

## 2014-16 Executive Progress Report

Commonwealth of Virginia  
Secretary of Transportation

Department of Motor Vehicles

### At A Glance

The Department of Motor Vehicles (DMV) promotes Security, Safety, and Service through the administration of motor vehicle and tax related laws.

Staffing 1819 Salaried Employees, 10 Contracted Employees, 2038 Authorized, and 223 Wage Employees.

Financials Budget FY 2015, \$237.03 million, 0.00% from the General Fund.

Trends  
↑ Number of Customers  
➔ Revenue  
↑ Information Technology Costs

Key Perf Areas  
↑ Fatalities\*  
↑ Alternate Government services\*  
➔ Prompt pay\*

Legend  
↑ Increase, ↓ Decrease, ➔ Steady

Productivity Legend  
↑ Improving, ↓ Worsening, ➔ Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov)

### Agency Background Statement

The Department of Motor Vehicles (DMV) issues a wide variety of transportation and tax-related credentials and products for individuals, government agencies, and businesses. The agency collects state transportation revenues and enforces motor vehicle laws. Additionally, DMV actively works with localities, state agencies, higher education institutions, and non-profit organizations to address Virginia's most pressing highway safety issues through the administration of federal transportation safety grants.

### Major Products and Services

DMV's most visible and widely used products and services include driver, vehicle, and motor carrier credentialing, and revenue collection. During fiscal year (FY) 2014, the agency:

- Conducted 9.8 million vehicle transactions
- Conducted 2.8 million driver's transactions, and
- Collected \$2.3 billion in revenue.

DMV provides its services through a network of 75 customer service centers, five mobile customer service centers, 13 motor carrier service centers (i.e., weigh stations), 12 mobile and one satellite weigh stations, the agency website, and three customer contact centers located throughout Virginia. This includes DMV's innovative partnership with the military to open customer service centers on bases, at no cost to the Commonwealth, to serve military members, families, and retirees. The agency also contracts with 54 DMV Select Agents who process specific vehicle transactions on behalf of DMV for a percentage of the transaction fee. The agency anticipates providing additional products and services in the future for other agencies. It will continue to make changes in how it delivers its products and services. The reasons include changing requirements related to national security, customer demands for easier access to services, limited funding levels, increased complexity in DMV's work, and technology advances that allow greater access to data coupled with a need for increased data security. DMV anticipates and is prepared for more products to be delivered by preferred service (primarily electronic) delivery channels.

### Customers

#### Customer Summary

The agency expects to see modest, but steady growth in its customer base as Virginia's population grows. Long term, the agency anticipates an increased reliance on technology to facilitate the completion of transactions with the public, as the public becomes more comfortable with technology. In addition, as the population of Virginia undergoes demographic changes, DMV must adapt and ensure its products and services meet our customers' needs.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Consumer	Grantees	244	244	Stable
Resident	ID Card Holders	166,806	394,259	Increase
Consumer	Motor Carrier Operators	43,000	43,000	Stable
General Assembly	Legislators	140	140	Stable
Local or Regional Government Authorities	Commissioners of the Revenue and Treasurers	270	270	Stable
Motorist	Licensed Drivers	1,200,000	5,800,000	Stable
Motorist	Motorcyclists completing the Motorcycle Rider Training Program	13,166	13,166	Increase
Motorist	Vehicle Owners (# of registered vehicles)	7,881,125	7,881,125	Increase
State Agency(s),	Law enforcement (VCIN)	1	1	Stable
State Agency(s),	State Agencies	98	98	Stable
Taxpayer	Residents of Virginia	8,260,405	8,260,405	Increase
Taxpayer	Tax filers for fuel taxes and motor vehicle fuel sales taxes	3,500	3,500	Increase
Local or Regional Government Authorities	Government Agencies	324	324	Stable
Local or Regional Government Authorities	Grant Recipients	257	257	Stable
Consumer	Driver, vehicle owner, and use agreement customer transcripts	6,480,000	13,185,948	Stable

**Finance**

**Financial Summary**

DMV's resources come from a mixture of special funds. The major operating fund is the Motor Vehicle Special Fund (0454) which derives its revenues from fees and taxes as specified in the Motor Vehicle Code of Virginia. These funds are dedicated to DMV's operational and capital costs. Legislation passed in 2015, transfers the oversight of recreational, trailer and motorcycle dealers from DMV to the Motor Vehicle Dealer Board (MVDB). DMV will incur a revenue reduction from licensing fees that will transfer to MVDB. Several other special funding sources are available to DMV through the Appropriation Act and are for specific use. These include the Motor Carrier Fund, Highway Maintenance and Operating Fund, Uninsured Motorist Fund, Motorcycle Safety Fund, and the Federal Trust Funds.

DMV also provides financial aid to localities, other state agencies, and non-profit organizations through Federal Trust Funds, which support the state's Highway Safety Program. DMV also collects taxes and distributions made from the Regional Motor Fuels Sales Tax and the Mobile Home Sales and Use Tax Fund.

**Fund Sources**

Fund Code	Fund Name	FY 2015	FY 2016
0410	Highway Maintenance And Operating Fund	\$12,713,124	\$13,030,872
0429	Federal Asset Forfeiture Fund	\$100,000	\$100,000
0430	State Asset Forfeiture Fund	\$150,000	\$150,000
0451	Motorcycle Rider Safety Training Program	\$2,232,400	\$2,236,813
0454	Motor Vehicle Special Fund	\$207,380,657	\$214,567,750
0455	Motor Carrier Permits/Single State Reg Fees	\$2,384,849	\$2,384,849
0700	Trust And Agency	\$6,096,600	\$5,796,600
1000	Federal Trust	\$5,969,324	\$5,969,324

**Revenue Summary**

One of DMV's important responsibilities is collecting a variety of fees, fines, and taxes for transportation-related activities. Most of these funds flow directly to accounts outside of DMV and are thus not reflected in the DMV budget. Monies collected by DMV primarily provide funds for the construction of new highways and the maintenance of Virginia's existing highway infrastructure. DMV's revenue collection was \$2.3 billion in FY 2014.

**Performance**

**Performance Highlights**

One of the best measures of DMV's performance is the amount of time customers wait for service in customer service centers. The FY 2015 target is to serve customers in an average of 20.0 minutes or less. DMV also measures transactions conducted through preferred services (i.e., the use of Internet and mail for specific services such as vehicle registration renewal) and monitors financial performance through activity-based costing. The success of safety programs is measured by looking at the state's seat belt usage rate and fatalities resulting from motor vehicle crashes. Significant performance indicators are listed below, including those designated as key measures (designated by an asterisk). To meet customers' needs and achieve these objectives, DMV has rolled out an array of low cost service options to conduct business with the agency. These include E-ZFleet, Troops to Trucks to streamline credentialing for military and veterans, mobile apps, DMV Connect to support prisoner re-entry initiatives, and mobile customer service centers that can serve customers at any location.

**Selected Measures**

Measure ID	Measure	Alternative Name	Estimated Trend
15460508.001.001	Number of traffic fatalities	Fatalities*	Improving
154.0002	Number of other Government services transactions performed	Alternate Government services*	Improving
15469901.005.002	Percentage of payments made in accordance with prompt pay requirements	Prompt pay*	Maintaining
15460101.004.001	Average cost to renew vehicle registration	Vehicle registration renewal	Maintaining

**Key Risk Factors**

Several factors will have a significant impact on the agency over the next four years. DMV's focus is on managing and improving performance in order to mitigate these risk factors.

Customer service demands: DMV is undertaking a number of initiatives to improve service, however, the ongoing demands from customers who have complex compliance related driving issues will necessitate the allocation of resources to support these customers. The increasing complexity of these transactions requires additional time to serve customers and resolve their issues. This could translate into longer wait times if not adequately addressed.

Revenues: Not unlike many agencies, DMV is dealing with an environment of limited economic growth. Even though DMV has received some authority to collect revenue from some sources, such as late fees, the agency is still projected to experience growth of less than 1 percent for FY 2015 when compared to FY 2014 collections.

Spending: Despite a great deal of progress in managing costs, the agency faces a growing number of cost drivers. These must be managed in order to continue to maintain service levels. Specifically, increased employee benefits costs, such as healthcare along with outside cost drivers like information technology are projected to rise over time.

## Agency Statistics

### Statistics Summary

The following statistics provide a comprehensive snapshot of the magnitude of DMV operations.

### Statistics Table

Description	Value
Number of registered vehicles	7,881,125
Number of registered motorcycles	201,650
Total license plate sets sold	1,554,871
Number of trucks weighed	17,912,409
Citations issued at weigh stations	39,463
Number of titles issued	2,474,125
Number of drivers licenses issued	1,200,184
Driver training schools	298
Driver improvement clinics	342
Number of licensed dealers	4,434
Number of licensed salespersons	22,979
Total gross collections	2,323,000,000

### General Information About Ongoing Status of Agency

DMV will continue initiatives to improve service with upgrades to information technology systems, partnerships with other state agencies, and increased service options. In response to legislation from the 2015 General Assembly Session, the agency will implement a new process, which enables DMV to collect delinquent court fines and fees from customers on behalf of Virginia general district and circuit courts.

Agency initiatives to reduce IT, postage, printing, and telecommunications costs have successfully helped DMV manage its budget. IT improvements have delivered savings through the issuance of personal identification numbers (PIN), electronic vehicle and driver renewal notifications, online driver's license and special license plate order tracking, E-ZFleet titling and registration, and citizen account management through MyDMV. The agency has an ongoing initiative to seek new ways to reduce costs.

DMV will continue to increase enforcement and promote the collection of revenue for the Commonwealth through a variety of enforcement tools and dedicated law enforcement resources. Pursuant to legislation enacted in 2015, DMV has implemented standards and established processes for the licensure of transportation network companies (TNCs) and the regulation of intrastate TNC operations. DMV will maintain its high collection rate, maintain support to localities through the Vehicle Registration Withholding program, and enforce fuels tax collection through its dedicated law enforcement personnel.

DMV operates Virginia's Highway Safety office with a deliberate focus on reducing fatalities in partnership with law enforcement, non-profits, and other state agencies to pursue this effort. DMV will roll out enhancements to the traffic records system and use its data to apply resources to target areas for the Commonwealth.

### Information Technology

Major IT investments underway include:

**System Modernization:** This project focuses on delivering a solution to DMV's customer service operations that will replace outdated systems into one modernized platform that improves efficiency, re-engineers service delivery, and responds to changing security, legislative, and customer relationship issues. The agency has deployed the solution for customers and employees in its service centers and now sees benefits from improved processing time and the ability to serve customers across all of their needs with fewer visits. Additional modernization entails the ongoing evolution of core business systems, some of which are more than 25 years old. DMV is focusing on delivering solutions that provide improved capabilities to serve customers and employees, while also saving money by consolidating platforms. This will require the agency to migrate off of mainframe technology and implement a solution that is able to meet the Commonwealth's needs for the coming decades while being both flexible and secure.

**Improved web and mobile service solutions:** To meet customers' needs, DMV has improved its already robust website that provides low cost service options to conduct business with the agency. DMV has successfully implemented the MyDMV account which allows customers to easily access all of their DMV information in one location as well as serve as the launching pad for conducting transactions. DMV has also deployed an Android and iPhone mobile app.

### Workforce Development

Within the next five years, 29.5 percent of our workforce will be eligible to retire, many in management and supervisory roles. To overcome this risk, the agency developed an Executive Leadership Program, Management Development Program and the Professional Development Program. The goals of these programs are to develop a cadre of leaders, professionals and knowledge workers whose competencies align with DMV strategic mission and create an employee pool that meets the future needs of the organization. Additionally, the DMV workforce will be faced with an evolving technological environment and frequently changing processing requirements. Problem solving, analytical and decision-making skills, and the ability to comprehend and disseminate complex information will all be requirements for the new "knowledge worker." DMV will use several strategies to ensure that the agency's workforce is able to adapt to operational changes and competently provide quality services.

### Physical Plant

Strategically located, well-maintained facilities are critical to DMV's ability to provide driver, vehicle, and motor carrier services to its customers. DMV's owned customer service centers range in age from 17 to 40 years. The motor carrier service centers range in age from 19 to 59 years. DMV facility inspectors visit all locations at least annually and inspectors recommend needed repairs/replacements as a result of facility inspections, repair history (based on maintenance records maintained by DMV) and age.

As Virginia's population grows, DMV must make strategic changes to some of its service delivery outlets. Of particular interest, Northern Virginia and the Hampton Roads regions will require relocation or expansion of existing facilities in order to meet service demands. However, these needs must be balanced against an environment of limited resources. As such, the agency is maximizing the value of existing space and only seeking additional space as is absolutely necessary. Capital projects related to physical plant focus on renewal/renovation of existing, owned facilities and our responsibility to provide ongoing maintenance in order to extend the useful life of these structures and their associated building systems as well as site improvements.