

FY26 Department of Motor Vehicles Budget Overview

January 27, 2025

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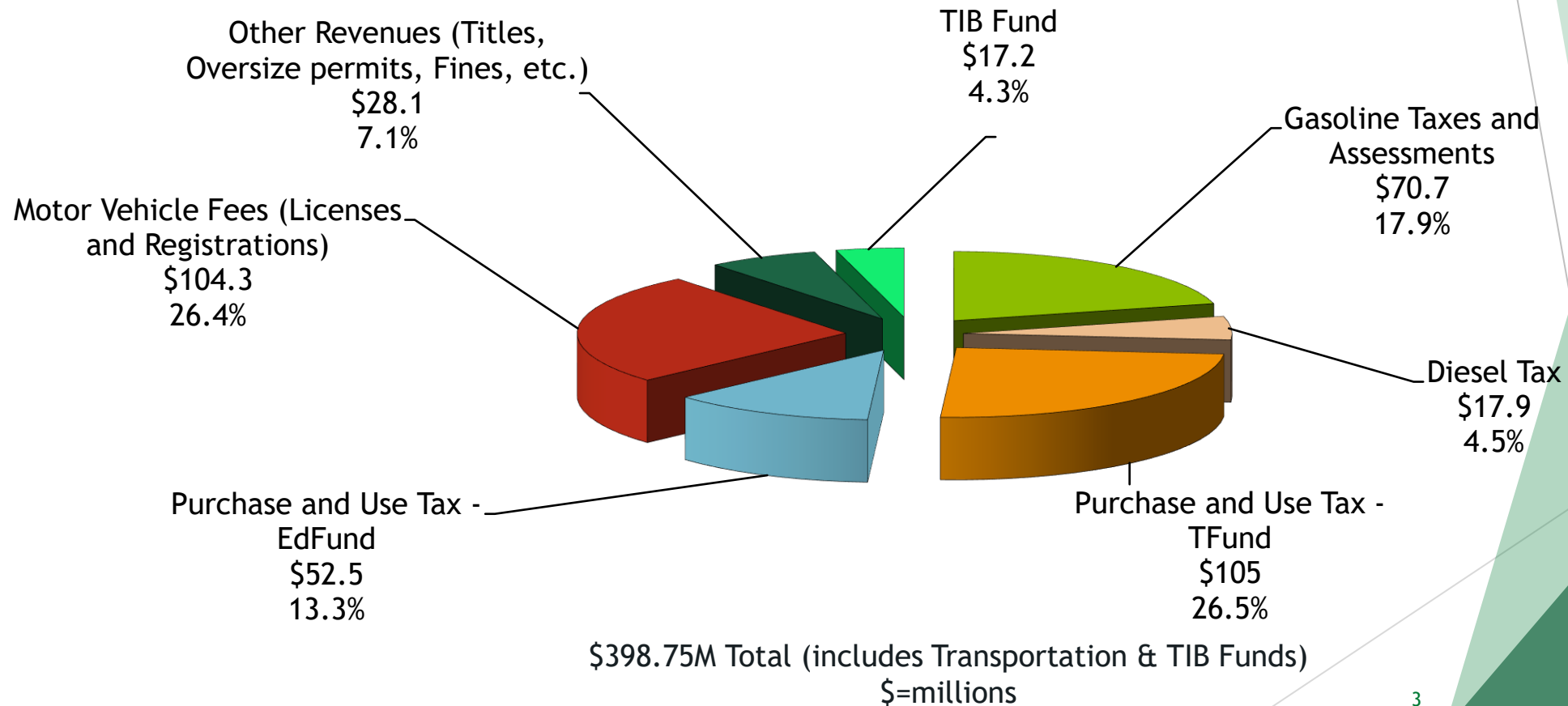
Budgeted vs Actual Spending FY25

Budget Level	FY25 Budget	FY25 Expenditures*	% Spent	Remaining
Personal Services	\$ 34,857,735	\$ 15,991,103	45.9%	\$ 18,866,632
Payroll & Benefits	\$ 25,830,901	\$ 12,843,058	49.7%	\$ 12,987,843
Contracts & 3rd Party Services	\$ 9,026,834	\$ 3,148,045	34.9%	\$ 5,878,789
Operating Expenses	\$ 14,779,323	\$ 7,607,354	51.5%	\$ 7,171,969
IT/Telecommunications Services	\$ 3,225,706	\$ 1,747,226	54.2%	\$ 1,478,480
Property, Maintenance & Rental	\$ 2,048,246	\$ 1,472,005	71.9%	\$ 576,241
Equipment, Hardware, Software	\$ 909,500	\$ 560,093	61.6%	\$ 349,407
General Operating/Supplies	\$ 710,065	\$ 195,091	27.5%	\$ 514,974
Travel	\$ 154,188	\$ 73,796	47.9%	\$ 80,392
Other Purchased Services	\$ 4,515,030	\$ 2,413,602	53.5%	\$ 2,101,428
Other Operating Expenses	\$ 3,216,588	\$ 1,145,542	35.6%	\$ 2,071,046
Totals	\$ 49,637,058	\$ 23,598,457	47.5%	\$ 26,038,601

*Expenditures through 12/31/2024
 FY24 Budget "As Passed" - \$ 49,637,058

State Transportation Fund Sources - FY26

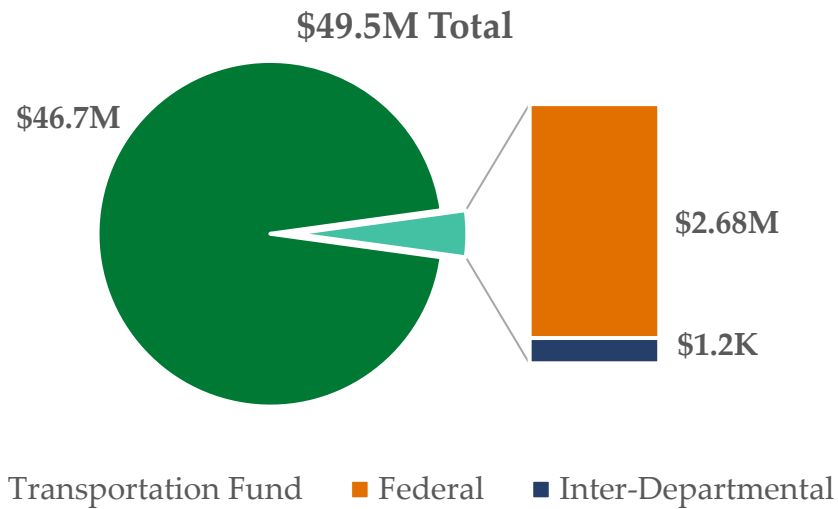
Source – January 2024 Economic Review and Revenue Forecast Update



Governor's Recommended Budget FY26

The FY26 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 \$398.75M in taxes and fees in FY26
- Increase in the overall budget of \$2.25M (4.77%)
 - Personal Services - net increase of \$2.7M (8.11%)
 - \$255K increase in Salaries and Wages with Vacancy Savings calculation as a percentage of classified salaries of 5% plus fringe benefits,
 - \$655K increase in Fringe Benefits;
 - \$1.85M net increase in Contractual Services
 - Operating Costs - a net decrease of \$479K (3.54%)
 - \$57K increase in equipment costs
 - \$21K increase in bank service charges
 - \$113K decrease in IT/Telecom Services & Equip.
 - \$420K decrease in Other Purchased Services (postage, printing, HR services, etc.)
 - Level funded Property Maintenance
 - \$49K decrease in Rental Property, auto & office equipment to FY24 actuals
 - \$26K increase for Rental Property
 - \$10K decrease to FY25 budget, cost of supplies



Federal funds breakdown:

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

FY26 DMV Crosswalk and Budget Variances

The overall increase of 4.77% (8.11% for Personal Services and (3.54)% for Operating)

DMV BUDGET REQUEST	Budget Request FY26				Comparison between FY25 & FY26			COMMENTS
	Transportation Fund	Federal	Interdept	Total Amount	FY25 Total Approved Budget	Difference Between FY26 & FY25	UP / Down	
Department of Motor Vehicles (Appropriation DeptID 8100002100)	\$ 46,709,524	\$ 2,687,081	\$ 121,696	\$49,518,301	\$ 47,262,896	\$ 2,255,405	4.77%	Total of Personal Service and Operations Difference
PERSONAL SERVICES								
Salaries and Wages	\$ 14,887,593	\$ -	\$ -	\$14,887,593	\$ 14,662,151	\$ 225,442	1.54%	VANTAGE budgeting system wage calculations. Vacancy Savings calculated as a percentage of classified salaries 5% plus benefits.
Fringe Benefits	\$ 9,412,433	\$ 1,907,719	\$ -	\$11,320,152	\$ 10,664,339	\$ 655,813	6.15%	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 - Waiting on Internal Service Fund (ISF) costs - CE instructed to use 6.4%
Contractual & 3rd Party Services	\$ 10,134,507	\$ 105,682	\$ -	\$10,240,189	\$ 8,386,634	\$ 1,853,555	22.10%	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Personal Services Subtotal	\$ 34,434,533	\$ 2,013,401	\$ -	\$36,447,934	\$ 33,713,124	\$ 2,734,810	8.11%	
OPERATING								
Equipment	\$ 514,817	\$ 245,683	\$ 22,000	\$ 782,500	\$ 725,500	\$ 57,000	7.86%	Increase for new copiers, scanners , FHWA scale money
IT/Telecom Services & Equipment	\$ 2,713,369	\$ 123,948	\$ -	\$ 2,837,317	\$ 2,815,786	\$ 21,531	0.76%	Increase due to ADS services/allocated fee and increased phone expenditures estimated at 6.4%.
Other Operating Expenses	\$ 3,051,947	\$ -	\$ 51,621	\$ 3,103,568	\$ 3,216,588	\$ (113,020)	-3.51%	Level funded
Other Purchased Services	\$ 3,304,144	\$ 31,928	\$ 32,775	\$ 3,368,847	\$ 3,789,399	\$ (420,552)	-11.10%	Reduction in postage per FY24 actuals
Property & Maintenance	\$ 148,925	\$ 9,975	\$ -	\$ 158,900	\$ 158,900	\$ -	0.00%	Level funded
Rental Other	\$ 411,509	\$ 99,491	\$ -	\$ 511,000	\$ 560,000	\$ (49,000)	-8.75%	reduction based on FY24 actuals
Rental Property	\$ 1,355,491	\$ -	\$ -	\$ 1,355,491	\$ 1,329,346	\$ 26,145	1.97%	Increase due to ADS services/allocated fee and increased phone expenditures estimated at 6.4%.
General Operating/Supplies	\$ 562,499	\$ 122,516	\$ 15,300	\$ 700,315	\$ 710,065	\$ (9,750)	-1.37%	Level funded
Travel	\$ 122,290	\$ 40,139	\$ -	\$ 162,429	\$ 154,188	\$ 8,241	5.35%	Reduction based on anticipated need
Repair & Maintenance Services	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -	0.00%	Level funded
Operating Subtotal	\$ 12,274,991	\$ 673,680	\$ 121,696	\$13,070,367	\$ 13,549,772	\$ (479,405)	-3.54%	
GRANTS								DMV does not issue grants.
Grants Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
DMV FY26 Budget Request:	\$ 46,709,524	\$ 2,687,081	\$ 121,696	\$49,518,301		4.77% 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 FY26 budget includes 231 Positions:**
 - We have a total of 231 positions in FY26 as the 14 limited-service positions expired.
 - As of 1/23/25, there are 31 vacancies.
- **Vacancy Savings:**
 - The Vacancy Savings target was calculated at 5% of classified salary and benefits costs of \$1,338,238. We expect to absorb this reduction with actual vacancy savings.

Carry-forward Funds

- **FY24 Carry-forward funds:**
 - **DMV Budget - \$3,399,031**
 - Identified Contractual Obligations = \$640,200 - to be paid in FY25
 - Identified CORE System and Other Operating Expenditures = \$1,733,962 to be paid in FY25
 - Reverted to AOT - \$1,024,869
- **Anticipated Level of Carry-forward funds at the end of FY25:**
 - We are not anticipating carry-forward funds at the end of FY25.

Single Audit Findings

- ▶ DMV provides information and documentation as part of the AOT Single Audit.
- ▶ FY23 Audit did not have any findings for DMV to address.
- ▶ FY24 Audit is pending.

Core Modernization Project

DMV is 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-November 13, 2023
- ▶ Phase 2: Driver Services - Planned to go live November 11, 2025
 - Rollout aligns with the Veteran's Day holiday closing where the impact of limited foot traffic will be reduced
 - Currently preparing for test drives which begin in February
 - Customers can create and manage appointments online
 - Customers will have the ability to review their account and plan for upcoming requirements (registration renewals, license renewals, etc.)
 - Customers will have access to vehicle & license information through accounts
 - Customer can pay for all services in a single web cart (registration renewal/license renewal for example)

Core Modernization Budget Status

DMV Core Modernization						
Budget-Expenditure Summary						
Period Ending December 31, 2024						
	Budget*	Budget Adj(s)	Adj Budget	Expenditures**	% Expended	Remaining
Fund Level						
Trans Fund 20105	\$ 6,435,563	\$ -	\$ 6,435,563	\$ 6,758,288	105%	\$ (322,725)
Phase 2	20,250,000	-	20,250,000	5,514,681	27%	14,735,319
Phase 1-ARPA-22047	14,120,000		14,120,000	14,119,999	100%	1
Phase 1-General Fund 10000	10,380,000	-	10,380,000	10,380,000	100%	-
TOTALS	\$ 51,185,563	\$ -	\$ 51,185,563	\$ 36,772,968	72%	14,412,595
Payroll & Benefits	\$ -	\$ -	\$ -	\$ 1,637,407		