

TRANSPORTATION

Agency 240

**Department of Licensing
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	1,363.6	2,990	363,865	366,855
Maintenance Other Changes:				
1. Cost Allocation Adjustment	0.0	171	(171)	0
2. Increased Credit Card Costs	0.0	0	3,709	3,709
3. Driver License Card Production	0.0	0	888	888
Maintenance -- Other Total	0.0	171	4,426	4,597
Maintenance Comp Changes:				
4. Move Pension Fund Shift to Agencies	0.0	(95)	95	0
5. State Public Employee Benefits Rate	0.0	0	172	172
6. WFSE General Government	0.0	0	4,020	4,020
7. State Rep Employee Benefits Rate	0.0	0	1,131	1,131
8. WPEA General Government	0.0	0	60	60
9. PTE Local 17 Agreement	0.0	0	2,598	2,598
10. Non-Rep General Wage Increase	0.0	0	1,071	1,071
11. Orca Transit Pass - WFSE	0.0	0	30	30
12. Orca Transit Pass - Not WFSE	0.0	0	82	82
13. Updated PEBB Rate	0.0	(7)	(823)	(830)
14. Wellness \$25 Gift Card	0.0	0	2	2
15. Paid Family Leave--Employer Premium	0.0	0	11	11
Maintenance -- Comp Total	0.0	(102)	8,449	8,347
Maintenance Central Services Changes:				
16. SOS Archvs/Records Mgmt Correction	0.0	0	6	6
17. Audit Services Correction	0.0	0	8	8
18. AG Legal Services Correction	0.0	0	147	147
19. Adm Hrgs Correction	0.0	0	1	1
20. CTS Central Services Correction	0.0	0	1,460	1,460
21. DES Central Services Correction	0.0	0	266	266
22. OFM Central Services Correction	0.0	0	274	274
23. OFM Human Resource Svcs Correction	0.0	0	(9)	(9)

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
24. Audit Services	0.0	0	(12)	(12)
25. Legal Services	0.0	0	(11)	(11)
26. CTS Central Services	0.0	0	(21)	(21)
27. DES Central Services	0.0	0	10	10
28. OFM Central Services	0.0	0	29	29
29. Workers' Compensation	0.0	(1)	(90)	(91)
30. OFM Human Resource Services	0.0	0	1	1
31. DES Rate Compensation Changes	0.0	0	60	60
Maintenance -- Central Svcs Total	0.0	(1)	2,119	2,118
Total Maintenance Changes	0.0	68	14,994	15,062
2017-19 Maintenance Level	1,363.6	3,058	378,859	381,917
Policy Other Changes:				
32. State IDs for JR Youth	0.0	18	0	18
33. BTM Continuation – DRIVES R2	0.0	0	3,252	3,252
34. LSO Wait Times Reduction	0.0	0	43,000	43,000
35. Identity Verification Fraud Prevent	0.0	0	635	635
36. BTM Project Funding	0.0	0	3,391	3,391
Policy -- Other Total	0.0	18	50,278	50,296
Policy Comp Changes:				
37. PERS & TRS Plan 1 Benefit Increase	0.0	1	85	86
Policy -- Comp Total	0.0	1	85	86
Policy Central Services Changes:				
38. Legal Services	0.0	0	14	14
39. CTS Central Services	0.0	1	99	100
40. DES Central Services	0.0	1	85	86
41. OFM Central Services	0.0	0	84	84
42. CTS Fee for Service Adjustment	0.0	1	72	73
Policy -- Central Svcs Total	0.0	3	354	357
Total Policy Changes	0.0	22	50,717	50,739
2017-19 Policy Level	1,363.6	3,080	429,576	432,656

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
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POLICY CHANGES

1. Cost Allocation Adjustment

Costs are redistributed among the agency's funds to align with indirect and central service expenditures. (General Fund-State; State Wildlife Account-State; Highway Safety Account-State; other accounts)

2. Increased Credit Card Costs

An increase in online business/professional licensing transactions and uniform commercial code transactions has resulted in additional credit card fees. Expenditure authority is adjusted to accommodate the increase. (Architects' License Account-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)

3. Driver License Card Production

Due to increases in the Washington state population and in individuals needing driver's licenses, DOL will increase license production. (Highway Safety Account-State)

4. Move Pension Fund Shift to Agencies

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

13. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State; Architects' License Account-State; Professional Engineers' Account-State; other accounts)

14. Wellness \$25 Gift Card

Some employees are eligible, under the terms of their collective bargaining agreements, to earn a \$25 gift card after completing a health risk assessment. This item provides funding for agencies to pay the employer's share of Social Security and Medicare taxes on the gift cards. (Highway Safety Account-State)

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15. Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (Business & Professions Account-State; Highway Safety Account-State; Motor Vehicle Account-State)

24. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Business & Professions Account-State; Highway Safety Account-State)

25. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Real Estate Commission Account-State; Business & Professions Account-State; Highway Safety Account-State; other accounts)

26. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (Real Estate Commission Account-State; Uniform Commercial Code Account-State; Highway Safety Account-State; other accounts)

27. DES Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (Business & Professions Account-State; Highway Safety Account-State; Motor Vehicle Account-State)

28. OFM Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (Real Estate Commission Account-State; Uniform Commercial Code Account-State; Business & Professions Account-State; other accounts)

29. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)

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31. DES Rate Compensation Changes

Funding is provided to cover compensation and central service cost increases that were included in the 2017-19 biennial budget in lines of business at the Department of Enterprise Services that have a fee for service type structure. (Professional Engineers' Account-State; Real Estate Commission Account-State; Uniform Commercial Code Account-State; other accounts)

32. State IDs for JR Youth

This funding enables the department to issue a six-year identicard to youth releasing from a juvenile rehabilitation (JR) community facility or institution at a reduced cost. (General Fund-State)

33. BTM Continuation – DRIVES R2

Funding is continued for the business and technology modernization (BTM) of the department's DRIVES computer system. Additional testers, trainers and funding for integration with the Central Issuance System is provided. (Highway Safety Account-State)

34. LSO Wait Times Reduction

Additional staff, technology and operational efficiencies are required to accommodate projected higher wait times due to REAL ID implementation. (Highway Safety Account-State)

35. Identity Verification Fraud Prevent

To prevent identity theft and protect consumers from fraud, the Department of Licensing will use identity verification services during issuances of Commercial Driver's Licenses, Enhanced Driver's Licenses and Enhanced Identicards. (Highway Safety Account-State)

36. BTM Project Funding

The department will replace outdated and legacy business and professional licensing systems by procuring a commercial off-the-shelf solution. This funds the third phase of the agency's business and technology modernization (BTM) project. (Various Dedicated Business and Professions Accounts) (Architects' License Account-State; Real Estate Commission Account-State; Business & Professions Account-State)

37. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)

38. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Real Estate Commission Account-State; Business & Professions Account-State; Highway Safety Account-State; other accounts)

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39. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (General Fund-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)

40. DES Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (General Fund-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)

41. OFM Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (Real Estate Commission Account-State; Business & Professions Account-State; Motorcycle Safety Education Account-State; other accounts)

42. CTS Fee for Service Adjustment

Rates for wireless, virtual private network, and server infrastructure services are increased effective January 1, 2018 to align revenues with WaTech's cost of providing services. Monthly rates per device or service will increase for wireless to \$50, Centrex services to \$45 and virtual private network to \$285 per tunnel per month with a \$500 setup fee. (General Fund-State; Professional Engineers' Account-State; Real Estate Commission Account-State; other accounts)