

FY25 Department of Motor Vehicles Budget Overview

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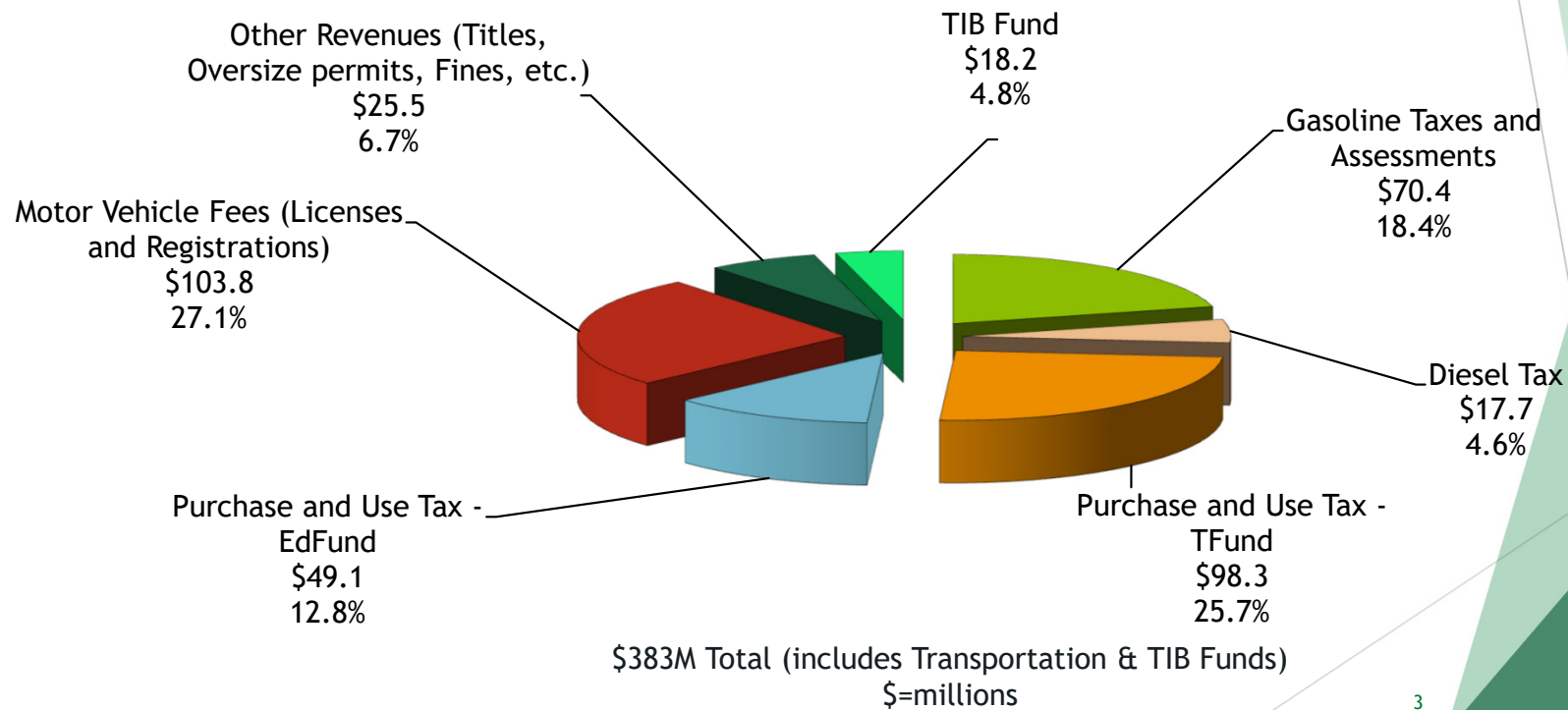
Budgeted vs Actual Spending FY24

| Budget Level | FY24 Budget | FY24 Expenditures* | % Spent | Remaining |
|--------------------------------|----------------------|----------------------|------------|----------------------|
| Personal Services | \$ 31,563,822 | \$ 10,981,364 | 35% | \$ 20,582,458 |
| Payroll & Benefit | \$ 24,748,546 | \$ 9,613,542 | 39% | \$ 15,135,004 |
| Contracts & 3rd Party Services | \$ 6,815,276 | \$ 1,367,822 | 20% | \$ 5,447,454 |
| Operating Expenses | \$ 13,346,863 | \$ 3,147,486 | 24% | \$ 10,198,877 |
| IT/Telecommunications Services | \$ 2,613,725 | \$ 366,160 | 14% | \$ 2,247,565 |
| Property, Maintenance & Rental | \$ 2,342,408 | \$ 291,842 | 12% | \$ 2,050,566 |
| Equipment, Hardware, Software | \$ 888,000 | \$ 394,241 | 44% | \$ 493,759 |
| General Operating/Supplies | \$ 682,065 | \$ 387,282 | 57% | \$ 294,783 |
| Travel | \$ 154,188 | \$ 62,697 | 41% | \$ 91,491 |
| Other Purchased Services | \$ 3,619,221 | \$ 970,681 | 27% | \$ 2,648,540 |
| Other Operating Expenses | \$ 3,047,256 | \$ 675,084 | 22% | \$ 2,372,172 |
| Totals | \$ 44,910,685 | \$ 14,129,350 | 31% | \$ 30,781,335 |

*Expenditures through 12/31/2023
 FY24 Budget "As Passed" - \$44,910,685

State Transportation Fund Sources - FY25

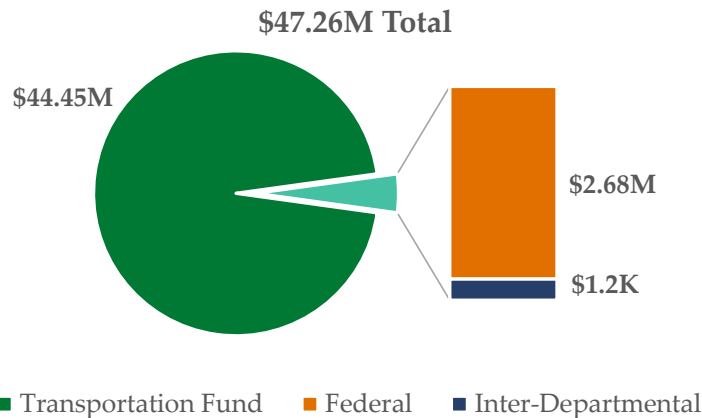
Source – January 2024 Economic Review and Revenue Forecast Update



Governor's Recommended Budget FY25

The FY25 proposed budget maintains the current level of service. This proposed budget helps ensure the continuation of DMV services and offerings at all current locations.

- DMV will collect an estimated \$383M in taxes and fees in FY25
- Increase in overall budget of \$2.35M (5.24%)
 - Personal Services - increase of \$2.15M (6.81%)
 - \$415K decrease in Salaries and Wages including Vacancy Savings calculation of 5% for classified salaries and benefits.
 - \$993k increase in Fringe Benefits;
 - \$1.57M net increase in Contractual Services
 - Operating Costs - net increase of \$203K (1.52%)
 - 71K decrease in equipment costs
 - \$166K increase in bank service charges
 - \$200K increase in IT/Telecom Services & Equip.
 - \$170K increase in Other Purchased Services (postage, printing, HR services, etc.)
 - \$418K decrease for estimate Springfield CDL site
 - \$20K decrease Rental Property, re-class to appropriate coding-custodial contract.
 - \$144K increase for Rental Property
 - \$28K increase for gasoline costs and increase costs for supplies



Federal funds breakdown:

- Federal Highway Administration - \$100K
- Motor Carrier Safety Assistance Program - \$2.58M

FY25 DMV Crosswalk and Budget Variances

Overall increase of 5.24% (6.81% for Personal Services and 1.52% for Operating)

| DMV BUDGET REQUEST | Transportation Fund | Federal | Interdept | FY25 Total Amount | FY24 | Difference Between FY25 & FY24 | COMMENTS |
|---|---------------------|------------------|----------------|-------------------|-------------------|--------------------------------|---|
| Department of Motor Vehicles (Appropriation DeptID 8100002100) | 44,454,119 | 2,687,081 | 121,696 | 47,262,896 | 44,910,685 | 2,352,211 | Total of Personal Service and Operations Difference |
| PERSONAL SERVICES | | | | | | | |
| Salaries and Wages | 14,662,151 | 0 | 0 | 14,662,151 | 15,077,448 | (415,297) | VANTAGE budgeting system wage calculations. Vacancy Savings calculated as a percentage of classified salaries 5% plus benefits; \$100k for Class reviews for Audit, Examiners and E&S Education. |
| Fringe Benefits | 8,756,620 | 1,907,719 | 0 | 10,664,339 | 9,671,098 | 993,241 | Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment. NEW: Family Medical Leave Insurance and Child Care Contribution |
| Contractual & 3rd Party Services | 8,280,952 | 105,682 | 0 | 8,386,634 | 6,815,276 | 1,571,358 | IT line items include Fast M&O, Automated testing system, queuing/online scheduling system, Imaging, Driver Tutorials, CVIEW (Commercial Vehicle data sharing), and NMVTIS (Title Info System). Third party contractual costs for license card production, vehicle data & valuation, VIN verification, courier services for transporting funds, and call center services for scheduling customer appointments. |
| Per Diem | 0 | 0 | 0 | 0 | 0 | 0 | |
| Personal Services Subtotal | 31,699,723 | 2,013,401 | 0 | 33,713,124 | 31,563,822 | 2,149,302 | |
| OPERATING | | | | | | | |
| Equipment | 457,817 | 245,683 | 22,000 | 725,500 | 796,000 | (70,500) | Decrease for one-time initial CORE modernization project equipment needs (printers and scanners) included in FY24 budget. Move FHWA Scale Contract \$100K to Equipment. |
| IT/Telecom Services & Equipment | 2,691,838 | 123,948 | 0 | 2,815,786 | 2,615,725 | 200,061 | Increase due to ADS services/allocated fee and increased phone expenditures estimated at 3%. |
| Other Operating Expenses | 3,164,967 | 0 | 51,621 | 3,216,588 | 3,047,256 | 169,332 | \$166k increase in Bank charges (banking, lockbox, credit card services, courier costs) and increase for estimated Single Audit allocation provided by AOT/F&A. |
| Other Purchased Services | 3,724,696 | 31,928 | 32,775 | 3,789,399 | 3,619,221 | 170,178 | \$34k for Statute obligation to pay for towing of abandoned vehicles (FY24 Legislative increase from \$40 to \$125 per tow/400 est tows). Estimated Allocation provided by AOT/F&A-Insurances. |
| Property & Maintenance | 148,925 | 9,975 | 0 | 158,900 | 576,700 | (417,800) | Decrease FY23 estimated Springfield CDL site costs |
| Rental Other | 460,509 | 99,491 | 0 | 560,000 | 580,000 | (20,000) | Per estimated Allocation provided by AOT/F&M, \$20k Rental - Other move to appropriate budget account 510400 |
| Rental Property | 1,329,346 | 0 | 0 | 1,329,346 | 1,185,708 | 143,638 | Per estimated Allocation provided by AOT F&A |
| General Operating/Supplies | 572,249 | 122,516 | 15,300 | 710,065 | 682,065 | 28,000 | Increase of 10% in gasoline costs to over FY23 actual expenditures, Adjustment to align cost to FY23 actuals. |
| Travel | 114,049 | 40,139 | 0 | 154,188 | 154,188 | 0 | Level funded |
| Repair & Maintenance Services | 90,000 | 0 | 0 | 90,000 | 90,000 | 0 | Level funded |
| Operating Subtotal | 12,754,396 | 673,680 | 121,696 | 13,549,772 | 13,346,863 | 202,909 | |
| GRANTS | | | | | | | |
| Grants Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | DMV does not issue grants. |
| DMV FY25 Budget Request: | 44,454,119 | 2,687,081 | 121,696 | 47,262,896 | 44,910,685 | 5.24% Increase | |

Changes to Federal Funding

- **Details on significant changes in federal funding including information about size and duration of federal grants included in budget:**
 - No significant change for MSCAP funding.
- **Major initiatives funded by federal funds and plans for initiatives after federal funding no longer available:**
 - N/A

Position Increases/Reductions & Vacancy Savings

- **The FY25 budget includes 245 Positions:**
 - We have a total of 245 positions in FY24 including 14 limited service.
 - As of 1/31/24, there are 23 vacancies.
- **Vacancy Savings:**
 - The Vacancy Savings target was calculated at 5% of classified salary and benefits costs of \$1,248,012. We expect to absorb this reduction with actual vacancy savings.

Carry-forward Funds

- **FY23 Carry-forward funds:**
 - DMV Budget - \$6,572,859.31
 - Identified Contractual Obligations = \$2,792,322.22 - to be paid in FY24
 - Identified CORE System and Other Operating Expenditures = \$1,182,820.82 to be paid in FY24
 - Reverted to AOT - \$2,674,369.32
- **Anticipated Level of Carry-forward funds at the end of FY24:**
 - We are not anticipating carry-forward funds at the end of FY24.

Single Audit Findings

- ▶ DMV provides information and documentation as part of the AOT Single Audit.
- ▶ FY22 Audit did not have any findings for DMV to address.
- ▶ FY23 Audit is pending.

Core Modernization Project

Partnering with FAST Enterprises to implement a commercial off-the-shelf solution in a two-phase project to replace existing, disparate systems with a single online system.

- Phase 1: Vehicle Services - June 13, 2022, to November 13, 2023.
 - Replacing many aging systems in vehicle registration and titling, revenue collection and categorization, image scanning and retrieval, and dealerships.
 - Vehicle Service went live November 13, 2023
 - Purchased and installed all required equipment for the system upgrade.
 - Completed training for staff.
 - Reassigned staff according to the needs of the new system and its workflow enhancements.
 - Developed a communication campaign (Don't Wait in Line; Start Online) that features digital ads, social media ads, and radio ads.
- Phase 2: Driver Services - Planned to go live in 2025.

Core Modernization Budget Status

| DMV Core Modernization | | | | | | |
|---|----------------------|---------------|----------------------|----------------------|------------|-------------------|
| Budget-Expenditure Summary | | | | | | |
| Period Ending December 31, 2023 | | | | | | |
| | Budget* | Budget Adj(s) | Adj Budget | Expenditures** | % Expended | Remaining |
| Fund Level | | | | | | |
| Trans Fund 20105 | \$ 5,441,100 | \$ - | \$ 5,441,100 | \$ 2,693,946 | 50% | \$ 2,747,154 |
| Phase 2 | 20,250,000 | - | 20,250,000 | - | 0% | 20,250,000 |
| Phase 1-ARPA-22047 | 14,120,000 | | 14,120,000 | 12,380,550 | 88% | 1,739,450 |
| Phase 1-General Fund 10000 | 10,380,000 | - | 10,380,000 | 10,380,000 | 100% | - |
| TOTALS | \$ 50,191,100 | \$ - | \$ 50,191,100 | \$ 25,454,497 | 51% | 24,736,603 |
| * Aligns with updated IT ABC signed August 8, 2023 | | | | | | |
| **includes costs of project that are pending invoicing by ADS (FAST Enterprises contractual). | | | | | | |