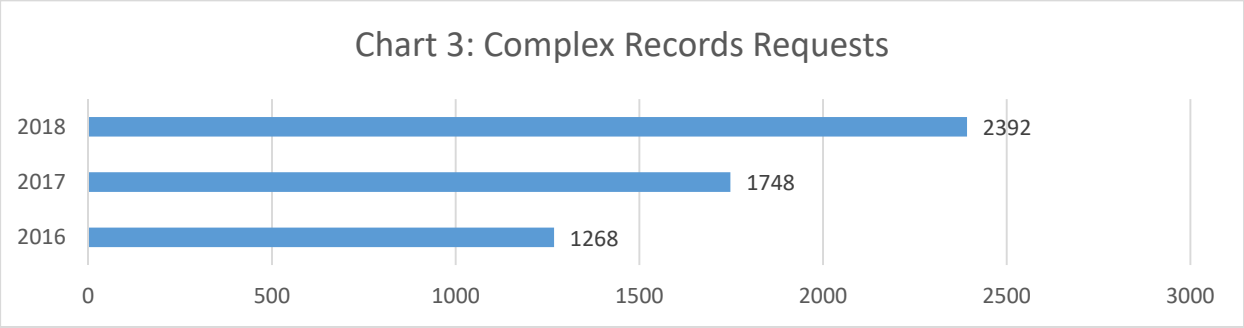
6,308	1,357	1,643	2,073	191	68	33

The addition of two FRA3s would eliminate unduly long delays. These delays are costly for our business customers. When the requestor is a member of law enforcement, any delay could pose a potential threat to public safety.

Requests for Any Other Record or Data Retained by DOL

RAD saw a 38% increase in complex requests from calendar years 2016 to 2017; there was an additional 37% increase from calendar years 2017 to 2018. (Chart 3)

The RAD Unit also processes requests for many other documents retained by DOL. A team of three Management Analysts 3 (MA3) and one supervisor (WMS2) oversee complex requests. Staffing levels are unchanged since 2015.



Complex requests cover a broad array of documents. Under Chapter 42.56 RCW, a requestor might ask for:

- Specific documents out of the driver's file
- Investigative and compliance records related to any of the 45 professional licenses regulated by DOL
- Investigations conducted by DOL Human Resources
- Emails related to a specific person, event, or policy
- Contracts
- Specialized data requests to be manually configured by specialized IT staff

The time spent answering these requests can run from days to months. MAs evaluate each request for permissible use as allowed by federal and state law, prohibitions against commercial use, and risks to the agency's staff, security, or reputation. Staff thoroughly screen responsive records for any protected information Identified in various titles in the RCW, or by federal laws such as the Driver's Privacy Protection Act (DPPA).

In FY2019, RAD processed 2,187 complex requests; each of these requests received an initial response within five days of receipt. The average time for complete fulfillment was 14.8 business days. Staff may answer some requests in a series of installments due to the complexity or volume of responsive records.

Prolonged research and review efforts slowed fulfillment time to two weeks for 31% of requests; 13% of those requests took more than a month to complete. (Chart 4) This means over 700 customers waited more than two weeks to receive the documents that they needed. Adding one additional MA would significantly reduce wait times. Having an additional staff would also minimize the impact of staff illness or leave use.

Chart 4: Days to Complete Request						
Less than 1 Day	1 Day	2-3 Days	4-7 Days	8-14 Days	14-30 Days	31+ Days
469	177	208	365	285	398	285

Along with the increase in requests, there has been a corresponding increase in the complexity of requests; more complexity results in longer processing time. Delays in responding to record requests can expose the agency to legal risks under the PRA. Alternatively, processing records too quickly could result in accidental disclosure of sensitive data or failing to conduct a thorough search to locate all records responsive to a request. Both of these scenarios could result in costly legal fees and fines for the agency.

Upon receipt of a new request, MA staff perform an in-depth assessment of risk, based on:

- Scope of the request
- Work in identifying and locating responsive records
  - Identifying key staff or program areas
  - Development of search criteria based on dates and key words
  - Define locations based on where records may reasonably reside
- Content and sensitivity of those records
- Presumed use by the requestor

Staff have five days to perform all of those assessments in order to meet the mandatory timelines set forth in the RCW. Inadequate review leads to omissions or incorrect estimated fulfillment timelines. The addition of staff allows for the implementation of a robust multi-step process, reducing the potential risk of future violations and penalties.

<u>DOL Investments in Records and Disclosure</u>

The agency has invested in software that improves efficiency within RAD. In 2017, DOL entered into a contract with NextRequest to use a cloud-based, request tracking software, which significantly streamlined the processes. Utilizing NextRequest puts into place several safety nets by monitoring activity within each request to ensure compliance with the PRA. NextRequest increases the likelihood that every request will receive a legally defensible response within five days of receipt. It also documents the redactions made on some records before release to the

requestor. Over time, it has also allowed RAD to track the rate of request fulfillment; generating data about the amount of time staff have spent locating, reviewing, and releasing records.

In spite of improved efficiencies, processing time has increased due to higher volumes and complexity of requests. Lengthy response times are a disservice to Washington residents who need timely service in order to make decisions and compete business transactions. The increase in requests has created a corresponding increase of pressure on staff to work more quickly, which increases the risk of errors at nearly every stage of the request fulfillment process. In the event of an inappropriate or accidental release of records, there is a possibility of harm to citizens due to a mistake made by an over-worked staff member. Errors could potentially result in costly litigation and penalties.

No amount of technological innovation can completely supplant the need for educated, motivated staff to do the work in RAD. In order to keep staff engaged, meticulous, and service-minded, RAD must balance out the workload of staff. DOL is requesting an additional three FTEs for RAD- one MA3 and two FRA3s. The addition of one MA3 and two FRA3s allow detailed oversight of each request, peer review of responsive records, and efficient meetings to assess the progress of high-risk requests

Alternatives and Options

- <u>Alternative 1: Do nothing – continue with current staffing levels</u>
    - Advantages:
        - No new operational costs to the state.
    - Disadvantages:
        - Financial impact to business owners in need of timely responses.
        - Public safety risks due to processing time when providing records to law enforcement.
        - Potential litigation expenses due to errors.
        - Increasingly long, wait times to receive public records.
        - Staff turnover due to burnout and dissatisfaction.

- <u>Alternative 2: Increase RAD Unit Staff</u>
    - Advantages:
        - Decreased wait time for customers in need of records.
        - Expedited service for law enforcement requests.
        - Improved risk mitigation strategies to prevent litigation under the PRA.
        - Increased accuracy in all responses to customers.
        - Retention of skilled staff
    - Disadvantages:
        - Investing resources to on-board and train new staff.
        - Larger unit size presents increased supervisory duties.

Recommendation: Add 2.0 FRA3 and 1.0 MA3 to address the increased number and complexity of records requests affecting the RAD Unit workload.

What are the consequences of not funding this request?

The number of requests are steadily increasing and there is a corresponding increase in the processing time for each request. Delays in fulfilling requests can expose the agency to legal risk under the PRA. Alternatively, processing records too quickly could result in accidental disclosure of sensitive data or failure to conduct a thorough search to locate all records responsive to a request. Both of these scenarios could result in costly legal fees and fines for the agency. The likely outcome of leaving staff levels the same would be legal fees and potentially fines or settlements due to PRA violations.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Records & Disclosure Allotments from Prior Two Biennia		
	2015-17	**2017-19**
FTE	15.0	15.0
Expenditures	$2,150,171	$2,432,872

The FTE allotments for both 15-17 and 17-19 were the same. The expenditure allotment increase by $282,701 due to approved legislature compensation increase and general staff's PID increases.

Detailed assumptions and calculations:

Cost Category	FY 20	FY 21	FY 22	FY 23
FTE Costs	$0	$291,000	$288,000	$288,000
Equipment/Standard Costs	$0	$32,000	$9,000	$9,000
Indirect	$0	$51,000	$51,000	$51,000
Grand Total:	**$0**	**$374,000**	**$348,000**	**$348,000**

DOL is requesting an additional 3.0 FTEs for RAD; 1.0 MA3 and 2.0 FRA3s. This grouping allows detailed oversight of each request, peer review or responsive records, and efficient assessments of high-risk requests.

Workforce Assumptions:

FTE Needs	Monthly Salary	2020	2021	2022	2023
Forms & Records Analyst 3	$4714	0.0	2.0	2.0	2.0
Management Analyst 3	$5604	0.0	1.0	1.0	1.0
Indirect		0.0	0.4	0.4	0.4
Total FTEs (Round 10)		**0.0**	**3.4**	**3.4**	**3.4**
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Forms & Records Analyst 3	$4714	$0	$116,500	$116,500	$116,500
Management Analyst 3	$5604	$0	$69,300	$69,300	$69,300
Indirect		$0	$21,600	$20,200	$20,200
Total Object A - Salaries (Round 100)		**$0**	**$207,400**	**$206,000**	**$206,000**
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Forms & Records Analyst 3		$0	$47,700	$47,700	$47,700
Management Analyst 3		$0	$26,100	$26,100	$26,100
Indirect		$0	$9,200	$8,600	$8,600
Total Object B - Benefits (Round 100)		**$0**	**$83,000**	**$82,400**	**$82,400**
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
Forms & Records Analyst 3		$0	$3,200	$3,200	$3,200
Management Analyst 3		$0	$1,600	$1,600	$1,600
Indirect		$0	$54,900	$54,500	$54,500
Total Object E – Goods & Services (Round 100)		**$0**	**$59,700**	**$59,300**	**$59,300**
Object G – Travel		**2020**	**2021**	**2022**	**2023**
No Travel		$0	$0	$0	$0
Total Object G – Travel (Round 100)		**$0**	**$0**	**$0**	**$0**
Object J – Equipment		**2020**	**2021**	**2022**	**2023**
Forms & Records Analyst 3		$0	$15,900	$0	$0
Management Analyst 3		$0	$6,500	$0	$0
Indirect		$0	$200	$200	$200
Total Object J – Equipment (Round 100)		**$0**	**$22,600**	**$200**	**$200**

Strategic and Performance Outcomes

Strategic Alignment:

This funding request supports DOL's strategic goal of Safer Data. The RAD team plays an important role in assessing requests for both structured and unstructured data. Staff evaluate each request for permissible use and screen records for personally identifiable information (PII). This is critical to safe guarding WA residents' data.

Performance Outcomes:

Funding this request will provide for more timely completion of over two thousand complex requests and over nineteen thousand vehicle requests per year.

Performance Measure Detail:

Measure Title	Actual FY19	FY20	FY21	FY22	FY23
Complex requests completed within 5 days	24%	35%	40%	45%	50%
Vehicle and vessel requests completed within 3 days	63%	75%	80%	85%	90%

Other Collateral Connections

Intergovernmental:

RAD frequently answers records requests from government agencies. These requests range from inquiries about vehicles owned by the requesting agency to requests for detailed investigative files to assist with law enforcement functions. Timely response to these requests is dependent on staff workload; wait times will continue to increase without additional staff.

Stakeholder response:

None.

Legal or administrative mandates:

When answering any request for records, RAD staff must carefully evaluate who the requestor is and why they want the requested records. Staff then applies the permissible uses described in state and federal law in order to determine what records, if any, are legal to provide.

As part of DOL's on-going efforts to support Executive Order 16-01, RAD follows all guidelines for data protection and security, as set forth by the Office of the Chief Information Officer. This includes encryption for sensitive records when transmitted in digital format to a requestor; training for staff to recognize personally identifiable information and all the applicable protections to DOL's records; and advising units throughout the agencies of records management best practices.

In response to Executive Order 17-01, RAD staff takes extra precautions when responding to requests from federal law enforcement agencies. The organizational structure of RAD provides increased oversight of responses to law enforcements' requests. Careful screening for legal prohibitions on disclosure, potential harm to Washington residences, and compliance with Executive Orders is highly detail oriented.

Changes from current law:

None.

State workforce impacts:

None.

State facilities impacts:

RAD will need three additional workstations and equipment for the 3.0 FTEs. The agency's current footprint will accommodate the additional requested staff.

Puget Sound recovery:

None.

IT Addendum

IT addendum is included in decision package details to provide additional information for IT related costs and comply with RCW 43.88.092

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

☐ YES ☒ NO

If yes, please download the IT Addendum Template *and follow the directions on the bottom of the addendum to meet requirements for OCIO review.*

2019-21 Biennium Budget
Decision Package

Agency: 240 – Department of Licensing
Decision Package Code-Title: CP – Collector Vehicle License Plates
Budget Session: 2020 Supplemental
Budget Level: Policy Level
Contact Info: Ellie McMillan
(360) 902-3642
emcmillan@dol.wa.gov

Agency Recommendation Summary

The Department of Licensing requests funding to support agency-proposed legislation that will implement changes to collector vehicle registration statutes. The proposed changes will allow the department to better enforce the issuance of the collector vehicle plates, decrease inappropriate use of those plates, and recover state revenue.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 108 - 1	$0	$286	$7	$7
Total Expenditures	$0	$286	$7	$7
Biennial Totals		**$286**		$14
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	0.3	0.0	0.0
Average Annual		**0.2**		**0.0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	0	$17	$0	$0
Obj. B	0	$7	$0	$0
Obj. E	0	$262	$7	$7
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	CASH RECEIPTS ARE INDETERMINATE, PLEASE SEE DISCUSSION			

Totals may vary due to rounding.

Package Description

Background

The Department of Licensing (DOL) issues collector vehicle plates to motor vehicles or travel trailers that are at least thirty years old. Current statute (RCW 46.18.220) restricts the use of these plates to vehicles that are in good running order and only "used for participation in club activities, exhibitions, tours, parades, and occasional pleasure driving." Applicants pay a one-time $55.75 fee to obtain the collector plates, which are valid for the life of the vehicle (no renewal).

As of August, 2019, there are 275,166 collector vehicles registered in Washington, which is approximately 3.4 percent of total registered vehicles. Within the count of collector vehicles, there are two small subsets that have additional requirements: horseless carriages and restored vehicles. Horseless carriages must be at least 40 years old and have a slightly higher one-time fee of $60.25. Restored vehicles have the same requirements as a standard collector vehicle, but use a restored plate that matches the year and type of vehicle.

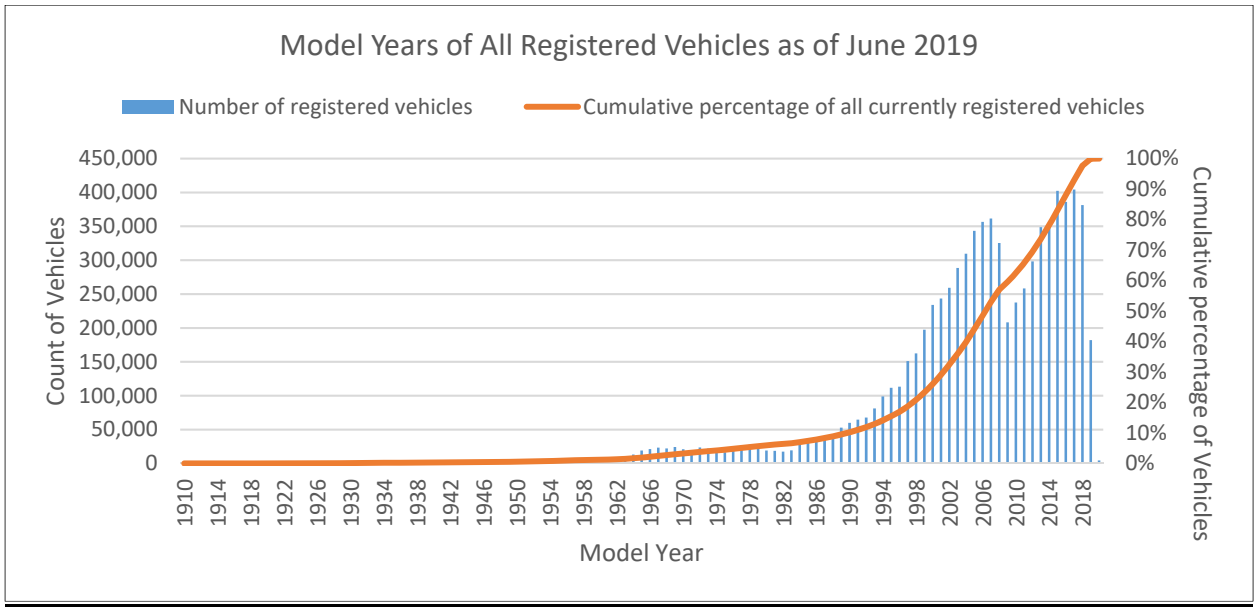
Current Issue

Approximately 11 percent of the total collector vehicles registered in the state are 1980 or newer model-year vehicles. This number includes many makes and models that would not typically be thought of as a "collector" vehicle, however they meet the current 30-year requirement in statute, for example: a 1989 Dodge Grand Caravan, a 1986 Ford Aerostar minivan, a 1988 Honda Civic, and a 1985 Jeep Cherokee.

DOL has received numerous reports and anecdotal evidence of misuse and abuse of the collector vehicle plates, including from some local jurisdictions which have observed a high volume of recreational vehicles using collector license plates and parking in high-traffic areas for extended periods of time. Because the registration for collector vehicles is non-renewing, cities and counties face challenges when citing or towing these vehicles and there is limited regulatory administrative mechanisms in law for when a registered vehicle owner violates the permissible uses of a collector license plate.

Table 1 illustrates that the majority of the currently registered vehicles in Washington are model year 1990 or newer. With the requirement that a vehicle must be at least thirty years old to qualify for a collector plate, DOL will likely see an increase in applications for collector plates, as most of the 1990 model-year vehicles on the road will begin to qualify in 2020. Without changes to relevant statutes, it is possible that the misuse of these plates will increase as more vehicle owners may view these non-renewing plates as a means to avoid registering their vehicles each year.

Table 1



Proposed Solution

DOL is proposing changes to the collector vehicle statutes that will allow the department to better enforce the issuance of the collector vehicle plates, decrease the fraudulent use, and potentially recover lost state revenue.

Below is a summary of the proposed changes:

- Clarify the definition for collector vehicles to explicitly prohibit use for business/commercial purposes or routine transportation of persons or property.
- Require that collector plates be renewed every five years with a signed certification by the owner.
- Provide DOL authority to cancel the registration of a collector vehicle that does not meet these requirements.
- Align the definition for a "horseless carriage" to match the definition from the Horseless Carriage Club of America: "*a motor vehicle that was manufactured or built prior to January 1, 1916*".

Alternatives Explored

- <u>Alternative 1: Take no action</u> - This would maintain the status quo. The department would maintain current application workload and incur no additional costs. This option would introduce more risk to the department over time.

- <u>Alternative 2: raise fees for collector plates</u> - This may eliminate some abuse but the department would likely receive pushback from various stake holders. This approach would not address the issue of enforcement.

- Alternative 3: Agency partnership - DOL could potentially partner with law enforcement to address this issue. This would provide an enforcement mechanism, however, with the current language in RCW, enforcement would be difficult to define and execute.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Issuance of collector vehicle plates is a multi-divisional component of DOL's overall vehicle plates, titling, and registration efforts. As such, prior biennia costs are not isolated in discrete cost codes.

Scenario Assumptions

Ongoing cash receipts are indeterminate, but a scenario is provided for discussion purposes. These assumptions were used to project potential expenditure and cash receipts impacts to the agency.

Based on current data, DOL has about 270,000 collector vehicles registered as of August, 2019. Approximately 250,000 collector vehicles have been registered since Fiscal Year 2000 and DOL assumes there is some portion of the more recent registrations that will not qualify for collector vehicle recertification under the proposed legislation.

- As many as 30 percent, or 80,000, of recertification notices may be undeliverable. If so, DOL is projecting only 189,000 recertification notices delivered to registered owners of these vehicles.
- Of these remaining registered collector vehicles, there could be as many as 10 percent, or 18,900, that do not qualify for recertification under the proposed legislation during the first year of implementation.
- There could be as many as 1 percent, or 1,700 of the remaining collector vehicles that do not qualify for recertification under the proposed legislation in future years.
- If vehicle owners do not qualify for CV recertification they will have to apply for a standard vehicle registration or not operate the vehicle.
- Approximately 30 percent will register online and will receive a registration certificate and new tabs in the mail, regardless of whether it is annual or recertified registrations. Collector vehicle owners will receive a special collector vehicle year tab that will be a different color than a regular vehicle registration tab. Any new vehicle registrations that result from this legislation will be issued a regular vehicle registration certificate and tab.

Revenue

Ongoing revenue is indeterminate. DOL does not know how many initial contacts will result in a registration under the provisions of the bill. Variables include how many vehicles are still in Washington, and how many remain in operating condition. For illustrative purposes, the department has prepared a scenario to show potential revenue with a given set of assumptions. Following implementation of the bill, actual revenue will be incorporated into future revenue forecasts and budget requests.

Based on the scenario assumptions, DOL could realize the revenue impacts in future fiscal years, as outlined in Table 2.

Table 2

Annual Registrations			*FY 2022*	*FY 2023*	*FY 2024*	*FY 2025*
% Share	93%	**Cars**	17,580	17,780	17,990	18,220
		Registration Fee	$527,400	$533,400	$539,700	$546,600
		Weight Fee	$517,300	$701,300	$709,600	$718,600
		Total	$1,044,700	$1,234,700	$1,249,300	$1,265,200
	7%	**Trucks**	1,320	1,330	1,350	1,370
		Registration Fee	$199,300	$208,400	$211,500	$214,600

Note: Vehicles registered within Transportation Benefit Districts (TBDs) or within Sound Transit's motor vehicle excise tax jurisdiction will also be subject to relevant fees for those purposes. Future revenue collections on behalf of those jurisdictions are also indeterminate.

One-time costs

The department will incur costs to modify information technology systems, and to send an initial notification to all current CV or restored vehicle plate owners. DOL will also pre-order month and year tabs based on anticipated utilization.

- IT systems modifications: $32,200; See detail below
- Initial notification: $177,800; (286,700 x $0.620)
- Support services: $23,700; Mailroom and fiscal support

Ongoing Costs

Mailing of initial notifications will begin after information technology modifications are completed. DOL will mail a renewal notice to the address listed on the CV application, or new address if registrant has notified DOL. Table 3 represents the initial and potential renewal notices mailed and the cost per fiscal year. Annual renewal letters will be mailed to those registrants that no longer qualify for CV license plates under this new legislation.

- FY21 mailed 5 or 1-year tabs: $46,900; (178,800 x $0.15; 53,640 x .55)
- FY22 mailed 1-year tabs: $5,900; (18,900 x $0.15; 5,670 x .55)
- FY23 mailed 1-year tabs: $6,000; (19,100 x $0.15; 5,730 x .55)
- FY24 mailed 1-year tabs: $6,000; (19,300 x $0.15; 5,790 x .55)
- FY25 mailed 1-year tabs: $6,100; (19,600 x $0.15; 5,880 x .55)

Table 3

		FY21	FY22	FY23	FY24	FY25
Initial Recertification Notice	**Count**	286,700				
	Cost	$ 177,800				
Renewal Letter and Tabs	**Count**	178,900	18,900	19,100	19,300	19,600
	Cost	$ 46,900	$ 5,900	$ 6,000	$ 6,000	$ 6,100

For this scenario, costs include an additional envelope in the initial mailing of a renewal letter, and a registration letter with tabs.

Information Technology Systems Assumptions

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	-	7,400	-	-	-	-	7,400
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	-	2,600	-	-	-	-	2,600
PROJECT MANAGER	Manage schedule and contracts	$ 27,492	-	2,700	-	-	-	-	2,700
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	-	2,700	-	-	-	-	2,700
CONTRACTED FAST DEVELOPER / TESTER	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	$ 34,800	-	13,900	-	-	-	-	13,900
Project Contingency	Office of the Chief Information Officer designated rate of 10%	$ -	-	2,900	-	-	-	-	2,900
		Totals	**-**	**32,200**	**-**	**-**	**-**	**-**	**32,200**

The following assumptions were used to develop information technology modification estimates:

1. Effective date of January 1, 2021 for all current and future CV plates.
2. Current CV plates will be required to recertify every 5 years.
3. Mail-in renewals will be handled similar to special plates with certifications.
4. Updates will be needed for Vehicle Licensing Office (VLO) communications distribution and Help Manager to reflect changes.
5. VLO intranet site modification.
6. Criteria and fees for original CV plates will not change from current format\rules\laws.

Workforce Assumptions:

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.C.

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.

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Fiscal Technician 2	3,432		0.2		
It Specialist 4	6,828		0.1		
Total FTEs (Round 10)			**0.3**		
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Fiscal Technician 2	3,432		4,200		
It Specialist 4	6,828		8,400		
Total Object A - Salaries (Round 100)			**12,600**		
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Fiscal Technician 2			2,100		
It Specialist 4			2,900		
Total Object B - Benefits (Round 100)			5,000		
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
Fiscal Technician 2			1,500		
It Specialist 4			1,500		
Total Object E – Goods & Services (Round 100)			3,000		
Object G – Travel		**2020**	**2021**	**2022**	**2023**
N/A			0		
Total Object G – Travel (Round 100)			0		
Object J – Equipment		**2020**	**2021**	**2022**	**2023**
It Specialist 4			100		
Total Object J – Equipment (Round 100)			100		

Totals may vary due to rounding.

Strategic and Performance Outcomes

Strategic Framework:

This request supports DOL's strategic objective of "Reduced risk: More drivers avoid high-risk behaviors, traffic violations, and collisions." Proper use and clarification of specialty registrations may reduce traffic violations.

Performance Outcomes:

This request will impact the registration of 266,322 vehicles currently registered as collector vehicles.

Performance Measure Detail:

Measure Title	Actual FY19	FY20	FY21	FY22	FY23
Percent of current collector vehicles recertified as collector vehicles, cancelled, or moved to active registration*	0%	0%	70%	100%	100%

**Based on 266,322 collector vehicles registered as of August 2019*

Other Collateral Connections

Intergovernmental:

The impact to tribal, regional, county, or city governments or any political subdivision of the state would be minimal, if any. This proposal would give the department the sole authority to cancel or revoke collector plates which would impact the citizens directly.

Stakeholder response:

- Collector car clubs would support;
- Sound Transit would support;
- Transportation Benefit Districts would support;
- Law Enforcement would be neutral.

Legal or administrative mandates:

Not applicable.

Changes from current law:

This proposal would require a change in statute to RCW 46.04.126 and RCW 46.18.220. This proposal would redefine the term “collector vehicle” in RCW 46.04.126 and add enforcement language in RCW 46.18.220.

State workforce impacts:

Not applicable

State facilities impacts:

Not applicable

Puget Sound recovery:

Not applicable

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 ☐ NO

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

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

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.

Collector Vehicle Plates

As part of this decision package, a Project team would be established to develop a solution and ensure proper planning, communication, and preparation is done to successfully implement the legislative change. This includes accounting for business, agency partner(s), system changes, and solution implementation.

Business areas and IS would work together to strategize about the specific needs to meet the proposed legislation and engage with vendors and agency partners. While DOL's goals include maximizing customer use of the online services, the agency will allow customers the flexibility to engage with DOL in the way that best serves the customers' needs.

To help with staff transition, and Vehicle licensing office implementation of new vehicle licensing for collector plates DOL would provide communication and resources materials of the changes to the system.

This request supports DOL's strategic objective of "Reduced risk: More drivers avoid high-risk behaviors, traffic violations, and collisions." Proper use and clarification of specialty registrations may reduce traffic violations.

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 agency proposed legislation will implement changes within DRIVES to Collector Vehicle registration processing and customer notification. The proposed changes will allow the department to better enforce the issuance of the collector vehicle plates, decrease inappropriate use of those plates, and recover state revenue.

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 size of the investment is scaled to the development needs to update the DRIVES system as described in the Information Systems (IS) assessment. The decision package and IS cost analysis has been created to support costs which are already established. DOL is proposing changes to the collector vehicle statutes that will allow the department to better enforce the issuance of the collector vehicle plates, decrease the fraudulent use, and potentially recover lost state revenue.

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?

The maintenance and support of the DRIVES system is divided between DOL staff and the vendors for DRIVES. As this is not a major change to the system DOL will only be minimally impacted during the time it takes to develop and implement the solutions. The project technical team and the business technology group, which supports DRIVES, work together to determine resourcing needs starting with the initial development through full implementation. Thus, the risks around resource availability are low.

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:
Without full funding for the decision package, the agency is at risk of more drivers improperly registering collector vehicles, not being aware of the proper use and clarification of specialty registrations. This can negatively affect the revenues to the State.

☐ 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.

By leveraging the existing DRIVES system this solution will be provided as an enhancement to our customers and business partners as part maintenance agreement with the agency's vendor. It will be provided to our licensing vendors and agency partners as an enhancement and update to the DRIVES system.

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.

This investment aligns with the Strategic Plan's technical elements of implement advanced data management policies, standards, and technologies, through the use of the DRIVES system for customer vehicle transactions.

Collector Vehicle Plates

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.

Maintenance and operations for the system, as provided by the vendor, is governed through contract management, DOL quality assurance/oversight, and executive level sponsorship. The governance processes are in place that meet the needs of the agency will be supported by this investment.

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 DRIVES system currently supports interfaces with existing systems within the state such as partner agencies like Washington State Patrol and the Department of Transportation. The data interfaces that support the solution align with OCIO's strategic intent for Statewide Integrations by using a modular, reusable, and non-duplicative architecture. Moreover, DRIVES leverages web service, API, and SFTP standards for most data interfaces with other systems. For example, enterprise integrations will use a loosely coupled web service by leveraging an Enterprise Service Bus, which supports modern interoperability standards.

Furthermore, the support of the application includes ongoing maintenance of the interoperability of the system as well as interfaces, web services, and other data exchange mechanisms.

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.

Strategic Alignment:

This request supports DOL's strategic objective of "Reduced risk: More drivers avoid high-risk behaviors, traffic violations, and collisions." Proper use and clarification of specialty registrations may reduce traffic violations.

Performance Outcomes:

This request will impact the registration of 266,322 vehicles currently registered as collector vehicles.

Collector Vehicle Plates

Performance Measure Detail:

Measure Title	Actual FY19	FY20	FY21	FY22	FY23
Percent of current collector vehicles recertified as collector vehicles, cancelled, or moved to active registration*	0%	0%	70%	100%	100%

*Based on 266,322 collector vehicles registered as of August 2019

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.

This decision package would provide services to the citizens of Washington, our agency partners, and the customer experience will be improved and enhanced in several ways, including:

- Improvements for citizens of Washington through clarification of the definition for collector vehicles to provide better understanding to the customers about the use of this specialty plate.
- Provides value to collector vehicle owners through:
    - Allowing customers to provide a self-attestation or signed certification from the owner which wishes to have a collector plate on their vehicle.
    - Providing DOL authority to cancel the registration of a collector vehicle that does not meet these requirements established in the proposed legislation.
- Alignment of the definition for a "horseless carriage" to match the definition from the Horseless Carriage Club of America. This brings DOL's definition in line with the acting authority for the collector vehicle.

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 supports the modernization of business processes of DRIVES and allows us to automate the collector vehicle plate program through gains in efficiency, automation of manual work, appropriate use of specialty plates, reduction in development resource needs, and streamlined processes.

2019-21 Biennium Budget
Decision Package

Agency: 240 – Department of Licensing
Decision Package Code-Title: HW – Hearings Workload
Budget Session: 2020 Supplemental
Budget Level: Maintenance Level
Contact Info: Ellie McMillan
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Agency Recommendation Summary

The Department of Licensing (DOL) requests funding to support the increase in hearings and interviews caseload. Over the last three years, the amount of annual hearing requests received has increased by 6.9 percent from CY 2016 to CY 2018. In addition, legislative changes to RCW 46.20.308 (Implied consent – test refusal – procedures) shortened the time DOL has to hold a hearing in both Administrative Per Se and Implied Consent cases, related to driving under the influence arrests, from 60 days to 30 days.

Fiscal Summary

Dollars in Thousands; tables may exhibit minor differences due to rounding

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 106-1	$0	$553	$553	$553
Total Expenditures	**$0**	**$553**	**$553**	**$553**
Biennial Totals		**$553**		**$1,106**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0	4.9	4.9	4.9
Average Annual		**2.5**		**4.9**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$337	$337	$337
Obj. B	$0	$128	$128	$128
Obj. E	$0	$86	$86	$86
Obj. J	$0	$2	$2	$2

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	$0	$0	$0	$0
Total	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Package Description

The Department of Licensing (DOL) is responsible for imposing administrative sanctions on those arrested for driving under the influence (DUI). These sanctions range from suspension to revocation of the driving privilege. Prior to imposing any sanction, DOL must afford the driver the opportunity for due process in the form of either a hearing or an administrative interview. The Hearings and Interviews Unit (Hearings Unit) convenes the hearing or interview, issues the final decision, and conveys that decision to the petitioner.

What is the problem, opportunity or priority you are addressing with the request?

1. The total annual hearing and interview requests DOL receives is increasing.

The department has seen its hearings workload increase from 8,888 hearings events in CY 2016 to 9,499 by CY 2018. It is expected workload growth will continue. For the last twelve months, from September 2018 to August 2019, the Hearings Unit conducted 9,661 hearings and interviews. In the Hearings Unit, more than 80 percent of the cases processed are DUI-related.

The Washington State Patrol (WSP) and local law enforcement agencies have increased their focus on DUI enforcement. The WSP Strategic Plan 2019-2022 focuses on "reduc[ing] fatal and serious injury collisions caused by … impaired driving." Strategic Plan, p. 14. DOL's caseload had increased year over year even prior to this increased focus by law enforcement.

In an effort to prioritize the DUI hearings, supervisory Hearings Examiners 3s, who usually only carry a 50 percent caseload and 50 percent supervisor responsibilities, have been enlisted to act as adjudicators full-time. Further, in February 2019, the Hearings Unit received agency approval to back-fill a hearings examiner position with a retiree-rehire. By bringing in a retiree who had previously worked in the Hearings Unit, DOL was able to cut down on training and onboarding so that this non-permanent FTE could begin hearing cases right away. This temporary arrangement ended June 2019.

2. On January 1, 2019, the Hearings Unit lost 33 percent of the time available to conduct DUI hearings.

A significant modification to one of the Hearings Unit's main statutory authorities went into effect on January 1, 2019. RCW 46.20.308(7) formerly allowed the department 60 days to hold a hearing on DUI cases. On January 1, 2019, that statute shortened the time from 60 days to 30 days, not including weekends and legal holidays. Even excluding weekends and holidays from the 30 day calculation only gives the Hearings Unit approximately 40 calendar days to convene a DUI hearing, instead of the 60 days previously available. This statutory change has decreased processing time by 33 percent.

The department did not initially anticipate an operational impact due to this change when preparing the 2017 legislative fiscal note for ESHB 2700. The overall expenditure estimate for the bill was indeterminate at that time. Following the January 1, 2019 implementation date of the bill, the compression of available time to conduct hearings, in conjunction with the increase in hearings volumes, has contributed to the increase in dismissed cases.

The Hearings Unit prioritizes cases involving DUIs. The dismissals outlined below were due to the lack of available hearings examiners to preside over the hearings within the statutory time required pursuant to RCW 46.20.308(7). The impact of dismissals will be mitigated with additional line staff to manage increased workload volumes by making more hearings slots available within the new statutory limit.

Fiscal Year	2018	2019
Total Dismissal Due to Lack of Available Examiners	63	204

What is your proposed solution?

In order to schedule all of the requested hearings within the 30-day time period, the department is requesting additional Hearings Examiner 2 positions. With a projected workload of 40 cases a month, each Hearings Examiner 2 can conduct 480 hearings per year. These staff would be able to accommodate both the workload increase plus the 204 dismissed cases during Fiscal Year 2019.

DOL would also require Hearings Scheduler (scheduler) support to process the cases being filed, gather the evidentiary record for discovery packets, transmit the final orders to petitioners, and schedule additional hearings. Schedulers are required at a ratio of one scheduler to two hearings examiner 2 positions.

This package would allow us to continue to provide quality, legally sustainable orders in cases that are scheduled within the 30 day statutory deadline and prevent unnecessary dismissals, thereby working to achieve Target Zero (Washington State Strategic Highway Safety Plan). It would also allow Hearings Unit supervisors (Hearings Examiner 3s) to resume their supervisory duties. These tasks include onboarding new staff, cross-training hearings examiners on the variety of cases handled, and maintaining detailed management documentation in their supervisory files. It would also allow hearings examiners to attend continuing legal education

training, learn from colleagues, and master the evolving legal precedents in administrative DUI law so that they can write legally sound and high quality orders.

What are you purchasing and how does it solve the problem?

The funding package provides DOL with additional hearings examiner and scheduler capacity. It would also provide the day-to-day work supplies for these three employees (e.g., computers and software, headsets, voice recorders).

With the requested staff additions, the Hearings Unit will be able to address the issue of dismissed cases due to the lack of hearings capacity needed to timely schedule in compliance with RCW 46.20.308(7). Upon approval of the package, it would take approximately two months to get the new employees hired, trained, and assigned cases.

The requested staff will take up the caseload of three current Hearings Examiner 3 supervisors and one former back-fill position. The unit's Hearings Examiner 3 supervisors cannot commit full time to conducting hearings on an ongoing basis, since other demands on those positions includes unit management, staff performance reviews and evaluations, providing staff training, and conducting quality control reviews.

The package will also allow the Hearings Unit to process the anticipated increase in caseload demands. DOL will decide more hearing requests based on their merits, instead of dismissing hearing requests based upon a procedural technicality. This will allow drivers to obtain the due process they have sought, remove dangerous drivers from the state's roadways, and assist in Target Zero's goal of reducing traffic fatalities and serious injuries on Washington's roadways to zero by 2030.

What alternatives did you explore and why was this option chosen?

During Fiscal Year 2018, the Hearings Unit dismissed 63 cases as violations of the 60-day hearing deadline. In Fiscal Year 2019, that number rose to 204 dismissals. This increase is due in part to the increase in hearings workload the Unit has experienced. Another aspect of the increase in dismissals is the modification to RCW 46.20.308(7) which became effective on January 1, 2019. This statutory change narrowed the time in which the Hearing Unit must hold a DUI hearing from 60 days to 30 days, not including weekends and legal holidays. Of the 204 dismissals, over half, 132, occurred after the January 1, 2019, statutory 30-day deadline modification. If the current number of Hearings Unit FTEs remains unchanged, the increase in DUI hearing dismissals is likely to continue.

DOL has explored and attempted alternatives to stem the dismissals increase. The Hearings Unit has taken three supervisory examiners from their standard work responsibilities and assigned them additional hearings cases. Further, DOL back-filled a Hearings Examiner 2 position in February 2019, with a retiree/rehire who had worked within the Hearings Unit before. The retiree/rehire option minimized the training time necessary for this non-permanent

new hire. This arrangement ended in June 2019 and is not an available option in the 2019-21 biennium.

The option proposed in this package supports DOL's efforts to provide due process in a timely manner. By hiring additional hearings examiner and scheduler staff, the triers of fact will decide more cases and avoid dismissing DUI cases on purely procedural grounds. Further, the hearings examiners will have enough time to prepare for their hearings and write their decisions in logical, legally supportable orders that align with the goals and objectives of Results Washington and Target Zero.

Absent these additional FTEs, the Hearings Unit will continue to use its management staff into presiding over hearings to mitigate the dismissal rate. Without Hearings Examiner 3s serving in their supervisory roles, line staff, including Hearings Examiner 2s, will receive less training, onboarding, mentoring, and leadership development. In addition, the Hearings Unit will continue to dismiss driver's license sanctions because staff are unable to convene hearings by the statutory deadline. A hearings examiner never reaches a decision based on merit for these dismissed cases. The dismissal has denied the drivers the right of due process. In addition, DUI dismissals put more drivers on the road that are potentially dangerous, in contravention of Washington's Target Zero goals.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The following table reflects actual expenditures for the DOL Hearings Unit over the prior two biennia.

Fund	Activity		FY 2016	FY 2017	FY 2018	FY 2019
106	A031	FTE	37.4	33.7	33.0	35.8
		Expenditures	$3,502,762	$3,217,265	$3,138,282	$3,325,650
Total		FTE	37.4	33.7	33.0	35.8
		Expenditures	$3,502,762	$3,217,265	$3,138,282	$3,325,650

Detailed assumptions and calculations:

Total Hearings Unit workload has increased steadily over the last several years. The following data are available:

CY 2016 hearings/interviews conducted	8,888
CY 2017 hearings/interviews conducted	9,252, 3.98 percent increase
CY 2018 hearings/interviews conducted	9,499, 2.78 percent increase

For the 12 months from September 2018 through August 2019, the unit conducted 9,661 total events. This number serves as a proxy for FY 2019. Based on anticipated enforcement efforts

and recent workload volume growth, the department expects hearings volume to increase by 3 percent each of the two fiscal years in the 2019-21 biennium.

Hearings Examiner 2 positions can manage 480 cases per year, which includes research, consultations with law enforcement and petitioner counsel, conducting hearings and interviews, and writing disposition reports. The following table outlines the expected demand, staff availability, and net staff requirements.

Hearings Staff Workload	**Baseline**	**FY20**	**FY21**
Total hearings, 9/18-->8/19 (12 mths)	9,661	9,951	10,249
Annual hearings conducted by one HE2 FTE	480	480	480
Total HE2 FTEs needed for hearings	20.13	20.73	21.35
HE2 FTEs available	17.25	17.00	17.00
HE3 (supervisor) FTEs available @ 50% workl	2.25	1.50	1.50
Total HE2s/HE3s available for hearings	19.50	18.50	18.50
Total HE2 FTEs needed for hearings	20.13	20.73	21.35
Total HE2s/HE3s available for hearings	19.50	18.50	18.50
Additional HE2 FTEs requested		**2.23**	**2.85**
Hearings Schedulers requested @ 1:2 ratio		**1.12**	**1.43**

Note: The baseline assumption, which is a proxy for FY 2019, includes full use of Hearings Examiner 3 supervisory positions for managing hearings workload for one year and the addition of a temporary Hearings Examiner 2 rehire for six months. Those one-time adjustments are not available during the 2019-21 biennium.

Staff assumptions:

- A Hearings Examiner 2 can manage 480 total hearings events per year.
- A Hearings Examiner 3 supervisory position has 50 percent of their time available to manage hearings workload.
- Schedulers provide support at a ratio of 1.0 Scheduler to 2.0 Hearings Examiners.
- Total hearings conducted ÷ annual hearings conducted by Hearings Examiner 2s = Hearings Examiner 2 FTEs needed.
- Hearings Examiner 2 FTE needed, less Hearings Examiner 2 FTE available in base = Hearings Examiner 2 FTE requested.

The department's hearings workload is not an entitlement program, therefore the department does not expect to receive backfill funding for this purpose. However, in order to minimize risk exposure by maintaining compliance with the current law requirements of RCW 46.20.308, the department assumes that the department hires necessary Hearings staff in October 2019. As a short-term solution to manage the immediate need, vacancies that occur within units not subject to statutory deadlines will be held open long enough to ensure sufficient funding in FY

2020. The funding requested in this package supports ongoing funding in FY 2021 and in subsequent biennia.

This package includes 0.3 indirect FTE in the 2019-21 biennium to provide information technology, payroll, and accounting support.

Workforce Assumptions:

Include FTE information by job classification, including salary, benefits costs, goods and services, travel, and equipment.

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Hearings Examiner 2	$6,828	0.0	2.9	2.9	2.9
Hearings Scheduler	$3,511	0.0	1.4	1.4	1.4
Indirect MSS Fiscal Tech 2	$3,249	0.0	0.4	0.4	0.4
Indirect ISD IT Specialist 4	$6,793	0.0	0.2	0.2	0.2
Total FTEs (Round 10)		**0.0**	**4.9**	**4.9**	**4.9**
Object A – Salaries		**2020**	**2021**	**2022**	**2023**
Hearings Examiner 2	$6,828	$0	$244,748	$244,748	$244,748
Hearings Scheduler	$3,511	$0	$60,749	$60,749	$60,749
Indirect MSS Fiscal Tech 2	$3,249	$0	$17,000	$17,000	$17,000
Indirect ISD IT Specialist 4	$6,793	$0	$15,000	$15,000	$15,000
Total Object A - Salaries (Round 100)		**$0**	**$337,500**	**$337,500**	**$337,500**
Object B – Benefits		**2020**	**2021**	**2022**	**2023**
Hearings Examiner 2		$0	$84,808	$84,808	$84,808
Hearings Scheduler		$0	$29,082	$29,082	$29,082
Indirect MSS Fiscal Tech 2		$0	$8,400	$8,400	$8,400
Indirect ISD IT Specialist 4		$0	$5,200	$5,200	$5,200
Total Object B - Benefits (Round 100)		**$0**	**$127,500**	**$127,500**	**$127,500**
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
General Office Supplies		$0	$2,100	$2,100	$2,100
Phone/Install/Usage		$0	$3,700	$3,700	$3,700
Utilities		$0	$2,100	$2,100	$2,100
Facility/Lease Costs		$0	$21,500	$21,500	$21,500
Repairs, Alterations & Maintenance		$0	$2,300	$2,300	$2,300
Training		$0	$500	$500	$500
Manage Print Services		$0	$1,200	$1,200	$1,200

Facilities and Services	$0	$4,900	$4,900	$4,900
Interagency DP Svcs	$0	$24,600	$24,600	$24,600
Personnel Services	$0	$900	$900	$900
Contracted Costs	$0	$2,300	$2,300	$2,300
Software Maintenance	$0	$19,800	$19,800	$19,800
Total Object E – Goods & Services (Round 100)	**$0**	**$85,900**	**$85,900**	**$85,900**
Object G – Travel	**2020**	**2021**	**2022**	**2023**
	$0	$0	$0	$0
Total Object G – Travel (Round 100)	**$0**	**$0**	**$0**	**$0**
Object J – Equipment	**2020**	**2021**	**2022**	**2023**
Standard Desktop	$0	$1,900	$1,900	$1,900
Workstation Costs	$0	$0	$0	$0
Total Object J – Equipment (Round 100)	**$0**	**$1,900**	**$1,900**	**$1,900**

Strategic and Performance Outcomes (Work with your division's Planning and Performance Manager)

Strategic Alignment:

This request supports DOL's strategic goal of Safer Drivers and reducing high-risk behavior. Ensuring that all DUI sanction hearing requests receive a decision based on the merits of the request helps DOL promote a safe driving culture.

This request supports the Governor's Goal and the Target Zero Plan by ensuring all DUI sanction hearing requests receive a decision based on merits. This request directly targets Impairment Involved behavior, a priority level 1 behavior and the top contributor for traffic fatalities.

Performance Outcomes:

The Hearings Unit conducts over nine thousand hearings and interviews per year (based on CY 2018). Increasing the Hearings Unit workload capacity would ensure an additional 878 customer cases receive a decision based on the merits of their request during the 2019-21 biennium.

DOL projects the ability to schedule all hearings within 9 months of receiving funding because the average Hearings Examiner 2 recruitment takes 3 months, and it takes 6 months for a new hearings examiner to gain the skills and abilities to take on a full case load.

Performance Measure Detail:

Measure Title	Actual FY19	FY20	FY21	FY22	FY23
# of DUI cases dismissed due to 30 day scheduling deadline	204	200	125	0	0

Project Management Plan

Project management is not required to implement the components of this package.

Other Collateral Connections

Intergovernmental:

Law enforcement agencies and the Washington Traffic Safety Commission will appreciate additional Hearings Unit employees because it generate decisions based on merit for sanctions resulting from DUI arrests on Washington roads, and prevent dismissals due to lack of hearings examiner availability.

Stakeholder response:

Drunk driving prevention public interest groups (e.g., Mothers Against Drunk Driving, Students Against Destructive Decisions) and prosecutors would similarly support this proposal. Approval of this package will allow due process for more of the criminal defense bar's clients, the drivers, and allow their cases heard based on their merits.

All members of the public, whether pedestrians, cyclists, or motorists, benefit from safe roadways.

Legal or administrative mandates:

This proposal responds to an increase in workload in DOL's Hearings Unit.

Changes from current law:

It does not appear that this Decision Package would necessitate any changes to existing statutes, rules, or contracts.

State workforce impacts:

The proposal does not appear to have any direct impact on existing collective bargaining agreements, compensation, or benefits.

State facilities impacts:

There should not be any facilities' space planning needs to address.

Puget Sound recovery:

This request does not appear to affect Puget Sound recovery.

IT Addendum

IT addendum is included in decision package details to provide additional information for IT related costs and comply with RCW 43.88.092

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

☐ YES ☒ NO

If yes, please download the IT Addendum Template *and follow the directions on the bottom of the addendum to meet requirements for OCIO review.*

FY 2020 Supplemental Budget
Decision Package

Agency: 240 – Department of Licensing
Decision Package Code-Title: PM- Business & Professions Technology Maintenance
Budget Session: FY 2020 Supplemental
Budget Level: Maintenance Level
Contact Info: Ellie McMillan

Agency Recommendation Summary

The Department of Licensing (DOL) requests increased spending authority:

- $10 million to pay for vendor-provided software maintenance, support, and software license costs for the modernized Business & Professions Licensing System, and
- $800K project savings from previous biennium to support final phases of project implementation.

The current approved budget covers development and deployment for 120 professions. Forty-two of these professions will begin using the new system in the fall of 2019 (Release 1), with the rollout of the remaining 78 professions (Release 2) in the summer of 2020.

DOL will begin paying vendor maintenance support, and licensing costs after Release 1.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 003-1	$102	$92	$131	$110
Fund 026-1	$620	$561	$802	$665
Fund 06G-1	$56	$52	$74	$61
Fund 06L-1	$1,463	$1,323	$1,893	$1,570
Fund 082-1	$42	$38	$54	$45
Fund 106-1	$60	$54	$78	$65
Fund 15V-1	$51	$47	$67	$55
Fund 16B-6	$43	$39	$56	$46
Fund 16M-6	$39	$35	$50	$42
Fund 298-6	$53	$48	$69	$57

Total Expenditures	**$2,529**	**$2,289**	**$3,274**	**$2,716**
Biennial Totals		**$4,818**		**$5,990**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0	0	0	0
Average Annual		**0**		**0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	2,529	2,289	3,274	2,716
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund and Source	$0	$0	$0	$0
Total	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Note: Totals may vary due to rounding.

Package Description

The legislature provided funding for the licensing system development and deployments costs. However, during the 2017-2019 biennium, DOL did not spend as much as was initially anticipated for the project due to timeline changes, which resulted in a savings of $800K. DOL is requesting authority to spend those funds in the current biennium to complete the final phases of the project.

DOL's partnership with an experienced vendor to implement a cloud-native Commercial Off-The-Shelf (COTS) solution expands our online services to more customers while mitigating the risks tied to the previous legacy system and the redundant systems that were necessary to perform core business functions. The contracted maintenance and support services will ensure that the licensing system does not create technology debt over time by becoming architecturally outdated.

The goals of the licensing system are to:

- Improve and expand online access to the public and licensees for licensing, account maintenance, searching, and filing complaints
- Integrate licensing, compliance, and financial management processes
- Gain efficiencies through streamlining and standardizing processes, implementing industry best practices, modernizing technology, and automating operations processes
- Increase system reliability, sustainability, and adaptability

- Improve data access and ability to electronically receive and provide data to other systems
- Retain or improve standard for customer experience

With the spending approval, DOL will meet these goals by having the vendor responsible for maintaining and operating the DOL licensing system, which will improve staff productivity, reduce customer-licensing times, and improve customer satisfaction. Having the most current software will assure and improve system stability and minimize system down time with new versions of the software typically available quarterly and installed by the vendor as part of the maintenance and support agreement.

After Release 1 in the fall of 2019, 42 professions will have a new licensing system, which integrates licensing, regulatory, and financial management processes. Currently, many of the professions in Release 1 require submitting a paper application for a license. After Release 1, licensees of the 42 professions will be able to conduct all their business with DOL online. Following Release 2 in the summer of 2020, all of the 120 professions impacted by the licensing system will have the option to conduct business with DOL online.

To illustrate the benefit of investment, applicants for security guard licenses can currently wait longer than 60 days for licensing due to the volume of applications and the need to have background checks completed before applying. The new licensing system takes applicants through a series of readiness questions to help the applicant understand the steps and materials needed for licensure, which will speed up the time to license and ultimately, the time to enter the workforce more quickly.

Another benefit of the investment is that after implementation, the public will be able to file complaints online, a change from the current paper-only process. DOL recognizes the shift to an online process from a paper process can be a big change for customers, and has change-readiness teams currently working with the impacted professions. DOL also recognizes an online business presence may not be accessible to all customers. Therefore, the agency will continue to allow a paper submission process for applicants and consumers to conduct business with DOL in the way that best fits their needs.

Background

With a contract in place the costs are established for the maintenance, support and licensing of the solution. The maintenance, support, and the annual software licenses ensure DOL is running the latest version of the configured COTS solution to support the agency's Business and Professions licensing functions. Maintenance and support costs will begin in November 2019.

The legislature supported DOL's request for increased spending authority to replace the outdated legacy Business and Professions licensing systems by procuring a COTS solution in 2018. DOL engaged multiple agencies during the development of the procurement and contract to allow other agencies looking to modernize their licensing system to leverage the

work DOL had done on the contract through a convenience use contract. Having completed the planning and procurement stages, DOL contracted with an experienced vendor to implement the COTS solution to modernize the agency's Business and Professions licensing systems.

Previous funding was limited to the modernization *project* budget. Maintenance, support and licensing costs were not included in the request. This request ensures ongoing funding is available for contractually obligated maintenance and support payments for services that maintain the state's investment.

In addition, DOL did not spend as much as was initially anticipated for the project due to changing project timelines, which resulted in a savings of $800K of dedicated funds. DOL is requesting authority to spend those funds to complete the remaining phases of the project.

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

Modernized and maintained Professional and Business licensing processes and systems are integral to DOL's ability to provide key services to citizens, agency business partners, and state and federal agencies that rely on data for public safety, licenses, and revenue for the state's licensing system. The funding requested in this decision package enables DOL to 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?

DOL explored other options for ongoing system support as described in the 2018 funding request. Using a hosted COTS solution and vendor maintenance and support model provides the greatest risk mitigation and security.

What are the consequences of not funding this request?

Without the requested funding, DOL will be limited in their ability to maintain the system, creating risks of possible data breaches. The monetary cost would be much higher to have the vendor return and bring the system up to current standards. This could impact thousands of licensees who rely on DOL for a credential to support their livelihood. In addition, without the additional $800K, DOL will be at risk for not implementing the system for the professions in Release 2.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The Department of Licensing (DOL) requests increased spending authority for $10 million to pay for vendor-provided software maintenance, support, and software license costs for the modernized Business & Professions Licensing System.

Detailed assumptions and calculations:

The total contracted licensing system maintenance and support payments plus additional project cost for the 2019-21 biennium will be $4,818,000. The amount for the 2021-23 biennium is $5,591,000. After the 2021-23 biennium, the cost for the maintenance and support contract will remain constant and the annual software license costs increase approximately 3% per year through the 2023-25 and 2025-27 biennium. DOL expects normal program revenue will absorb increased software license fees.

Workforce Assumptions:

FTE Needs	**Monthly Salary**	**2020**	**2021**	**2022**	**2023**
Total FTEs (Round 10)					
Object A - Salaries		**2020**	**2021**	**2022**	**2023**
Total Object A - Salaries (Round 100)					
Object B - Benefits		**2020**	**2021**	**2022**	**2023**
Total Object B - Benefits (Round 100)					
Object E – Goods & Services		**2020**	**2021**	**2022**	**2023**
EY – Software Maintenance		1,729,900	2,289,000	3,274,800	2,716,200
EZ – Other Goods & Services		800,000			
Total Object E – Goods & Services (Round 100)		2,529,900	2,289,000	3,274,800	2,716,200
Object G – Travel		**2020**	**2021**	**2022**	**2023**
Total Object G – Travel (Round 100)					
Object J – Equipment		**2020**	**2021**	**2022**	**2023**
Total Object J – Equipment (Round 100)					

Note: Totals may vary due to rounding.

Strategic and Performance Outcomes (Work with your division's Planning and Performance Manager)

Strategic framework:

The licensing system maintenance and support is essential for DOL to complete implementation of 4 of the 5 strategic goals:

- Maintaining the new system helps provide "easy and equitable access to great service;"
- Helps staff continue to provide that service instead of focusing on workarounds, resulting in "fully engaged and prepared employees;"
- Keeping the system functional so DOL can continue to license "safer professions;" and
- Keeping the system secure to ensure "safer data."

It also aligns with the Governor's Goal 5 for efficient, effective, and accountable government.

Performance Outcomes:

Ongoing maintenance and support of the licensing system will directly impact the 36,000 business licenses and 267,000 professional licensees in the state.

With the completion of Release 2, 120 professions will be able to submit initial applications and renew online, an addition of 78 from the current 42 professions. Expanded online application services will benefit an estimated 23,000 license applicants per year.

Citizens in the State of Washington will be able to file complaints online, which will be conducive to improving business health as well as public safety. As of FY 2019, about 2,000 WA residents filed complaints.

Citizens of Washington can search for the status of licensees and search on multiple professions.

The vendor is contractually required to "on an ongoing basis, as part of its total quality management process, identify, report to the DOL and implement ways to improve performance of the Services and identify and apply techniques and tools from other Contractor installations that would benefit the DOL either operationally or financially."

Performance Measure Detail:

Measure Title	Actual FY19	FY20	FY21	FY22	FY23

% of profession license types with online applications and renewals	64%	70%	100%[2]	100%	100%[2]
% of initial applications completed online[1]	54%	60%	54%	75%	75%
% of renewals completed online[1]	64%	70%	74%	80%	80%
% of complaints received online	0%	34%	66%	75%	75%
Professions online transaction feedback (out of 5 stars)	4.3 star avg	4.3 star avg	4.3 star avg	4.4 star avg	4.4 star avg

[1]FY2019 data based on professions currently with online capabilities.
[2] DOL will continue to accept paper applications.

Other Collateral Connections

Intergovernmental:

DOL's licensing system will facilitate data collection from other agencies. The new system will shift DOL from manual data transfer, which relies on staff to visit another government agency's website to verify information, such as Department of Social and Health Services for child support suspensions and the Department of Revenue for business licensing information. Instead, the new system interfaces directly with systems from other agencies to obtain and send data, which increases the data reliability and timeliness. The licensing system will also incorporate business tools/services like Melissa Data for address verification, so the information stored in the new system is more accurate.

DOL has data sharing agreements in place with several agencies, as well as other government partners like the newly-established Board of Registration of Professional Engineers and Land Surveyors, because DOL issues licenses on its behalf.

Stakeholder response:

An up-to-date and optimal licensing system will help prevent disruptive system issues impacting the department's customers. By keeping the new system up-to-date with internal and external requirements, DOL protects the state's investment. Minimizing system issues also benefits the citizens and the state's economy.

DOL received strong stakeholder support during the previous decision package process.

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

IT addendum is included in decision package details to provide additional information for IT related costs and comply with RCW 43.88.092

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

☒ YES ☐ NO

If yes, please download the IT Addendum Template *and follow the directions on the bottom of the addendum to meet requirements for OCIO review.*

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

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

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.

POLARIS

DOL anticipates both internal (staff) and external (customer) positive impacts associated with POLARIS. Staff will transition from a legacy system that has been in place longer than many employees' tenure at DOL. Customers will have more online options for license application, renewal, account management and complaint intake. This change represents a shift away from the paper-based process that affects 36% of DOL's current professions. The department has accounted for the many aspects of organizational changes around this implementation.

As part of the project, an Organizational Readiness team has been established to drive OCM activities and ensure proper planning, communication, and preparation is done to successfully implement the new system. This includes accounting for business, agency partner, system, and go-live support readiness. Moreover, the team has identified approximately 10-12 specific OCM activities within these four areas and track status and progress as the project proceeds.

Program-level readiness teams meet regularly to strategize about the specific needs from each licensee group and engage with industry partners. While DOL's goals include maximizing customer use of the online services in the new system, the agency will allow customers the flexibility to engage with DOL in the way that best serves the customers' needs.

To help with staff transition, DOL has provided demonstrations of the new system during development, and has opened certain as-is/to-be discussions to staff from both release cycles. Program staff representing different professions will provide training and a production-like environment (sandbox) where staff have hands-on opportunity to work in the system.

This effort will replace the legacy Business and Professional licensing system at the Department of Licensing (DOL) with a modern cloud-native COTS solution. The modernization of this system will produce efficiencies in business processes, reduce the burden of maintenance and support by DOL staff, enhance online usage while reducing reliance on manual and paper transactions, and alter long-term production support resource needs. This funding request is specifically for increased spending authority to cover software licenses and ongoing contracted vendor maintenance and support payments. It supports DOL's OCM efforts by ensuring that the agency has the proper and needed support to effectuate and sustain the planned changes on an ongoing basis.

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 modernization project will improve DOL's IT portfolio in several ways, including: reduction in technical debt, significant gains in efficiency through improved architecture and automation, as well as increased system stability and flexibility.

Moreover, system maintenance and support is essential for DOL to complete implementation of several strategic goals: maintaining the new system ensures that staff continue to provide core services instead of finding workarounds to deal with technical limitations; it keeps the system functional so DOL can focus on its core business of issuing business licenses; and with a more modern and secure system, DOL is also better able to ensure privacy protection and data security.

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 size of the investment is scaled to the contractual payment milestones as described in the contract with the agency's vendor. As a fixed price agreement, the support costs are already established. It is necessary to fully fund the ongoing maintenance of the system to ensure adequate technical support is provided.

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?

The maintenance and support of the system falls primarily with the vendor, including tiers 2 and 3 support. Because of the robust support model provided by the vendor, DOL needs only minimal resources to support the system. The project technical team and the business technology group, which supports the legacy application suite, have worked together to determine resourcing needs starting with the initial release through full implementation. Thus, the risks around resource availability are low.

Program subject matter experts support the project development through both releases. Their positions are backfilled in the business areas.

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:

Without full funding for the maintenance package, the agency is at critical risk of system failure. DOL lacks the internal skill sets, resources, and knowledge to support the system without the vendor. Moreover, the expertise of the vendor is derived from multiple implementations and support models of this technology, experience the agency lacks.

☐ 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.

By leveraging this maintenance agreement with the agency's vendor, DOL accomplishes several objectives of the Strategic Plan through Efficient and Effective Government. Specifically it maximizes the agency's buying power by securing a brokered service for system maintenance rather than hiring a large contingent of developers, software testers, and business analysts that would be required for internal support.

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.

This investment aligns with the Strategic Plan's technical elements of Security & Privacy by entrusting the public's data with a Federal Risk and Authorization Management Program (FedRAMP) certified solution with privacy and high levels of performance, reliability, and security. The system is FedRAMP certified at the Moderate Impact level to provide DOL with the assurance that its data is secure.

In addition, the Vision of Enterprise Architecture is realized through not only the modernization of the application stack, but also the modernization of the agency's infrastructure in moving away from an on premise solution to a Platform as a Service infrastructure model. The contracted maintenance and support services will ensure that POLARIS does not create technology debt over time by becoming architecturally outdated.

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.

Maintenance and operations for the system, as provided by the vendor, is governed through contract management, DOL quality assurance / oversight, and executive level sponsorship. The governance processes are in place that meet the needs of the agency will be supported by this investment.

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.

POLARIS

The maintenance of the application includes interfaces with existing systems within the state such as partner agencies like Office of Financial Management, Department of Revenue and Secretary of State. The data interfaces that support the solution align with OCIO's strategic intent for Statewide Integrations by using a modular, reusable, and non-duplicative architecture. Moreover, the solution leverages web service, API, and SFTP standards for most data interfaces with other systems. For example, enterprise integrations will use a loosely coupled web service by leveraging an Enterprise Service Bus, which supports modern interoperability standards.

Furthermore, the support of the application includes ongoing maintenance of the interoperability of the system as well as interfaces, web services, and other data exchange mechanisms. Specifically the use of an Enterprise Service Bus by the vendor allows for flexible and maintainable support of interfaces with other state and 3rd party systems.

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.

The following performance outcomes are expected:

- Improved system stability and less system down time will increase staff productivity, which will reduce customer licensing times and transaction processing time, and these outcomes will sustain or improve customer satisfaction
- System defects or deficiencies will be resolved timely based on severity level and contractual requirements. For instance, urgent defects will be resolved within thirty-six clock hours, high level defects will have a resolution within 5 business days
- System flexibility allows DOL to meet future business needs

Measure Title	Actual FY19	FY20	FY21	FY22	FY23
% of profession license types with online applications and renewals	64%	70%	100%[2]	100%	100%[2]
% of initial applications completed online[1]	54%	60%	54%	75%	75%
% of renewals completed online[1]	64%	70%	74%	80%	80%
% of complaints	0%	34%	66%	75%	75%

received online					
Professions online transaction feedback (out of 5 stars)	4.3 star avg	4.3 star avg	4.3 star avg	4.4 star avg	4.4 star avg

[1]FY2019 data based on professions currently with online capabilities.
[2] DOL will continue to accept paper applications.

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.

This system provides services to external customers, the citizens of Washington, and the customer experience will be improved and enhanced in several ways, including:

- Increase percent of online applications and renewals, thereby increasing the accuracy of submittals and time to license
- Expand search capabilities for the public
- Enable the public to file online complaints
- Retain (or improve) high standard for customer online user 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.

This investment supports the modernization of business processes through gains in efficiency, automation of manual work, reduction in development resource needs, and streamlined processes. The changes are significant in that there will be a less intensive support model needed for the new system, as supported by investment in the maintenance package.

Specific examples of improvements to business processes include reduced wait time for breaks/fixes and enhanced responses to requests. The investment in on-going maintenance and support will mitigate down time and minimize workarounds to improve licensure. Finally, increased online adoption reduces manual efforts, and through alignment with the vendor's support model, there will be substantial gains in resource utilization and technology efficiencies.

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 Supplemental
Budget Level: Maintenance Level
Contact Info: Ellie McMillan
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Agency Recommendation Summary

The Department of Licensing (DOL) requests supplemental funding for net increased and ongoing costs for leases, parking fees, and annual services for several Licensing Services Offices (LSO) and one administrative office. These funds are necessary to support the 2019-2025 Agency Desired 6-Year Facilities Plan submitted to the Office of Financial Management (OFM) (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	$259	$65	$246	$369
Fund 108 - 1	$9	$295	$-36	$0
Total Expenditures	**$268**	**$360**	**$210**	**$369**
Biennial Totals		**$628**		**$579**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$268	$360	$210	$369

Package Description

This request is for the net ongoing and increased lease, parking, and annual services costs for both current facilities and proposed relocations referenced in the 2019-21 DOL Facility Six Year Plan.

The Washington State Facility Portfolio Management Tool validated the data for current locations by comparing costs for new leases, and changes in annual services. Modified Predesigns for projects, vetted and approved by OFM, establish estimated lease and annual service costs.

With support from OFM, DOL uses an adjustment model based on the Consumer Price Index – Urban for leases that are renegotiated mid budget cycle. This request captures the difference between known and estimated future costs identified since the submittal of the 2019-25 Agency Desired Six-Year Facilities Plan. This way of estimating lease and annual services increases is in alignment with an enterprise format most agencies are transitioning to or currently use.

Background:

The Department of Enterprise Services (DES) negotiate leases for DOL. Inflation and market conditions affect annual lease increases across the state. Most leases are negotiated for five-year terms and may include scheduled increases. Leases have various start and end dates. Few leases include utilities costs or building maintenance services. Currently, about 91% of DOL leases for non-state owned facilities are not full-service contracts, and require stand-alone contracts for janitorial and other services obtained through the mandatory two-tier master contract for janitorial services.

The following relocations resulted in unanticipated costs for DOL:

Bel-Red LSO

This LSO is relocating because the current property owner did not renew the lease. Delays in city permitting resulted in deferred construction at the new location and an adjustment in the project timeline from June 2019 to November 2019. To accommodate the new deadline, DOL negotiated a lease extension at the current location through January 2020, resulting in increased lease and parking costs for the additional four months.

Downtown Seattle LSO

Local unions submitted a Demand to Bargain for employee parking when this LSO relocated during the 17-19 biennium. Negotiations with the unions resulted in an additional annual cost.

Olympia-Bristol Court (Olympia-BC) Administrative Office

Multi-biennial technology projects require additional space to house the Enterprise Project Management Office (EPMO). The current building design does not support the modern work environment described in Executive Order 16-07. The floorplan layout restricts the addition of workstations. The building has heating and cooling issues, poor indoor air quality, and rodent infestations. The EPMO is relocating from Olympia-BC to a facility that can provide the capacity needed for ongoing DOL business modernization projects.

DOL and DES work together to reduce and eliminate costs through 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. To help offset increased costs and keep lease rates affordable, DOL reduces the square footage of facilities where possible.

A review of current locations weighted against business needs noted below:

- Relocation of Bel-Red to a more modern work environment, reducing the building footprint by 783 square feet.
- Relocation of Olympia-BC to a more modern work environment, reducing the building footprint by 3874 square feet.
- Relocation of Lacey will create a modern and efficient workplace and improve services to the community.
- Relocation of the Tacoma LSO will meet the needs of an underserved community and create a modern work environment.

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 necessary to ensure DOL can meet its contractual lease and annual services obligations negotiated by DES. The majority of DOL customers receive services at a LSO. In FY 2019, DOL served approximately 2.1 million customers in all LSOs statewide. Proper funding provides for healthy, safe and comfortable environments for those customers and DOL staff.

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

DOL and DES work together to reduce and eliminate costs through 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. When possible, square footage of leased facilities is reduced.

The offices in this request allow DOL to provide customer service for driver licenses, identicards, and testing. Additionally, this request captures the ongoing lease for EPMO. There is no other viable alternative for staff in the field to provide customer service other than in these offices. Further, there are several locations throughout the state that house agency support staff to include auditors, investigators, technical consultants, and vehicle sub-agents.

DOL follows the guidelines in Executive Order 16-07 to create modern work environments and reduce square footage where possible.

What are the consequences of not funding this request?

Lease and annual services agreements are binding. If the legislature does not fund this request, DOL will be required to repurpose funding that supports other areas of the agency. 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 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.

Fund	Activity	Base Budget	FY 2018	FY 2019	FY 2020	FY 2021
106	A031	$10,157,500	$4,340,700	$4,340,700	$4,976,700	$5,180,800
108	A032	$320,400	$320,400	$320,400	$320,400	$0
Total Base Budget			$4,661,100	$4,661,100	$5,297,100	$5,180,800

Detailed assumptions and calculations:

- The base budget represents the 2019-21 funded level.
- The current obligations represent the net increased and ongoing costs for leases, parking fees, and annual services.

		Base Budget			Current Obligations			Future Obligations		
Location Title	**Fund**	**FY 20**	**FY 21**	**Total**	**FY 20 - Supp**	**FY 21 - Supp**	**Variance**	**FY 22**	**FY 23**	**Variance**
RENEWALS										
Anacortes	106	60,979	60,979	121,958	60,563	60,563	(832)	60,563	60,563	0
Arlington	106	109,724	118,347	228,071	109,724	118,347	0	124,506	124,506	20,941
Bellingham	106	118,907	125,435	244,342	120,914	127,552	4,124	134,190	134,190	19,914
Bremerton	106	112,801	112,801	225,602	112,801	112,801	0	124,280	128,106	26,784
Centralia	106	49,051	49,051	98,102	60,493	60,493	22,884	60,493	61,080	587
Chelan	106	17,778	20,173	37,951	17,778	20,173	0	20,173	20,173	2,395
Clarkston	106	44,051	44,051	88,102	42,256	42,256	(3,590)	44,419	46,583	6,490
Colville	106	34,561	35,342	69,903	38,274	39,140	7,511	43,468	43,468	9,522
Coulee Dam	106	5,676	5,676	11,352	5,676	5,676	0	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	46,214	48,827	95,041	46,212	48,824	(5)	52,482	52,482	9,928
Ephrata	106	38,258	38,258	76,516	38,401	38,401	286	38,401	43,283	4,882
Everett	106	170,622	170,622	341,244	180,069	180,069	18,894	189,288	198,507	27,657
Federal Way	106	119,350	119,350	238,700	124,909	124,909	11,118	137,621	141,858	29,661
Forks	106	6,100	6,100	12,200	6,100	6,100	0	7,218	7,590	2,608
Friday Harbor	106	3,708	3,708	7,416	3,708	3,708	0	3,708	3,708	0
Goldendale	106	17,440	17,440	34,880	18,859	18,859	2,838	19,059	21,257	2,598
Hoquiam	106	81,682	81,682	163,364	81,577	81,577	(210)	81,577	81,577	0
Ilwaco	106	13,872	13,872	27,744	15,677	15,677	3,610	17,272	17,804	3,722
Kelso	106	66,600	66,600	133,200	81,836	81,836	30,472	92,940	92,940	22,208
Kennewick	106	148,321	148,321	296,642	147,662	147,662	(1,318)	147,662	147,662	0
Kent	106	103,567	109,253	212,820	103,322	108,995	(503)	114,667	114,667	17,017
Lynnwood	106	318,794	328,800	647,594	325,218	335,426	13,050	335,426	335,426	10,208
Moses Lake	106	66,251	66,251	132,502	65,503	65,503	(1,496)	65,503	65,503	0
Newport	106	6,052	6,732	12,784	6,052	6,732	0	6,868	6,868	952
North Bend	106	72,809	72,809	145,618	72,452	72,452	(714)	75,599	75,885	6,580
Oak Harbor	106	63,541	63,541	127,082	63,255	63,255	(572)	70,408	71,838	15,736
Omak	106	49,755	49,755	99,510	50,519	50,519	1,528	52,125	56,943	8,030
Oroville	106	13,740	13,740	27,480	13,586	13,586	(308)	14,969	15,430	3,227
Parkland	106	19,328	19,328	38,656	19,328	19,328	0	19,328	19,328	0
Port Angeles	106	64,662	64,662	129,324	63,985	63,985	(1,354)	63,985	63,985	0
Port Townsend	106	41,551	41,551	83,102	40,722	40,722	(1,658)	44,866	46,248	9,670
Poulsbo	106	66,121	72,802	138,923	66,121	72,802	0	75,029	75,029	11,135
Pullman	106	33,953	35,488	69,441	33,538	35,055	(848)	38,089	38,089	7,585
Puyallup	106	133,068	133,068	266,136	139,398	139,398	12,660	148,269	149,076	18,549
Republic	106	11,181	11,181	22,362	12,258	12,258	2,154	12,258	12,258	0
Shelton	106	52,868	52,868	105,736	52,763	52,763	(210)	52,763	57,794	5,031
South Bend	106	9,772	9,955	19,727	9,572	9,751	(404)	9,751	9,751	179
Spokane	106	212,840	212,840	425,680	226,506	226,506	27,332	240,452	245,101	32,541
Spokane Valley	106	116,016	116,016	232,032	118,474	118,474	4,916	131,870	134,550	29,472
Sunnyside	106	77,394	77,394	154,788	77,968	77,968	1,148	84,139	88,547	16,750
Vancouver North	106	24,460	24,460	48,920	37,194	37,194	25,468	37,194	37,194	0
Walla Walla	106	62,344	62,344	124,688	61,189	61,189	(2,310)	66,032	69,492	13,146
Wenatchee	106	106,392	106,392	212,784	105,521	105,521	(1,742)	108,875	118,937	16,770
White Salmon	106	14,468	14,468	28,936	10,960	10,960	(7,016)	11,480	11,480	1,040

		Base Budget			Current Obligations			Future Obligations		
Seattle-EDL	**Fund**	**FY 20**	**FY 21**	**Total**	**FY 20**	**FY 21**	**Variance**	**FY 22**	**FY 23**	**Variance**
RELOCATONS										
Bel-Red	106	76,986	0	76,986	179,631	0	102,645	0	0	(179,631)
Bel-Red Parking	106	8,400	0	8,400	14,000	0	5,600	0	0	(14,000)
Bel-Red RELOCATION	106	450,000	450,000	900,000	342,165	513,247	(44,588)	595,964	637,322	377,874
Lacey	106	143,078	143,078	286,156	153,546	12,795	(119,815)	0	0	(166,341)
Lacey Parking	106	20,768	20,768	41,536	18,525	1,544	(21,467)	0	0	(20,069)
Lacey-RELOCATION	106	0	0	0	57,835	138,805	196,640	138,805	138,805	80,970
Mount Vernon	106	0	0	0	122,481	122,481	244,962	122,481	122,481	0
Mount Vernon RELOCATION	106	129,087	129,087	258,174	0	0	(258,174)	0	0	0
Renton	106	119,154	0	119,154	141,325	141,325	163,496	145,817	159,293	22,460
Renton RELOCATION	106	51,465	205,860	257,325	0	0	(257,325)	0	0	0
Seattle-DT	106	0	0	0	0	0	0	0	0	0
Seattle-EDL	106	0	0	0	0	0	0	0	0	0
Seattle-Greenwood	106	0	0	0	0	0	0	0	0	0
Seattle Parking	106	0	0	0	22,454	22,454	44,908	22,454	22,454	0
Seattle-RELOCATION (COMBO)	106	374,000	374,000	748,000	459,026	459,026	170,052	459,026	459,026	0
Seattle West	106	258,543	86,181	344,724	258,174	281,362	194,812	292,956	292,956	46,376
Seattle West RELOCATION	106	0	176,633	176,633	0	0	(176,633)	0	0	0
Shoreline	106	0	0	0	0	0	0	0	0	0
Shoreline-RELOCATION	106	209,308	209,308	418,616	230,658	230,658	42,700	230,658	241,838	11,180
Tacoma	106	125,909	0	125,909	143,304	0	17,395	0	0	(143,304)
Tacoma-RELOCATION	106	0	330,237	330,237	0	184,223	(146,014)	184,223	184,223	184,223
Olympia-BC	108	320,446	0	320,446	330,180	0	9,734	0	0	(330,180)
Olympia-BC RELOCATION	108	0	0	0	0	294,613	294,613	294,613	294,613	294,613
TOTAL		**5,297,126**	**5,180,845**	**10,477,971**	**5,565,557**	**5,540,858**	**628,444**	**5,775,588**	**5,909,384**	**578,557**
Title	**Fund**	**FY 20**	**FY 21**	**Total**	**FY 20**	**FY 21**	**Variance**	**FY 22**	**FY 23**	**Variance**
Highway Safety Account	106	4,976,700	5,180,800	10,157,500	5,235,400	5,246,200	324,100	5,481,000	5,614,800	614,100
Motor Vehicle Account	108	320,400	0	320,400	330,200	294,600	304,300	294,600	294,600	(35,600)
GRAND TOTAL		**5,297,100**	**5,180,800**	**10,477,900**	**5,565,600**	**5,540,800**	**628,400**	**5,775,600**	**5,909,400**	**578,500**

Note: Table totals may vary due to rounding.

Workforce Assumptions:

No FTE are associated with this decision package.

Strategic and Performance Outcomes

Strategic framework:

- Sustaining 56 LSOs across the state is essential to achieving DOL's number one Strategic Goal to provide "Easy and equitable access to great service", and DOL's purpose of "Helping every Washington resident live, work, drive, and thrive". The number and location of LSOs represent customer populations DOL serves.
- Funding this request is more financially strategic than cutting other expenses to pay for leases. For instance, decreasing FTEs would increase wait times.
- Lease cost negotiations through DES align with the Governor's priority for "Efficient, effective, and accountable government".

Performance Outcomes:

- Sustaining 56 LSOs will allow DOL to manage demand at or near current levels. In FY19, the public's demand for office-based services exceeded capacity. Although 2.1 million customers were served in LSOs, over 282,000 were served untimely (exceeding 45 minutes of wait and service time), and another 84,000 abandoned their place in line before being served.
- Fully funded leases will allow LSO staff to stay focused on performance expectations (i.e., customer satisfaction, screening documents), rather than reducing other expenses or managing the impact of reductions.

Performance Measure Detail:

Measure title	FY19 actual	FY20 estimate	FY21 estimate	FY22 estimate	FY23 estimate
% of customers served within 45 minutes	87%	87%	87%	89%	89%
% of customer feedback that is positive	94%	94%	94%	94%	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

2019-21 Biennium Budget

Decision Package

Agency: 240 - Department of Licensing
Decision Package Code-Title: 8Y - Cost Allocation Adjustment
Budget Session: 2020 Supplemental
Budget Level: Maintenance Level
Contact Info: Ellie McMillan
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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	$19	$0	$0	$0
Fund 003 - 1	$12	$12	$0	$0
Fund 026 - 1	$71	$72	$0	$0
Fund 04E - 1	$13	$13	$0	$0
Fund 06G - 1	($65)	($66)	$0	$0
Fund 06L - 1	$312	$318	$0	$0
Fund 082 - 1	($41)	($41)	$0	$0
Fund 104 - 1	($41)	($42)	$0	$0
Fund 106 - 1	($263)	($272)	$0	$0
Fund 108 - 1	$245	$250	$0	$0
Fund 14V - 1	($75)	($77)	$0	$0
Fund 15V - 6	$16	$16	$0	$0
Fund 201 - 1	($180)	($183)	$0	$0
Fund 298 - 6	($11)	($12)	$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

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001-1	(4.57)	(3.52)	0.00	0.00
Fund 003-1	(1.24)	(0.93)	0.00	0.00
Fund 026-1	(11.13)	(8.33)	0.00	0.00
Fund 082-1	0.31	0.23	0.00	0.00
Fund 104-1	0.01	0.01	0.00	0.00
Fund 106-1	31.78	24.00	0.00	0.00
Fund 108-1	8.45	6.25	0.00	0.00
Fund 201-1	0.10	0.08	0.00	0.00
Fund 298-1	(0.81)	(0.61)	0.00	0.00
Fund 489-1	(0.01)	(0.01)	0.00	0.00
Fund 04E-1	(1.59)	(1.20)	0.00	0.00
Fund 06G-1	(1.72)	(1.27)	0.00	0.00
Fund 06L-1	(18.17)	(13.64)	0.00	0.00
Fund 14V-1	0.15	0.12	0.00	0.00
Fund 15V-1	(1.75)	(1.31)	0.00	0.00
Fund 16B-1	(0.29)	(0.21)	0.00	0.00
Fund 16M-1	0.03	0.02	0.00	0.00
Fund 17W-1	0.01	0.01	0.00	0.00
Fund 19T-1	0.42	0.30	0.00	0.00
Fund 22J-1	0.02	0.01	0.00	0.00
Total FTEs	0.00	0.00	0.00	0.00
Biennial Average	**0.00**		**0.00**	

Package Description

This package realigns the funds used to pay for indirect and central service costs by distributing costs to programs based on an updated cost allocation plan (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.

Also, the package corrects the 19-21 DRIVES maintenance Package (DRMT), which reduced fund 108-1 by $4,250,000, when it should have reduced fund 106-1.

FTEs

This package requests an adjustment of FTE allocations between operating and transportation funds. Historically, DOL had a surplus FTE allocation for omnibus purposes. Due to the surplus, DOL often did not receive FTE allocations when legislative bill actions were funded, in order to draw down the surplus. At the agency level, FTE allocations have been adequate, however, at the fund level the divergence has become more apparent.

A recent example was the passage of ESHB 1481 during the 2018 Legislative session. This transportation-related bill had an appropriation of $572,000 from the Highway Safety Account (106-1) for Fiscal Year 2019. The funding supported the requirement for 5.9 FTEs to implement the bill. Although dollars were allocated for the bill, no FTEs were allocated. The department's 2019-21 Carry Forward Level budget included ongoing funding related to the bill, but again, no FTEs. The FTE redistribution in this package addresses the cumulative effect, over time, of decisions similar to ESHB 1481.

Background

The agency has implemented 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), Architects License Account (003), Real Estate Commission Account (026), Uniform Commercial Code Account (04E), Business and Professions Account (06L), Motor Vehicle Account (108), Funeral and Cemetery Account (15V) authority. While DOL needs less spending authority in Real Estate Appraisers Account (06G), Motorcycle Safety Education Account (082), State Wildlife Account (104), Highway Safety Fund (106), Ignition Interlock Device Revolving Account (14V), DOL Services Account (201), and Geologists Account (298).

Technical Correction of the 19-21 DRIVES Maintenance Package

The 19-21 DRMT DRIVES Maintenance Fund Change package was reduced by $4,250,000 in Fund 108-1 and increased by $4,250,000 in Fund 19T as shown below.

Bien	RC	Package Title	Acct	FY 2020	FY 2021	19-21
19-21	DRMT	DRIVES Maintenance Fund Change	06T-1	2,125,000	2,125,000	4,250,000
19-21	DRMT	DRIVES Maintenance Fund Change	108-1	(2,125,000)	(2,125,000)	(4,250,000)
				0	0	0

However, the Fund 108-1 reduction should have occurred in Fund 106-1. The DRIVES packages from the 2017, 2019, and 2021 Biennia primarily involve Fund 106-1 Highway Safety Account as shown below…

Bien	RC	Package Title	Acct	FY 2018	FY 2019	FY 2020	FY 2021	Total
17-19	9Q	DRIVES Maint. Rollout 1	106	3,300,000	4,450,000	3,725,000	2,025,000	13,500,000
		Total		3,300,000	4,450,000	3,725,000	2,025,000	13,500,000
17-19	9Q	DRIVES Maint. Rollout 1	106	14,621,000	9,246,000	0	0	23,867,000
		Total		14,621,000	9,246,000	0	0	23,867,000
17-19	DRIV	DRIVES Savings	106	0	(1,200,000)	0	0	(1,200,000)
		Total			(1,200,000)	0	0	(1,200,000)
19-21	M5	DRIVES Maintenance	106	0	0	425,000	(2,425,000)	(2,000,000)
		Total		0	0	425,000	(2,425,000)	(2,000,000)
19-21	M5	DRIVES Maintenance	106	0	0	562,000	562,000	1,124,000
19-21	M5	DRIVES Maintenance	108	0	0	513,000	513,000	1,026,000
		Total		0	0	1,075,000	1,075,000	2,150,000
19-21	P1	BTM Cont. – DRIVES R2	106	0	0	(1,662,000)	(1,590,000)	(3,252,000)
		Total		0	0	(1,662,000)	(1,590,000)	(3,252,000)
19-21	P4	Continuation of BTM DRIVES	06T	0	0	(1,475,000)	(1,525,000)	(3,000,000)
19-21	P4	Continuation of BTM DRIVES	106	0	0	(9,565,000)	(9,565,000)	(19,130,000)
		Total		0	0	(11,040,000)	(11,090,000)	(22,130,000)
	Fund Total for Packages Above		06T	0	0	(1,475,000)	(1,525,000)	(3,000,000)
	Fund Total for Packages Above		106	17,921,000	12,496,000	(6,515,000)	(10,993,000)	12,909,000
	Fund Total for Packages Above		108	0	0	513,000	513,000	1,026,000
		Total		17,921,000	12,496,000	(7,477,000)	(12,005,000)	10,935,000

Therefore, a technical correction is requested for the 19-21 DRMT package to reduce from 106-1 Transportation Safety Account by $4,250,000 instead of Fund 108-1 Motor Vehicle Account - as shown below:

19-1 DRMT Package with account 108 reduced

Bien	RC	Package Title	Acct	FY 2020	FY 2021	19-21	Comments

19-21	DRMT	DRIVES Maintenance Fund Change	06T	2,125,000	2,125,000	4,250,000	Original DP
~~19-21~~	~~DRMT~~	~~DRIVES Maintenance Fund Change~~	~~108~~	~~(2,125,000)~~	~~(2,125,000)~~	~~(4,250,000)~~	Original DP

Correction Needed

Bien	RC	Package Title	Acct	FY 2020	FY 2021	19-21	Comments
19-21	DRMT	DRIVES Maintenance Fund Change	108	2,125,000	2,125,000	4,250,000	Correction
19-21	DRMT	DRIVES Maintenance Fund Change	106	(2,125,000)	(2,125,000)	(4,250,000)	Correction
		Total		0	0	0	

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 involves 15 different funds that support services provided by its Administrative Services Division, Director's Office, Human Resources, Enterprise Project Management Office, 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.

Revenue

This decision package has no direct impact on revenue. This request does provide relief for the Highway Safety Fund (106), but increases the obligation assumed by the Motor Vehicle Fund (108).

Workforce Assumptions:
No additional staffing is requested 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:

- 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.

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:			
17-19 Biennium	FY 20	FY 21	FY 22	FY 23
3.85% 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

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992019-21 Biennium Budget
Decision Package

Agency:	240 - Department of Licensing
Decision Package Code-Title:	TC - Request for Federal Appropriation Authority
Budget Session:	2020 Supplemental
Budget Level:	Maintenance Level
Contact Info:	Ellie McMillian (360) 902 3642 EMcMillan@DOL.WA.GOV

Agency Recommendation Summary

The Department of Licensing requests ongoing federal appropriation authority for the Joint Federal/State Motor Fuel Tax Compliance Project (108-2/UA0).

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 108-2	$99	$87	$0	$0
Total Expenditures	**$99**	**$87**	**$0**	**$0**
Biennial Totals	**$186**		**$0**	

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	0.0	0.0	0.0
Average Annual		**0.0**		**0.0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$69	$70	$0	$0
Obj. G	$30	$17		
Biennial Totals		**$186**		**$0**

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
Fund 108-2 / Source 0320	$99	$87	$0	$0
Total Revenue	**$99**	**$87**	**$0**	**$0**
Biennial Totals	**$186**		**$0**	

Package Description

The Department of Licensing requests federal appropriation authority for grants received from the Federal Highway Administration (FHWA) for the following federal projects: 99

1) Pacific Region Inter-Agency Auditing and Enforcement Activities.

Grant	Description
Name:	Pacific Region Inter-Agency Auditing and Enforcement Activities
Grant #:	27XX532018045L96E
CFDA#	20.240
DOL Project #	0045
Period:	06/01/2017 - 09/30/2020
Amount:	<table><tr><th>Description</th><th>Amount</th></tr><tr><td>Beginning Grant Amount</td><td>291,679</td></tr><tr><td>17-19 Bien Spending</td><td>120,065</td></tr><tr><td>Balance Remaining</td><td>**171,614**</td></tr></table>
Purpose:	Increase motor fuel tax compliance by: • Providing resources to foster coordination among State and Federal tax examination activities. • Supplementing motor fuel tax examination and criminal investigations. • Evaluate and implement registration and reporting requirements for motor fuel taxpayers. • Analyze and implement programs to reduce tax evasion associated with other highway use taxes. • Address issues related to Indian tribes and State motor fuel taxes. • Analyze and implement programs to reduce tax evasions associated with foreign imported fuel.

2) Joint Federal Motor Fuel Tax Compliance Project.

Grant	Description
Name:	Joint Federal Motor Fuel Tax Compliance Project
Grant #:	27XX532018045L96E
CFDA#	20.240
DOL Project #	0046
Period:	06/01/2017 - 09/30/2019
Amount:	<table><tr><th>Description</th><th>Amount</th></tr><tr><td>Beginning Grant Amount</td><td>15,000</td></tr><tr><td>17-19 Bien Spending</td><td>1,504</td></tr><tr><td>Balance Remaining</td><td>**13,496**</td></tr></table>
Purpose:	Enhance intergovernmental motor fuel use tax compliance by providing resources for DOL management to attend and travel to:

	• The Federation of Tax Administrators Fuel Tax conference twice a year • Attend force meetings (regional and annual) to expand efforts in motor fuel tax enforcement.

What is the problem, opportunity or priority you are addressing with the request?
This package is addressing need for federal expenditure authority for motor fuel use tax compliance. Federal funds are available for DOL's Fuel Tax Investigations program.
What is your proposed solution?
DOL needs approval for federal expenditure authority, which will allow DOL to increase its fuel tax compliance activities and help reduce tax evasion. The table below summarized the request.

Total Federal Appropriation Requested

Fund	Appn	Grant Title	FY 2020	FY 2021	19-21
108-1	UA0	Joint Federal Motor Fuel Tax Compliance Project	13,496	0	13,496
108-1	UA0	Pacific Region Inter-Agency Auditing and Enforcement Activities	85,808	85,806	171,614
		Total	99,304	85,806	185,110

What are you purchasing and how does it solve the problem?

This is not a request for state funding. This is a request for federal expenditure authority.

The federal expenditure authority for the grant will allow for expenditures such as research, travel, training, and auditing related to fuel tax compliance activities. Grant funding also helps pay for a contract agreement with the Washington State Patrol (WSP).

More effective Fuel tax compliance services will be provided including auditing during the 19-21 biennium. The services will be provided to motor fuel sellers.

What alternatives did you explore and why was this option chosen?

DOL could not participate in the grant opportunity. However, DOL would not be able to take advantage of additional travel, training, auditing, and research provided by the grant at no extra cost to the agency. As a result, DOL's fuel tax compliance and reduction of tax evasion would not be as effective.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The Department of Licensing requests ongoing federal appropriation authority for the Joint Federal/State Motor Fuel Tax Compliance Project (108-2/UA0) based on the following federal grants:

- Joint Federal Motor Fuel Tax Compliance Project
- Pacific Region Inter-Agency Auditing and Enforcement Activities

Detailed assumptions and calculations:

Total Federal Appropriation Requested

Fund	Appn	Grant Title	FY 2020	FY 2021	19-21
108-1	UA0	Joint Federal Motor Fuel Tax Compliance Project	13,496	0	13,496
108-1	UA0	Pacific Region Inter-Agency Auditing and Enforcement Activities	85,808	85,806	171,614
		Total	99,304	85,806	185,110

Workforce Assumptions:

No additional FTEs are requested as a result of this decision package.

Strategic and Performance Outcomes (Work with your division's Planning and Performance Manager)

Strategic framework:

How does this request relate to a strategy or objective in DOL's 2019-2023 Strategic Plan?

Ensuring proper licensing of carriers is important, as commercial carriers were found to be 40.5% more likely to be involved in a crash if they had at least one IFTA, IRP, or Unified Carrier Registration (UCR) violation. Additionally, carriers with vehicles weighing at least 26,001 pounds were 38.3% more likely to be involved in crashes on the interstate if they had at least one of the above mentioned violations. (Sources: FMCSA Safety Analysis Brief on IRP[1]/IFTA[2]/UCR[3] Violations, 2019; FMCSA 2018 Pocket Guide to Large Truck and Bus Statistics, August 2018).

Performance Outcomes:

Fuel tax team members will receive training on the fuel industry and fraud and tax evasion schemes.

WSP will continue to conduct two (2) annual enforcement blitzes to inspect commercial vehicles to ensure compliance with fuel tax, safety, and registration laws.

WSP representative will continue to attend two (2) training conferences per year.

Other Collateral Connections

Intergovernmental:

These grants are funded by the FHWA to help Washington State highway funds be used more effectively by enhancing the compliance of motor fuel tax.
The FHWA provides stewardship over the construction, maintenance and preservation of the nation's highways, bridges and tunnels. FHWA also conducts research and provides technical assistance to state and local agencies in an effort to improve safety, mobility, and livability, and to encourage innovation.

[1] IRP - International Registration Plan
[2] IFTA - International Fuel Tax Agreement
[3] UCR - Unified Carrier Registration

Stakeholder response:

None

Legal or administrative mandates:

DOL is legally required to collect motor fuel taxes.

Changes from current law:

None

State workforce impacts:

None

State facilities impacts:

None

Puget Sound recovery:

None

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 ☒ NO

If yes, please download the IT Addendum Template and follow the directions on the bottom of the addendum to meet requirements for OCIO review.

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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	0.88%	2.01%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%
240-Department of Licensing			003-1 Architects' License Account-State	0.35%	0.50%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
240-Department of Licensing			024-1 Professional Engineers' Account-State										
240-Department of Licensing			026-1 Real Estate Commission Account-State	3.82%	6.63%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%
240-Department of Licensing			04E-1 Uniform Commercial Code Account-State	0.70%	0.47%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
240-Department of Licensing			06G-1 Real Estate Appraiser Comm Acct-State	0.47%	1.58%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%
240-Department of Licensing			06L-1 Business & Professions Account-State	7.13%	12.23%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%	7.13%
240-Department of Licensing			082-1 Motorcycle Safety Education Account-State	0.96%	1.94%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%
240-Department of Licensing			104-1 State Wildlife Account-State	0.07%	0.14%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
240-Department of Licensing			106-1 Highway Safety Account-State	62.72%	37.70%	62.72%	62.72%	62.72%	62.72%	62.72%	62.72%	62.72%	62.72%
240-Department of Licensing			108-1 Motor Vehicle Account-State	20.39%	28.54%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%	20.39%
240-Department of Licensing			14V-1 Ignition Interlock Device Revolving-State	0.86%	0.19%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%
240-Department of Licensing			15V-6 Funeral and Cemetery Account-Non-Appropriated	0.57%	5.78%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
240-Department of Licensing			16B-6 Landscape Architects' License Acct-Non-Appropriated		1.11%								
240-Department of Licensing			16M-6 Appraisal Management Company Acct-Non-Appropriated		0.33%								
240-Department of Licensing			201-1 DOL Services Account-State	0.89%	0.19%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%
240-Department of Licensing			298-6 Geologists' Account-Non-Appropriated	0.18%	0.69%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%

Department of Licensing
2019-2020 Risk Management
Summary Report

September 18, 2019

This 2019-2020 Risk Management summary report is required by the Office of Financial Management (OFM) 2019–21 Biennium Operating Budget Instructions. The report describes the three main risks identified in the Department of Licensing's 2019-2020 Enterprise Risk Mitigation Plan that could affect the agency's ability to achieve its strategic objectives/goals on time and any existing or proposed initiatives the agency has to address these risks.

The 2019-2020 Enterprise Risk Mitigation Plan was developed during Executive Leadership Team work sessions and interviews with key staff. The work sessions were structured to identify and assess risk, identify risk owners, risk treatments, timeframes and reporting.

The report includes the top three risks and some of their related treatments. The risks and treatments are well managed and tracked monthly with executive oversight so there is no significant concern by the agency.

The summary of the three risks, along with the treatments are shown below:

1. Priority Risk: Real ID Implementation
   Owner: Kim Zabel, Customer Relations Assistant Director
   Risk Description:
   The agency faces a significant workload impact with the upcoming enforcement date of the REAL ID Act in October 2020. The 2019 legislature did not fully fund DOL's request for additional staff to ramp-up for the forecasted increased demand for Enhanced Driver License and ID cards, which are REAL ID-compliant documents.

   Areas of focus are:
   - Track and forecast REAL ID volumes and timelines.
   - Understand the timing and capacity for REAL ID transactions.
   - Continue media and public outreach campaigns to Increase public awareness of REAL ID requirements and deadlines.
   - Develop an outreach campaign targeting customers with documents expiring between October 2019 and September 2020 to encourage renewal up to a year in advance and the use of online and mail-in service channels to mitigate expected high in-office renewal volumes in 2020.

2. Priority Risk: Easy and Equitable Access to Great Service

   Owner: Gigi Zenk, Communications & Education Director

   Risk Description:

   The agency provides essential services to nearly 6 million customers. It is essential that all Washington residents have equitable access to these services.

   Areas of focus are:

   - Train and prepare employees to provide an easy and equitable customer service experience.
   - Ask communities what they need: Reach out to all communities, especially the underserved, to learn how to remove barriers to information and services.
   - Use clearer language: Rewrite website content, forms, and letters, using customer, stakeholder, and employee input, so language is clearer, welcoming, and translatable.
   - Simplify online service: Redesign web pages and transaction services, using customer, stakeholder, and employee input, to improve accessibility, usability, and translation.
   - Relocate offices to areas of highest customer and community impact as leases expire
   - Identify and remove unintentional barriers to service by ensuring our employees are properly trained; our communications are clear, welcoming and translatable; our processes are inclusive; our facilities and online services are accessible and usable.

3. Priority Risk: Safer Data

   Owner: Fred Wade, Performance & Accountability Director

   Risk Description:

   DOL holds 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 stewards of the state's largest collection of personal data, DOL faces the challenge of managing data throughout its lifecycle while concurrently managing rapid growth in the volume of data collected and expectations surrounding data privacy.

   Areas of focus are:

   - Train and prepare employees to use the highest data privacy and protection standards for data collection, storage, and use.
   - Implement advanced data management policies, standards, technologies, and compliance audits.
   - Prevent and minimize impacts of data breaches and improper disclosure.

Thank you for your interest in the Department of Licensing's Enterprise Risk Management.
For additional information please contact Jim Henly, Enterprise Risk Manager.

DOL Summary of 2020 Supplemental Decision Packages that support Washington's Transportation Safety Goal

As stated in the 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	Facility 6-Year Plan	Not Directly	
	Data Stewardship	Not Directly	
	Dol.wa.gov Access and Usability	**Directly**	This funding will allow us to achieve our number one Strategic Goal of "Easy and equitable access to great service," by: • Focusing on our number one Objective "Equitable access means everyone can easily find clear information about every service." • Implementing our key strategy of "Use clearer language: Rewrite website content using customer, stakeholder and employee input, so language is clearer, welcoming, and translatable." This funding request aligns with the Governor's priority goal area of Efficient Government and specific results area of Improving the Customer Experience. This funding request aligns with Washington's Enterprise Technology Strategic Plan to "Create opportunities for operational efficiency & improve constituent access to services" and "Develop accessible & responsive designs."
	Public Disclosure	Not Directly	
	Collector Vehicle License Plates	**Directly**	This request supports DOL's strategic objective of "Reduced risk: More drivers avoid high-risk behaviors, traffic violations, and collisions." Proper use and clarification of specialty registrations may reduce traffic violations. This request will impact the registration of 266,322 vehicles currently registered as collector vehicles.
Maintenance	Business and Professionals Technology Maintenance	**Directly**	Ongoing maintenance and support of the licensing system will directly impact the 36,000 business licenses and 267,000 professional licensees in the state. Citizens in the State of Washington will be able to file complaints online, which will be conducive to improving business health as well as public safety. As of FY 2019, about 2,000 WA residents filed complaints.Citizens of Washington can search for the status of licensees and search on multiple professions.The vendor is contractually required to "on an ongoing basis, as part of its total quality management process, identify, report to the DOL and implement ways to improve performance of the Services and identify and apply techniques and tools from other Contractor installations that would benefit the DOL either operationally or financially."
	Hearing Workload	**Directly**	The Hearings Unit conducts over nine thousand hearings and interviews per year (based on CY 2018). Increasing the Hearings Unit workload capacity would ensure an additional 878 customer cases receive a decision based on the merits of their request during the 2019-21 biennium. DOL projects the ability to schedule all hearings within 9 months of receiving funding because the average Hearings Examiner 2 recruitment takes 3 months, and it takes 6 months for a new hearings examiner to gain the skills and abilities to take on a full case load.
	Lease Increase	Not Directly	
	Cost Allocation	Not Directly	
	Technical Corrections	Not Directly	

Excerpt from OFM Transportation Agency Budget Instructions 2019-21:

Transportation Goals:
Transportation Agencies should develop their budgets within the context of the six goals adopted by the Legislature and codified in RCW 47.04.280:

- **Economic Vitality**: To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.
- **Preservation:** To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services.
- **Safety**: To provide for and improve the safety and security of transportation customers and the transportation system.
- **Environment**: To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment.
- **Stewardship**: To continuously improve the quality, effectiveness, and efficiency of the transportation system.

In a summary document, identify: (1) the initiates and investments in the base budget or proposed requests that tie to one or more of these goal areas; and (2) the specific and targeted outcomes that are expected.

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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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