

Department of Motor Vehicles

FY2019 Overview and Budget

Wanda Minoli, Interim Commissioner

Michael Smith, Director of Operations

Carol Harrison, Director of Finance & Logistics

Col. Jake Elovirta, Director of Enforcement & Safety



DMV Mission and FY2017 Highlights

MISSION:

"With a commitment to excellence, the dedicated employees of DMV strive to provide the highest level of customer service through the administration of motor vehicle laws and the promotion of highway safety."

DMV issues driver credentials, learner permits, motor vehicle registrations, driver license suspensions and reinstatements. DMV enforces motor vehicle laws, and collects motor fuel revenue for the State of Vermont.

- 87% of customers served in less than 30 minutes in FY2017
 - Over 400,000 branch office transactions
 - Over 176,000 mail transactions
- 1,525,890 visits to DMV website in FY2017
 - Internet transactions increased 2.7%
 - Over 306,000 forms downloaded
- Staffing breakdown
 - Operations – 162, staffing 11 locations statewide
 - Enforcement & Safety – 43
 - Finance & Logistics – 20
 - Commissioner's Office – 4

Budgeted vs Actual Spending – FY2017

Fund	FY2017 Budget as Passed	FY2017 Budget Spending
Transportation	\$27,416,335	\$26,395,902
Federal	\$1,388,720	\$713,479
Inter-Departmental	\$105,000	\$80,351
Total	\$28,910,055	\$27,189,732

Difference Transportation Fund: **\$1,020,433**

FY18 Budget Adjustment Act – No change from 'As Passed' budget.

(Source: FY2017 & FY2019 Governor's Recommended Budget: Rollup Report)

Carry Forwards and Reserves

- FY2017 year-end balance of \$645,433 was reverted due to a Transportation Fund revenue shortfall
- FY2017 includes carry-forward funds of \$265,000 for Customer Call-Up System
- No carryforward from FY2017 to FY2018
- A budget rescission of \$640,000 occurred in FY2017
- Net FY2017 budget reduction: **\$1,020,433**

Update on Existing Programs

- Point-of-Sale System Replacement Project – Department implemented new system in all DMV locations in November 2017.
 - Delayed due to business needs, Phase I complete and currently within budget
 - Existing system equipment and technology that categorized revenues was at the end of its lifecycle and could no longer be supported
 - Provided greater accuracy with data and timely categorization of collected revenues
 - Opportunity to promote employee growth and career development
- Customer Call-Up System Replacement Project – Successfully implemented customer queuing solution in Spring 2017
 - Worked with vendor to delay due to FY2016 budget constraints, completed within budget
 - Replaced outdated system, which was dependent upon a single support person from the vendor
 - Collecting metrics (transaction counts, service and wait times, service levels, etc.) and customer tracking
 - Improved prioritizing customers to reduce wait times, and allowed better opportunity to forecast staffing needs for all DMV locations
- Automated Vehicle Inspection Program (AVIP) – Established a standard inspection process for all inspection stations located throughout Vermont in Spring 2017
 - Rolled out on schedule and within budget
 - Provides greater consistency and simplified electronic data collection
 - Air emissions requirements jointly managed by DMV and Department of Environmental Conservation (DEC) – DMV focused on safety inspection criteria; DEC focused on air emissions standards

Update on Existing Programs

- Process Improvement - Lean Initiatives:
 - Application Processing – First event at DMV
 - Initial result was an IT solution
 - Brainstorming among subject matter experts identified opportunities in Operations for future Lean events with a more focused scope
 - Components of project are incorporated into POS Phase II
 - Refunds Management – Implemented best practices
 - Collaborative effort between two DMV Divisions
 - Subject matter expert staff identified new business flow process, segregated duties, reduced likelihood of duplication of refunds issued
 - Forms Ordering – Streamlined form ordering process
 - Moved some forms to ‘on-demand’ printing and reduced stocked form inventory
 - Improved service to branch offices and developed stronger partnership with BGS
 - Led to a Lean event to improve the Forms Review process

Challenges

- Meeting desires of today's customers due to deferred investment in modernization of systems and business practices
 - License credentialing system replacement
 - Current system is at end of life
 - RFP issued 11/15/2017, responses received 1/12/2018, demonstrations scheduled week of 2/12/2018
 - Improve customer service
 - Increase security to prevent fraud
 - Potential for cost savings and operational efficiencies
 - IFTA/IRP/PRISM replacement
 - Current contract is expiring September 2018 (with two additional one-year extensions available)
 - Electronic system for the collection and distribution of fuel taxes, registration fees, and safety information
 - Current system is at end of life
- Alignment of resources to support modernization initiatives while maintaining expected service levels



Strategic Goals for SFY2019 – SFY2023

- Improving levels of customer service and increasing public awareness of DMV services
- Improving highway safety and infrastructure protection
- Recruiting and retaining an excellent and diverse workforce in order to meet current and future needs
- Providing transparent stewardship of funds while increasing efficiency through continuous improvement

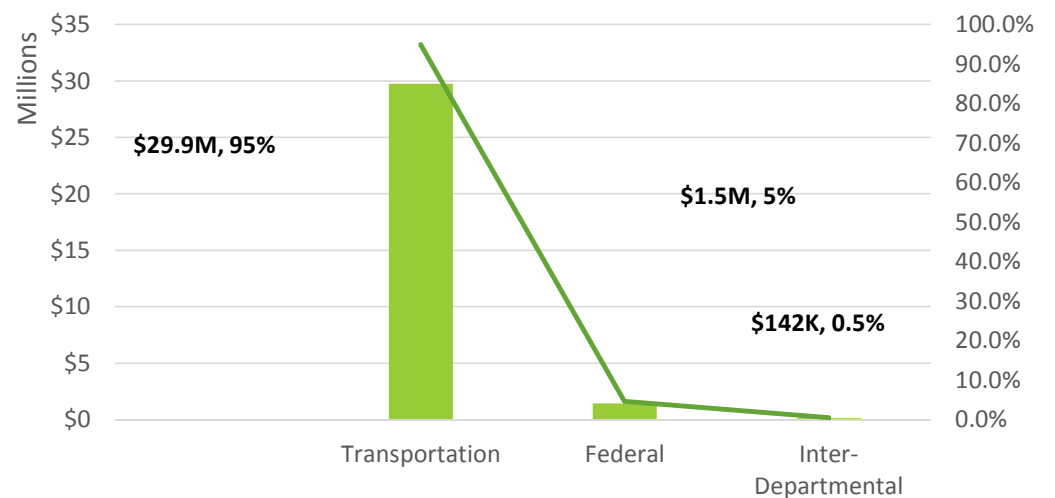
Proposed Initiatives

- PIVOT – Oversize/Overweight permitting system enhancement
 - Anticipate rollout March-April 2018
 - Develop online application for single-trip permits, which improves processing time and meets industry expectations
- PIVOT – Point-of-Sale Phase II
 - Implementation of credit card processing and check verification
 - Evaluation of up-front document scanning
- AVIP – Automated Vehicle Inspection Program
 - Industry subject matter experts collaborating on the rewrite of inspection manuals
 - Developing industry outreach and enhanced training for public and private entities, as well consumers

Budget Highlights

- The FY2019 proposed budget maintains the current level of service. This essential maintenance budget helps ensure the continuation of DMV services and offerings at all current locations.

Governor's Recommend Budget FY2019 - \$31.4M



FY2019 Summary and Highlights



- Increase of \$2.1M (7%)
- DMV will collect an estimated \$334M in taxes and fees in FY2019
- Base budget maintains \$1.65M for IT projects (level funded)
- Increase driven by:
 - ADS staff costs now allocated by appropriation staff counts - \$850K impact
 - Credit card fees - \$300k impact
 - Single license plate - \$200k impact
 - Annual increases in operating costs
- Continue with computer “cascading” replacement plan
- Consumer messaging improvements
- *Emergency Preparedness & Continuous Improvement* trainings for staff
- Security equipment enhancements
- Staffing levels shifted from 232 to 229

FY2019 DMV Crosswalk and Budget Variances

VERMONT DEPARTMENT OF MOTOR VEHICLES FY2019 Crosswalk & Budget Variances						
	Transportation Fund	Federal	Interdept	Total Amount	Difference Between FY18 & FY19	COMMENTS
Department of Motor Vehicles (8100002100): FY2019 Governor's Recommended Budget	29,760,414	1,458,768	141,550	31,360,732	1,858,816	
PERSONAL SERVICES						
Salaries and Wages	11,823,433	0	0	11,823,433	191,089	VANTAGE system wage calculations. Vacancy Savings calculated as 4% of classified salaries.
Fringe Benefits	5,461,200	887,343	0	6,348,543	(398,142)	Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment.
Contractual & 3rd Party Services	1,717,970	0	4,975	1,722,945	1,706,395	Education, training, and interpreter services. Support for US eDirect (POS) and ACF (Queueing) systems. ADDED annual amount for dedicated IT Project Funding of \$1.65 million (partially supports IT 5-year project plan).
Per Diem	0	0	0	0	0	
Personal Services Subtotal	19,002,603	887,343	4,975	19,894,921	1,499,342	
OPERATING						
Equipment	429,900	335,600	4,975	770,475	118,305	State Funds: New IT codes. PC upgrades, replacements, parts. Desktop printers and copiers not on contract (reducing # of printers by utilizing copier functions). Office and safety equipment, security systems & maintenance, ergonomic assessment results. ADS: \$45k to purchase server for 'security camera' storage. Federal Funds: On an annual basis Vermont must meet the requirements of 23 CFR Part 657—Certification of Size and Weight Enforcement. Statewide Transportation Improvement Program (STIP) funds are used to fund the purchase and maintenance of weigh-in-motion (WIM) equipment, portable scales, upgrades to platform and semi platform scales. Includes funding for VREP (motorcycle program) and MCSAP grants.
IT/Telecom Services & Equipment	2,413,993	27,990	0	2,441,983	(108,293)	Wireless services. Annual allocations provided for internal services: VISION, DII Telecommunications & Mainframe. Added annual allocation of \$859,021 for ADS internal services. Solutions Thru Software contract. VoIP expenses. IBM annual maintenance for records scanning and retrieval system. Decrease partially a result of moving IT project funding to Contractual & 3rd Party Services for FY2019 - funded here last year under Software as a Service (Point of Sale system).
Other Operating Expenses	1,371,576	0	0	1,371,576	325,213	Enforcement & Safety drug kits, narcam. Total Abstinence (TA) testing. Annual allocation for single audit. License plate production, decals. Bank charges (banking, lockbox, credit card services, courier costs).
Other Purchased Services	4,131,650	13,950	110,600	4,256,200	357,893	Annual allocation provided for internal services such as General Liability Insurance, DII Internal Service Support, and Human Resources. Printing & Binding costs have increased (public announcements, forms, stickers, decals, signs, etc.) Includes costs to pay vendor for credentialing system (license production). Inspection sticker management costs have increased. Employee background checks are more thorough - criminal background checks, fingerprinting, polygraphs, and basic training courses (E&S). Using more media resources for advertising. Increases in postage costs. Security services at Addison courthouse.
Property & Maintenance	124,620	2,150	0	126,770	54,700	SecureShred services now at all DMV branch locations. Rutland site snow removal expenses. Cleaning services at leased locations. Cabling for VoIP system. Leased copier 'per copy' expenses combined to one account - split in prior budget years. Enforcement & Safety information technology equipment inside vehicles - more maintenance & repairs.
Rental Other	543,550	126,100	0	669,650	97,150	Funding for AOT Central Garage invoices - CVE lease, fuel, parts and labor. Central Garage maintenance & possession fees. Fleet Management auto rentals. Northern and Southern Vans. 40 vehicles (includes 4 spares).
Rental Property	1,255,611	0	0	1,255,611	83,582	Leased office space. Rental space for CDL and motorcycle testing. Annual allocation provided for state building 'Fee For Space'. BGS additional 5.26% surcharge on all leases and loans.
Supplies	299,711	44,800	11,500	356,011	62,661	Increase in special supplies for Point of Sale system (thermal paper). E&S police equipment, ammunition. E&S language translation application on phone. Payments to several vendors for E&S police equipment items and motorcycle program (not budgeted in previous years). Includes funding for VREP (motorcycle program training materials) and MCSAP grants.
Travel	71,000	20,835	9,500	101,335	13,235	Costs associated with AAMVA Regional and International conferences for key management staff. Supports instructors and site assistants for the VREP motorcycle program.
Repair & Maintenance Services	116,200	0	0	116,200	(444,972)	Maintenance and repairs on hardware and servers used for data storage. ADS: Includes annual hardware maintenance for camera server/storage. Most expenses in this area moved to new IT codes.
Operating Subtotal	10,757,811	571,425	136,575	11,465,811	559,474	
GRANTS						
Grants Subtotal	0	0	0	0	0	
Subtotal FY2019 Governor's Recommended Budget	29,760,414	1,458,768	141,550	31,360,732	2,058,816	
Total FY2019 Governor's Recommended Budget	29,760,414	1,458,768	141,550	31,360,732	2,058,816	
Difference Between FY2018 & FY2019 FY2018 Governor's Recommended Budget	1,986,936 27,773,478	35,330 1,423,438	36,550 105,000	2,058,816 29,301,916		Includes Personal Services & Operating Expenses.