

DMV Budget Overview

Wanda Minoli, Commissioner

“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 Overview

Locations

Bennington
Dummerston
Middlebury
Montpelier
Newport
Rutland
St. Albans
St. Johnsbury
S. Burlington
Springfield
White River Jct.



DMV is staffed by 229 employees across 225 positions

Performance Measures

- Served over 330,000 walk-in customers in branch offices
 - 79% of walk-in customers served in less than 30 minutes
 - Average wait time was 15 min (2 minute reduction from 2017)
- More than 1.7M visits to DMV website
 - 14.4% increase in traffic
 - 8.2% increase in transactions performed online (250k+)
- Handled 188,734 phone calls and 15,058 emails
- Administered 34,913 knowledge and skill examinations

Special Projects & Programs

(3 FTEs)

- Recognized need to have unit focused on business process improvements in support of on-going modernization efforts
- Manage business implementation of DMV modernization projects and new initiatives
- Administer the Department's website and social media pages, and coordinate all legislative activities

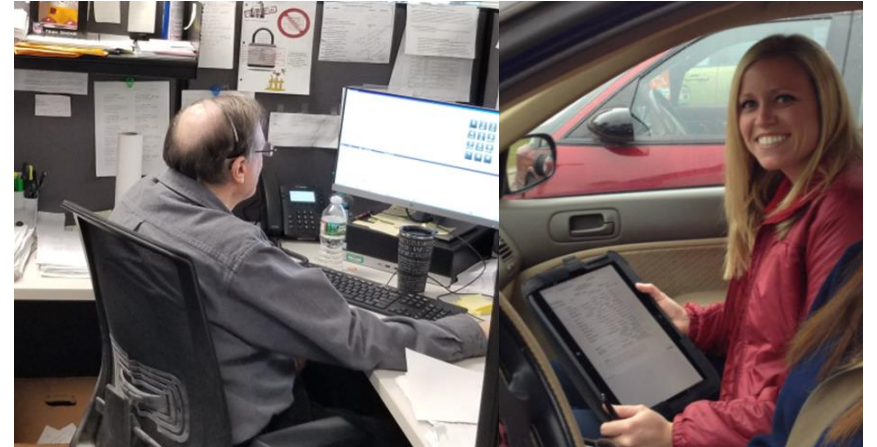
Operations Division



Operations Division Units

(156 FTEs and 4 PTEs)

- Branch Operations - 11 branch offices throughout the state
 - 6 full-time and 5 part-time
 - 4 offer extended hours – S. Burlington, Montpelier, Rutland, Springfield
- Information Processing
 - Support all divisions
 - Process transactions received via mail and email, and ensure accuracy of data entered into DMV's systems of record
- Driver Improvement & Information
 - Process driver license suspensions and reinstatements
 - Field customer inquiries across various mediums
- Commercial Vehicles
 - Maintain driver files in Commercial Driver License Information System
 - Administer International Fuel Tax Agreement and International Registration Plan
 - Collect gas and diesel taxes



Operations Division

2018 Highlights

- Point of Sale Cashiering System Replacement Project:
 - Phase 1 complete – improved data quality, provided timelier revenue categorization
 - Implementing integrated check scanning and credit card processing at all branches by end of Feb. 2019
 - With Legislative support removed 3% fee credit card fee and DMV's budget was adjusted to cover the cost
- Partnered with VTrans Training Center to deliver and modernize training to all staff to ensure consistency of message
- Provided outreach to medical professionals on how to report drivers with diminished skills
- Collected over \$125,000,000 in fuel taxes in FY18
- Recognized by Federal Motor Carrier Safety Administration for adopting best practices in maintaining commercial driver records
 - Vermont was one of six states recognized
- 23 V.S.A. §3015 authorizes DMV to collect fuel taxes electronically from distributors with liability of \$25,000 or more as of 7/1/2019
- 91% of Vermonters have obtained REAL ID credential – required for domestic air travel 10/1/2020



Enforcement & Safety Division

Enforcement & Safety



26.4K
Permits Issued



6745
Commercial
Safety Stops



586
Dealers Licensed,
2018



1172
Inspection Stations,
2018

E&S Division Units

(43 FTEs)

- Commercial Vehicle Enforcement
 - Law enforcement officers enforcing VT and Federal statutes governing commercial motor vehicles
 - Protect highway users and infrastructure
- Investigations/Inspections
 - Regulate motor vehicle dealers
 - Administer Total Abstinence Program
 - Administer Vehicle Inspection Program
- Education
 - Administer the State's Driver Training, Motorcycle Safety and Pupil Transport Safety Programs
- Administrative Support
 - Support for dealers and certified VT Inspection Stations



Enforcement & Safety Division



2018 Highlights

- Replaced failed platform scale at Fair Haven Scale House
- Completed over 6,500 roadside vehicle & driver inspections
- Licensed 34 standard and 6 commercial private driver training schools
- Administered 74 school bus clinics, educating 743 school bus drivers on pupil safety
- Evaluated Total Abstinence Program and streamlined in a way that made sense
 - Implemented mechanism to review drug & alcohol cases when notified
 - Modified process revealed 100 program participants who were not in compliance
 - Strengthened the integrity of the program
- Rewrote State's vehicle inspection manual
 - Removed fail criteria that were not critical to the safe operation of the vehicle
 - Modernize, and clarify ambiguous language
 - Created "advisory" category for motoring public

Finance & Logistics Division

Finance & Logistics



\$330M
Total Revenue



134K
Plates Distributed



275K
Pieces of Mail Received

F&L Division Units

(18 FTEs)

- Accounts Payable
 - Authorize and reconcile all expenditures
 - Administer Department's contracts and payroll
- Accounts Receivable
 - Process and categorize all revenue received by the Department
 - Review and authorize requests for refunds and protest checks with insufficient funds
- Audit
 - Audit all entities reporting gas, diesel, railroad fuel and rental tax liabilities
 - Audit International Fuel Tax Agreement and International Registration Plan
- Logistics
 - Distribute and manage inventory specific to DMV programs
 - Manage all facilities issues for leased and state-owned properties



Finance & Logistics Division

2018 Highlights

- All revenue collected was categorized within 24-hours of receipt
- Developed Continuity of Ongoing Operations Plan as part of overall Emergency Safety Management planning
- Completed safety training for all branch offices
- Automated tracking of received Priority Mail packages
- Established Continuity of Ongoing Operations Plan
- Retrofitted office furniture to ensure ADA compliance
- Completed 34 IFTA, 53 IRP, 4 distributor (diesel) and 7 fuel user audits
- Under DMV, came in compliance with regulations for IRP/IFTA audit frequency



Budgeted vs. Actual

Account	FY2018 Actual	FY2019 BAA
Personal Services	\$19,162,262	\$21,504,356
Salaries and Wages	\$12,241,772	\$11,767,186
Contracted and Third Party Services	\$468,656	\$3,332,380
Operating Expenses	\$9,971,791	\$11,465,811
IT/Telecom Services and Equipment	\$1,094,352	\$2,441,983
Total Expenses	\$29,134,053	\$32,970,167

Commercial Vehicle Operations System Replacement Project



What's Happening?

- Implementing a modern administrative system to collect motor fuel taxes and International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) fees
- Replacing current paper-based system

Why is Replacement Necessary?

- Contract with current vendor has expired and they are leaving the business
- Current system will no longer be supported and creating an internal solution is very risky due to limited support resources

Who Benefits from new System?

- Everyone filing motor fuel taxes
- IFTA & IRP Customers
- DMV & AOT staff (customer service and finance units)

Efficiencies & Opportunities Gained

- Move applicants from paper-based to electronic submissions
- Dramatically reduce number of returns
- Collect IFTA and IRP fees and motor fuel taxes online
- Increased audit potential and speed at which they are performed

Commercial Vehicle Operations System Replacement Project

Replacement of the system used to calculate and collect diesel, gas and rental taxes and International Fuel Tax Agreement and International Registration Plan fees

- Desired solution is to utilize an existing State master contract and system (Dept. of Taxes)
- Utilizing expert staff to develop system, back-filling with temporary employees
- Project timeline:
 - March 2019 – Kickoff
 - July 2020 – Implementation
- Project Costs
 - Implementation – \$5.68M
 - Total Lifecycle – \$10M

Project Implementation Funding

Anticipated Implementation Cost	\$5.68M
FY18 Budget Carryforward	\$262k
FY19 Budget	\$1.65M
FY19 Budget Adjustment	\$1.61M
FY20 Governor’s Recommended Budget	\$2.00M
Total Budgeted to Date	\$5.52M

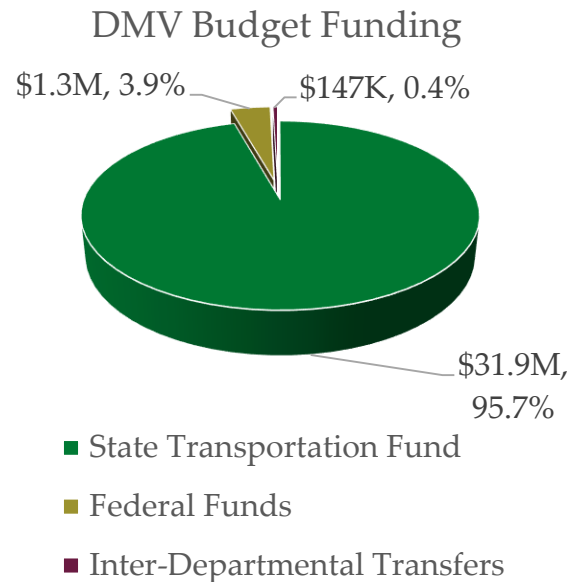
Budgeted vs Actual Spending FY19

Budget Level	FY19 Budget	FY19 Expenditures*	% Spent	Remaining
Personal Services	\$ 21,237,062	\$ 11,933,215	56%	\$ 9,303,847
Payroll & Benefits	\$ 19,415,025	\$ 11,536,306	60%	\$ 7,878,719
Contracts & 3rd Party Service	\$ 1,822,036	\$ 371,909	20%	\$ 1,450,127
Operating Expenses	\$ 11,381,786	\$ 5,758,561	51%	\$ 5,623,225
IT/Telecommunications Services	\$ 2,428,983	\$ 669,486	28%	\$ 1,759,497
Property, Maintenance & Rental	\$ 2,052,031	\$ 1,515,622	74%	\$ 536,409
Equipment, Hardware, Software	\$ 822,675	\$ 166,768	20%	\$ 655,907
Supplies	\$ 356,011	\$ 162,811	46%	\$ 193,200
Travel	\$ 101,335	\$ 50,348	50%	\$ 51,007
Other Purchased Services	\$ 4,249,175	\$ 2,350,377	55%	\$ 1,898,798
Other Operating Expenses	\$ 1,371,576	\$ 843,149	61%	\$ 528,427
Totals	\$ 32,618,848	\$ 17,691,777	54%	\$ 14,927,071

* - Expenditures through 01/31/2019

Governor's Recommended Budget FY20

The FY20 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.



- Increase of \$1.7M (5.1%) overall
- Expect to collect \$340M in taxes and fees in FY20
- Implementation of VTPICS credentialing program will save \$100k in annual contract costs
- Internal process improvement event saved \$50k on printing costs
- Increase driven by:
 - Payroll expenses increased through reclassifications and COLAs
 - Increased temporary staff to back-fill positions in support on-going modernization projects
 - Additional \$350k (from \$1.65M to \$2M) for IT improvements
- Budget Reductions:
 - Implementation of VTPICS credentialing system will save \$100k in annual contract costs
 - Internal process improvement event saved \$50k annually on printing & binding costs

VERMONT DEPARTMENT OF MOTOR VEHICLES FY2020 Crosswalk & Budget Variances						
	Transportation Fund	Federal	Interdept	Total Amount	Difference Between FY19 & FY20	COMMENTS
Department of Motor Vehicles (8100002100): FY2020 Governor's Recommended Budget	31,657,492	1,345,934	147,275	33,150,701	1,789,969	
PERSONAL SERVICES						
Salaries and Wages	12,229,808	0	0	12,229,808	462,622	VANTAGE system wage calculations. Includes Vacancy calculated as a percentage of classified salaries 5%; 1.35% COLA, increase temporary employees to backfill for Modernization Project 1.33% \$4,843; increase OT to maintain current workload with staff covering IT Projects 18% \$56,406, reclassification of CSS positions \$136,000
Fringe Benefits	6,311,933	887,343	10,200	7,209,476	804,686	Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment. Classification Impacts (FICA) \$64,000.
Contractual & 3rd Party Services	2,017,670	100,000	4,975	2,122,645	399,700	Education, training, and interpreter services and level funded IT projects
Per Diem	0	0	0	0	0	
Personal Services Subtotal	20,559,411	987,343	15,175	21,561,929	1,667,008	
OPERATING						
Equipment	600,747	123,795	8,000	732,542	(37,933)	State Funds: PC upgrades, replacements, parts. Desktop printers and copiers. Office and safety equipment, security systems & maintenance, ergonomic assessment results. Equipment for CVO Project (to be repurposed once project complete); \$123,795 Includes funding for VREP (motorcycle program) and MCSAP grants. Interdepartmental Funds \$8k GHSP
IT/Telecom Services & Equipment	2,493,905	35,600	0	2,529,505	87,522	Wireless services. Annual allocations provided for internal services: VISION, DII Telecommunications & Mainframe, ADS. Solutions Thru Software contract. VoIP expenses. IBM annual maintenance for records scanning and retrieval system. Federal Funds \$35,600 MCSAP reimbursement for ADS & wireless phones/other mobile devices increase in SF of 2.5% for services
Other Operating Expenses	1,633,847	0	0	1,633,847	262,271	Enforcement & Safety drug kits, narcam Total Abstinence (TA) testing \$25k. Annual allocation for single audit \$82,517. License plate production, decals \$720k. Bank charges (banking, lockbox, credit card services, courier costs) \$548k.
Other Purchased Services	3,987,319	15,250	112,600	4,115,169	(141,031)	Annual allocation provided for internal services such as General Liability Insurance, ADS Internal Service Support, and Human Resources, Printing & Binding costs (public announcements, forms, stickers, decals, signs, etc.) Savings due to new credentialing system and DMV LEAN event for forms ordering
Property & Maintenance	126,996	2,150	0	129,146	2,376	SecureShred services at all DMV branch locations. Rutland site snow removal expenses. Cleaning services at leased locations. Leased copier expenses. Enforcement & Safety information technology equipment inside vehicles - maintenance & repairs. Federal Funds MCSAP E&S Car washes, maintenance, roadcheck portable restrooms \$2,150
Rental Other	548,550	135,550	0	684,100	14,450	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. Covers DMV 40 vehicles includes all police equipment purchases, leased copiers, Federal Funds MCSAP
Rental Property	1,197,192	0	0	1,197,192	(\$58,419)	Leased office space. Rental space for CDL and motorcycle testing. Annual allocation provided for state building 'Fee For Space'.
Supplies	302,711	25,025	11,500	339,236	(16,775)	Office supplies, books, subscription, building energy (electricity, water propane)
Travel	91,000	20,835	0	111,835	10,500	Supports instructors and site assistants for the VREP motorcycle program.
Repair & Maintenance Services	115,814	386	0	116,200	0	Maintenance and repairs on hardware and servers used for data storage \$68,814. ADS: Includes annual hardware maintenance for camera server/storage \$47,000. Federal Funds MCSAP \$386
Operating Subtotal	11,098,081	358,591	132,100	11,588,772	122,961	
GRANTS						
Grants Subtotal	0	0	0	0	0	
Subtotal FY2020 Governor's Recommended Budget	31,657,492	1,345,934	147,275	33,150,701	1,789,969	
Total FY2020 Governor's Recommended Budget	31,657,492	1,345,934	147,275	33,150,701	1,789,969	
Difference Between FY2019 & FY2020	1,897,078	(112,834)	5,725	1,789,969		Includes Personal Services & Operating Expenses.
FY2019 Governor's Recommended	29,760,414	1,458,768	141,550	31,360,732		

Pressures Not Addressed

- Meeting the desires of today's customers due to deferred investment in modernization of systems and business practices
- Core system replacement – replace DMV's systems of record
 - Have replaced smaller ancillary support systems in preparation over past few years
 - Over time have built sub-systems or workarounds to try to deal with shortcomings of existing core license/registration system

