

Strategic Plan  
(2012-2014 Version 1)

Motor Vehicle Dealer Board (506)

Agency Plan

Mission Statement

The Motor Vehicle Dealer Board (MVDB) will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

Vision Statement

Considered "World Class" regulatory agency that licenses motor vehicle dealers and salespersons; leading the way in customer service, consumer support, innovation, creativity, and automation. The Motor Vehicle Dealer Board support telework initiatives of which 40% of agency workforce have "home-based" offices and necessary IT support to accomplish field work and communication to Headquarters.

Information Technology

**Current Operational IT Investments**

The Motor Vehicle Dealer Board continues to implement automated activities that directly support all service area objectives and agency responsibilities. Currently staff works in an environment utilizing several fragmented automated systems including sharing data with the Department of Motor Vehicle's (DMV) mainframe for license processing and fee collection. To some extent these systems have been adequate in achieving performance target goals but we have recognized that better performance capabilities could be achieved if work processes were performed in a single more technology savvy approach. During this biennium agency resources will continue to focus on application integration using one primary database and server to allow for improved data management and maintenance support. These efforts will retire legacy network circuits and servers for resource efficiency.

**Factors Impacting the Current Agency IT**

Meeting our performance target goals and servicing our customers continues to be our responsibility to the Commonwealth. IT infrastructure costs (VITA/NG) and our IT development costs will continue to be looked at carefully to ensure we are meeting mandates from external sources (VITA/NG, VDEM) as well servicing our customers: dealers and salesperson and business partners (DMV). Current IT operations along with proposed IT solutions will require planned modifications/enhancements that we foresee in our core business segments: Dealer Licensing and Education. Applications that support these business segments will need to be updated to accommodate the business process changes to meet these requirements as set forth by the Board and Legislation.

**Proposed IT Solutions**

During this biennium, application development will focus on combining legacy applications into a single shared and integrated database for headquarters and field staff. We have one significant legacy application remaining that needs to be updated in order to remove from a legacy circuit. This step is critical in moving forward with our integrated system. As our desktop and tablet computers are being replaced with 64 bit machines, we have discovered additional work will be required to move forward with our planned integrated system.

We have recognized the value for our staff (Richmond and field staff) to perform functional responsibilities in a single, shared and integrated system to support our core business functions: Licensing and Regulation of Dealers and salespersons and service area objectives. Application integration will allow for a single database for efficient data management and maintenance and ultimately retire unused network circuits and older servers while maintaining data integrity and allow for flexibility for future modifications or enhancement requirements.

Work efforts will support the following core lines of business

- Consumer Protections
- Economic Developments
- Law Enforcement
- Direct Services for Citizens
- Regulatory Compliance and Enforcement
- Litigation and Judicial Activities
- Revenue Collections
- Information and Technology Management

Since MVDB is a special funded agency (nongeneral Fund (NGF)), all licensing fees generated from Virginia dealers and salespersons are our sole revenue source to manage agency core lines of business while meeting service delivery performance objectives to our dealers and automotive consumer base.

Financial Overview

The Board receives no general fund monies. Fees submitted to the agency by dealers cover all business functions and services provided by the Board. We continue to experience a surge in costs associated with VITA rate increases, IT investment and support and other direct operating costs, necessary for keeping up with technological improvements and data security.

The Board's financial accounting and reporting functions are provided by DMV. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner.

Fiscal Year Ending June 30, 2012: Revenues= \$2,090,662. Expenses/Transfers=\$2,006,199; Cash Balance=\$822,868. Since the Motor Vehicle Dealer Board is self-funded, monies appropriated from the agency's reserve (special) funds cover the Board and operational expenses within the Administrative Service area. Agency revenue generated by fee collection provides funding for the Consumer Assistance and Motor Vehicle Dealer and Salesperson Regulation service areas.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	2,256,203	0	2,256,203
Changes to Base	0	93,096	0	95,496
<b>Total</b>	<b>0</b>	<b>2,349,299</b>	<b>0</b>	<b>2,351,699</b>

#### Agency Goals

- Provide a high level of customer service.

##### *Goal Summary and Alignment*

The Motor Vehicle Dealer Board continues to implement automated activities that directly support service area objectives and responsibilities as charged. Application development continues to streamline work processes in these service areas to include functionality for a dealer lookup database accessed internally and the public via agency web site, email capability for consumer assistance, and document management capability for staff to view/research online scanned documents. Ease of use capabilities such as online access for the dealer community, automotive consumers, and business partners provide customer focused resources used effectively and aligns our goals with core objectives in these service areas. Service area process "modules" will continue to be further developed to enhance performance, reporting, and tracking capabilities during this planning period.

##### *Long Term Goal*

Be recognized as the best-managed state in the nation.

*Societal Indicator:* Consumer Protection

Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

*Societal Indicator:* Consumer Protection

- Promote the interest of both the automotive consumer and the dealer body.

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- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

##### *Goal Summary and Alignment*

By being innovative and creative with the use of existing technology, the Motor Vehicle Dealer Board intends to raise the level of agency core business function performance. The Motor Vehicle Dealer Board anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened traceability, and of course, operational cost savings.

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#### Programs and Service Areas for Agency

- 55002: Consumer Assistance
- 56023: Motor Vehicle Dealer and Salesman Regulation
- 56048: Administrative Services

#### Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Dealership	Commonwealth of Virginia Motor Vehicle Dealer Community	21,000	24,700	Increase
Consumer	Commonwealth of Virginia Motor Vehicle Consumer	5,400	6,500	Increase
State Agency(s),	Department of Motor Vehicles and Office of Consumer Services	2	4	Stable
Interstate Entity	Other State and Canadian Provinces	15	60	Increase
Local or Regional Government Authorities	Local law enforcement and zoning officials	20	134	Increase
Non-Profit Agency (Boards/Foundation),	Trade Associations	3	3	Stable
Victim	Attorneys for consumers	5	20	Increase

#### Key Risk Factors

During this planning period, appropriations will be closely monitored to keep up with incremental cost increases particularly for IT infrastructure; application development/upgrades; software expenditures and increases in telecommunications costs. We anticipate our web site hosting costs to increase with the phase-out of Virginia Interactive. Anticipated VITA rate increases will also impact funds available for application development and upgrades.

#### Products and Services

Certify, license and educate motor vehicle dealers and salespersons. Assist consumers who have questions or problems related to the purchase of a car or truck. Impose disciplinary action on dealers and salespersons to include educational and warning notices; assessment of civil penalties; and suspension and revocation of licenses and certificates.

#### Trends

##### Rankings & Customer Trends

The number of Commonwealth automobile dealers and salesperson continued to decline in FY 2012 and now appears to be leveling-off. However, the number of salespersons employed by dealerships has continued to increase. Trend appears to be fewer dealerships employing more salespersons. The Motor Vehicle Dealer Board (MVDB) has successfully met the fiscal challenge caused by a shrinking dealer and salespersons population.

Trend Name	Trend Area
Number of Motor Vehicle Dealer	Steady
Number of Salespersons	Increase

#### Performance Highlights: Service Performance & Productivity Initiatives

The Motor Vehicle Dealer Board tracked the following performance indicators during FY 2012:

- Processed 56% of "clean" salespersons applications within 5 working days.  
Target 99% [We run a criminal background check on each applicant. We experienced an 83% increases in the number of criminal history reports requested. In addition, all of our employees that process license applications are off one day every two weeks as part of a "flex" schedule. These factors impacted our ability to achieve the goal]
- Completed 82% dealership opening (original) inspections within 30 days of assignment to a field representative.  
Target 90% [We were short one field representative for several months and we had some on extended medical leave in FY 2012]
- In FY 12, responded to 99.9% of email correspondence sent to the agency's email address within 3 business days.  
Target 98%
- Effectively managed the Transaction Recovery Fund by timely transferring administrative costs to the operating fund.  
Target 100%

Other Notable Performance Milestones:

- Advertising violation and educational letters and phone calls in FY12: 322

#### Management Discussion & Analysis

##### Future Direction, Expectations, and Priorities

The MVDB continues to make strides towards a "paperless" office environment by evaluating document management practices as prescribed by the Library of Virginia, VITA and internal practices. We continue to scan documents thereby creating an electronic file for all dealers. In this biennium we plan to make enhancements to the scanning process that will result in more efficient operations and organization of scanned documents. We are no longer filing paper documents once they are imaged/scanned.

**55002: Consumer Assistance**

**Description**

The Motor Vehicle Dealer Board provides consumer assistance and monitors dealer advertising to ensure compliance with Virginia Advertising Code and Regulations. The Board may on some occasions assess civil penalties or conduct hearings when a dealership's advertising practices continues to be non-complaint. Monitoring Internet advertising is a new priority.

Another critical component of this service area is the administration and management of the Motor Vehicle Transaction Recovery Fund (MVTRF). Automotive consumers who have suffered loss or damage in connection with the purchase or lease of a motor vehicle due to illegal actions of licensed or registered motor vehicle dealers may be reimbursed from the MVTRF. In FY 2010, \$124,072 was paid to eleven claimants; in FY 2011 \$51,875 was paid to eight claimants; and in FY 2012, \$164,60 was paid to twelve claimants.

**Mission Alignment and Authority**

The Motor Vehicle Dealer Board strives to provide a high level of customer service needs for the Virginia automobile consumer and dealer. Our primary objective is to provide information easily accessible and current to all customers across the Commonwealth. We continue to promote flexibility and cross training for staff to ensure we are meeting service delivery needs to our customers. Customers in the Commonwealth have the option of visiting our Richmond office in person, calling on the telephone, or access our web site for consumer assistance and information on dealer and salesperson licensing, advertising, and automobile industry news. During FY 2012 staff responded to nearly 4,900 consumers. The following further describes how we meet our customer service needs for Consumers.

- A Consumer Request for Assistance web form available from our website [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov), consumers can email the Board by completing the text boxes with information about their consumer issues (complaints); MVDB staff will review these e-requests and respond back within 3 days via the email provided on the web form.

A performance measure has been established to ensure staff responds to consumer's requests within the 3 day time frame.

- An Automated Dealer Look Up Function (Search Active Dealers) available from our agency website. Anyone who has internet access may verify whether a dealer and salesperson are currently licensed (active) by the Board.

- Motor Vehicle Transaction Recovery Fund. The Board provides consumer assistance to guide consumers through the Motor Vehicle Transaction Recovery Fund (MVTRF) claim process. Instructions can be found on our web site or contact our MVTRF Analyst directly by telephone.

**Customers for this Service Area**

**Anticipated Changes to Customers Base**

The agency anticipates some expansion to the customer base as a direct result of the volatility of US automobile industry's operations and revenues and current economic indicators. The complexity of many dealer-consumer issues to resolve and provide alternative solutions has challenged staff. Service area objectives will need to remain flexible in order to meet target goals for this biennium if the industry's trend continues.

**Current Customer Base**

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Vehicle Owner	Commonwealth of Virginia Motor Vehicle Consumer	5,400	6,500	Increase
Wholesale/Retail Trade	Commonwealth of Virginia Motor Vehicle Dealers and Salespersons	21,000	24,700	Increase
Local or Regional Government Authorities	DMV, local law enforcement, and zoning officials	100	300	Increase
Victim	Virginia attorneys (as it relates to this Agency's mission and responsibilities)	20	50	Stable
Transportation	Virginia automobile associations and special interest groups, lobbyists	3	3	Stable

**Partners for this Service Area**

Partner	Description
Department of Motor Vehicles	Provides consumer assistance in those areas not governed by the Motor Vehicle Dealer Board code sections. May need DMV assistance in cases requiring criminal investigative authority.
Office of Consumer Affairs	Provides consumer assistance in those areas not governed by the Motor Vehicle Dealer Board code sections.
Office of the Attorney General	Provides legal advice in those cases requiring opinion or interpretation of law. Represents the agency in court on appealed decisions by the Board.
Virginia Interactive	Provides web hosting of our agency web site <a href="http://www.mvdb.virginia.gov">www.mvdb.virginia.gov</a>

**Products and Services**

**Factors Impacting the Products and/or Services**

Among the most significant factors impacting this service area has been the US automotive financial crisis. The agency experienced a high level of service demand to

meet consumers' assistance needs as a direct result of this industry crisis and global economic slowdown. Other factors such as rising fuel costs and the credit crunch in 2008 shielded consumers away from purchasing vehicles. This trend has started to turn around for the better.

The following provides a drilled down perspective to our customer base of dealers and salespersons in the Commonwealth and the significance the US automobile crisis has impacted on our customer base of dealers and salespersons.

In October of 2007 there were approximately 3,800 total franchise (new) and independent (used) dealerships and 20,200 salespersons licensed in Virginia. At the close of FY 2012 there were 3,459 dealerships with approximately 17,400 licensed salespersons in the Commonwealth.

It appears that the number of dealerships has stabilized and the number of salespersons continues to increase.

This service area has had to provide assistance to many of Virginia's customers to ensure automobile purchases were complete and satisfactory according to Virginia motor vehicle dealer laws and regulations. We have worked with several entities such as DMV for title and registration guidance and processing to ensure Virginia's automotive consumers were satisfied. In some instances the consumer assistance area has had to intervene with sales transactions and worked with dealerships, financial institutions and our business partners.

At the same time MVDB has provided assistance to those dealerships that have suffered financial hardship or forced termination to ensure their businesses were properly closed or new ownership and location changes were appropriately conducted and in accordance with Virginia Code. This factor has also impacted other agency service areas of which resources were redirected to meet service delivery timeframes.

#### Anticipated Changes to the Products and/or Services

System enhancements planned for the biennium will include more automated features aligned with performance metrics and reporting capabilities for this service area.

#### Listing of Products and / or Services

Consumer assistance on automobile dealer issues which comprises assessment, evaluation, resolution and guidance for the Virginia automobile consumer. This service area also works with field operations on investigation of license dealers as it impacts consumers.

Motor Vehicle Transaction Recovery Fund (MVTRF) management and administration for those who proven, via the court system, that they have been defrauded by a Virginia dealer(ship) licensed by the Board. The MVTRF is funded through assessments paid by all dealers the first three years they are in business.

Advertising assistance, guidance, and enforcement is conducted in this service area on Virginia dealers to ensure motor vehicle dealer advertising laws and regulations are followed.

#### Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	193,871	0	193,871
Changes to Base	0	36,182	0	36,182
<b>Total</b>	<b>0</b>	<b>230,053</b>	<b>0</b>	<b>230,053</b>

#### Objectives for this Service Area

##### Objectives for this Service Area

###### Objective

Respond to consumer emails on a timely basis.

###### Description

The Motor Vehicle Dealer Board tracks and reports response time of all emails received via the agency website. This objective includes all correspondence and inquiries the agency receives.

###### Objective Strategies

- The agency automation and re-engineering activity has been implemented for this particular measure, and will assist staff efforts to meet this performance objective. Our long term plan is to develop a standard template application so that staff selects response from a menu versus typing individual letters. All incoming consumer correspondence will be tracked via one system and automated to produce monthly reports.

###### Alignment to Agency Goals

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.

###### Measures

- Percentage of email correspondence responded to within 3 business days.

Measure Class  Measure Type  Preferred Trend  Frequency

###### Data Source and Calculation

Total monthly email correspondence responded to within three (3) business days.

**Objective**

Effectively manage the Transaction Recovery Fund.

*Description*

The Motor Vehicle Dealer Board is responsible for administering the Motor Vehicle Transaction Recovery Fund (MVTRF). Individuals who have been awarded a judgment in court related to the purchase of a motor vehicle from a licensed dealer, may seek relief from the Fund if the dealer does not follow the court's direction. The Virginia Motor Vehicle Transaction Recovery Fund has been established to reimburse persons who have suffered loss or damage in connection with the purchase or lease of a motor vehicle due to illegal actions of licensed or registered motor vehicle dealers or salespersons. MVDB staff coordinate these efforts to ensure management of the fund is upheld in accordance with Transaction Recovery Fund laws and regulations.

*Objective Strategies*

- Make timely payments for the Fund to Consumers.

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Percent claims approved for payment within five business days of being authorized to approve payment.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Internal tracking system that documents when the Motor Vehicle Dealer Board has received the "assignment of claimant rights" form and payment is approved.

**56023: Motor Vehicle Dealer and Salesman Regulation**

**Description**

The Motor Vehicle Dealer Board's primary focus is to license and regulate Virginia Motor Vehicle dealers. At this time there are 3,459-combined franchise and independent dealers with a salesperson workforce of 17,377.

This service area is comprised of several functional components:

- Licensing (Education and Testing)
- Field Operations (Inspection Process)
- Hearings, Violations and Penalty process (Board authority)

Dealer and salesperson education and testing requirements are integral parts of the licensing process. The agency continues to provide education portals for dealers and salespersons to keep current on motor vehicle dealer laws and regulations. Educating the dealer community, we feel, directly supports the Service Area objectives and promotes positive interaction.

The licensing process also involves a collaborative effort with the Department of Motor Vehicles (DMV):

- Dealers and salespersons can visit any statewide DMV customer service center to take the salesperson and dealer qualification tests.
- The agency issues plates, tags, and decals directly as a "one-stop" service so that dealers can complete their license process directly from the Board rather than visiting a DMV service center.

Organizationally, the Board staff is divided into two functional areas: Field Operations and Headquarters Operations. The field operations consist of a supervisor and eleven field representatives who work out of their "home-offices" located throughout the Commonwealth. Headquarters (Richmond, VA) is comprised of Office Manager and 5 Program Support Technicians for licensing processing. Both field and Headquarters interact with the dealer community as well as external business partners to perform objectives of the service area.

**Mission Alignment and Authority**

As stated in the mission, "The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged." All service area functions are directly linked to this passage by Code.

With this mission we have implemented several education portals to inform dealers and salesperson on the most current Virginia motor vehicle dealer laws and regulations. Educating the dealer community, we feel, directly supports the objectives to this service area while promoting positive interaction.

The agency over the years has introduced a variety of methods to make information available to dealers and salespersons. Introducing a range of informational opportunities including our web site [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov) promotes dealers and salespersons to abide by licensing regulations and laws. Indirectly this may help consumers when purchasing vehicles from dealers who are well informed about the dealer laws and regulations and act responsibly. Keeping dealers informed will continue to be a priority for the agency during this unstable period for the automobile industry and overall economic climate.

**Customers for this Service Area**

*Anticipated Changes to Customers Base*

The US automobile industry is still feeling the effects of the global economic crisis. Overproduction of vehicles and rising fuel prices during 2008 were some of the primary factors that attributed to US automobile industry's woes and resulted in fluctuating levels of our agency customer base.

In October of 2007 there were approximately 3,800 total (franchise (new) and independent (used)) dealerships and 20,200 salespersons licensed in Virginia. At the end of FY 2012 there were 3,459 dealerships with approximately 17,400 licensed salespersons in the Commonwealth.

We believe this shrinkage of our customer base has stabilized somewhat and currently see our customer base at recovery levels and anticipate these to be within range for the next planned biennium.

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Dealership	Commonwealth of Virginia Motor Vehicle Dealer Community	3,500	3,700	Increase
Employee	Commonwealth of Virginia Motor Vehicle Salespersons	17,000	21,000	Increase

**Partners for this Service Area**

Partner	Description
Department of Motor Vehicles	The Department of Motor Vehicles, for which the Commissioner chairs the Board, works closely with the Motor Vehicle Dealer Board by providing some administrative services, investigative services for those matters requiring enforcement, certification testing, and joint computer (application-specific) system sharing.
Office of the Attorney General	Provides legal advice in those cases requiring opinion or interpretation of law. Represents the agency in court on appeals of decisions made by the Board.
Screening One	Criminal Background screening provider to conduct criminal background checks for dealer and salesperson applicants.
Virginia Automobile Dealers Association	The local chapter of the National Automobile Dealers Association, the Virginia Automobile Dealers Association, represents the Commonwealth's franchise automobile dealer community. The Motor Vehicle Dealer Board, for which some members are also members of VADA, work closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.
Virginia Independent	The local chapter of the Virginia Independent Automobile Dealers Association VIADA represents the Commonwealth's independent automobile dealer

Automobile Dealers Association	community. The Motor Vehicle Dealer Board, for which some members are also members of VIADA, work closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.
Washington Area New Automobile Dealers Association (WANADA)	The Washington Area New Automobile Dealers Association (WANADA) represents the Commonwealth's Northern Virginia and Southern Maryland franchise automobile dealer community. The Motor Vehicle Dealer Board works closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.

## Products and Services

### Factors Impacting the Products and/or Services

Among the most significant factors impacting the services in this area has been the US automotive financial crisis. Poor automobile sales and rising fuel costs forced many dealerships to close and terminate salespersons. Current data indicates dealership closings may be slowing and leveling off.

### Anticipated Changes to the Products and/or Services

The agency anticipates expanding knowledge base support for dealers through our web site [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov) and re-certification initiative. Agency web site metrics indicate there is an increased demand for licensing services to be accessed via on-line. This is primarily because of more dealerships having computers and internet access, particularly those in the rural areas of the state. Our recently revamped web site (Will go "live" prior to November 1.) focuses on providing more thorough, concise and ease of use content for users.

As noted above, we have expanded educational requirements for currently licensed independent Dealer-Operators. Recently promulgated regulations require dealer operators to re-certify every 36 months from their anniversary date. Dealer operator continuing educational courses are offered both in a classroom setting and on-line.

Current legacy systems which support this service area and related components will continue to be refined to support technology demands from the public and business partners. We will continue to evaluate current workflow as it impacts the licensing process to support dealer and salesperson service objectives. Work planned for this biennium includes further development of a 360 view of dealers and salespersons for field and headquarters staff.

### Listing of Products and / or Services

The primary focus of the Board is to license and regulate the nearly 3500 franchise (new) and independent (used) automobile dealers with salesperson workforce of over 17,000 in the Commonwealth. This service area performs the following services of which Field and Headquarters staff directly support: As part of the licensing process, the Board also issues dealer license plates and renewal decals as directed by DMV. In a typical year, the agency will process over 3,000 dealer-related license transactions, over 18,500 salesperson license transactions, and issued nearly 36,000 dealer tags and decals. One of the Board's primary customer service functions is to educate dealers and salespersons. The agency, over the years, has introduced a variety of methods to make information available to dealers and salespersons. Introducing a range of informational opportunities including our web site [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov) promotes dealers and salespersons to abide by licensing regulations and laws. Indirectly this ensures consumers are having well informed and responsible dealers when visiting dealerships in the Commonwealth.

The Hearing process is a service the Board is charged with by Virginia Code and the Administrative Process Act. Applicants who are denied a license or licensees against whom the Board takes action are entitled to the hearing process as outlined in the Administrative Process Act. The Board conducts informal and formal hearings with an assigned hearing officer. The assigned hearing officer (contractor) will conduct a hearing and provide written recommendation to the Board for review. There is an appeal process if decisions are appealed. In FY 2012, 78% of appeals were conducted within 45 days of appeal request. The hearing process and outcomes are tracked internally and presented in report format.

When there is non-compliance (violation) with any motor vehicle dealer laws including licensing, advertising, and any conduct of business the Board has the authority to assess a civil penalty of up to \$1,000 per violation. Any monies received will be deposited in the Transportation Trust Fund. In FY 2011, the Board assessed over \$50,500 and collected \$40,500 in civil penalties from dealers.

In FY 2012 the Board assessed and collected \$4,000 in advertising civil penalties. A total of \$172,750 in civil penalties was assessed for other types of violation with \$48,390 being collected. These penalties are deposited directly into the Transportation Trust Fund. As an alternative approach the Board may also, on occasion, determine an educational telephone call or correspondence to the dealer may be a better method to communicate dealer laws and regulations. Additional inspections and requiring attending a dealer-operator class are other means the Board have employed as corrective measures. Some large civil penalties and "payment plans" explain the difference between the amount assessed and the amount collected.

Educating dealers and salesperson is an integral component of the service area products. Some resources that are used to meet target goals include:

Dealer and salesperson study guides found on our web site and made available in soft copy format to assist interested applicants with testing materials prior to taking the test at any DMV Customer Service Center throughout the Commonwealth. Applicants can visit the web site to take a sample test.

DealerTalk newsletter published throughout the year. Dealers can subscribe to this newsletter and past issues are available on our web site. DealerTalk provides the dealer community a broad range of articles including legislative changes, Board hearing decisions, and automobile industry trends.

Dealer Operator Course - Since 2006 any applicant interested in becoming a new independent automobile dealer must take the Dealer Operator course as a first step to becoming a licensed independent automobile dealer. The Dealer Operator course is a team effort by the Virginia Community College System and the VIADA (Virginia Independent Automobile Dealers Association) which offers a 2-day course at Virginia Community Colleges throughout the Commonwealth on a rotating basis. Beginning January 1, 2011, all independent dealer operators must re-certify every three years by either taking a test or by taking either an on-line or class room course. Two vendors provide the on-line and classroom courses.

Field Operations (Inspection Process) - During FY 2012 agency field representatives (11) conducted 2,244 inspections throughout Virginia. Field assignments are managed by the Field Supervisor in Richmond using an internal application to track inspection status, review and approve inspection reports and route any follow up work to the Program Support Technicians in Richmond. The dealership record of inspection is electronically transmitted back to Richmond from the field representative assigned. The report highlights the inspection result and areas of unsatisfactory or non-compliance a dealership may have including necessary follow up work. For this biennium report the 30 day opening (initial) inspection process performed by Field Operations has a 82% metric. This opening rate was just short of our target goal of 90% set for this time period. For five months of FY 2012 we only had 10 field representatives. In addition three others experienced personal situations that required that they be out of work for a month or more. These factors explain why we conducted fewer inspections this year and we did not meet our opening inspection goal.

## Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	1,061,538	0	1,061,538
Changes to Base	0	2,446	0	2,446
<b>Total</b>	<b>0</b>	<b>1,063,984</b>	<b>0</b>	<b>1,063,984</b>

Objectives for this Service Area

*Objectives for this Service Area*

**Objective**

Facilitate timely re-certification of independent dealer-operators.

*Description*

In order for independent dealer operators to re-certify on time, we must notify them with the information they need and with sufficient time to re-certify by established deadlines.

*Objective Strategies*

- Using an internal database, track recertification process

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Mail 100% of re-certification notices at least 120 days prior to an independent dealer-operators certificate expiration.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Monitor the date of notifications mailed as documented on internal data base.

**Objective**

Process salespersons applications on a timely basis.

*Description*

Process "clean" salespersons applications within 5 business days. A "clean" application is one where the applicant's criminal history does not cause staff to perform additional research to complete the application.

*Objective Strategies*

- Make processing an initial salesperson's application a top priority.

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Percentage of "clean" salespersons applications processed within 5 business days. A "clean" application is one where the applicant's criminal history does not cause staff to perform additional research to complete the application.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

OnBoard Internal application calculates the number of business days to complete a "clean" application.

**Objective**

Inspect original (new) dealerships on a timely basis.

*Description*

In keeping with the theme of promoting employment and economic development we strive to open new business (dealers) in a timely fashion. This is one of our core functions and responsibilities.

*Objective Strategies*

- Make opening new dealers a top priority.

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Percentage of opening inspections of (new) original dealerships within 30 days.

Measure Class **Agency Key** Measure Type **Output** Preferred Trend **Stable** Frequency **Annually**

Data Source and Calculation

Measure is tracked in agency sequel application by determining number of new dealership inspections performed within 30 days from total number of new dealership inspection performed.

**56048: Administrative Services**

**Description**

This service area provides operational and logistical support to the agency to accomplish our mission and functional responsibilities. The service area focuses on planning, coordination and guidance for the administration of agency policy and procedure; financial and budgetary management; staffing; information technology; and operational resources. The service area serves as a primary point of contact to the nineteen (19) member Board appointed by the Governor and to our business partners and general public.

This service area also will coordinate administrative hearings; any proposed legislative changes, impact analysis; and legislative direction as it relates to agency statute responsibilities.

- Board Administration

Board Correspondence  
 Meeting Management

- Operations

Hearings  
 Facilities  
 Legal  
 Staff  
 Inter agency Processing  
 Information Technology

**Mission Alignment and Authority**

This service area supports the agency mission through analysis and refinements of business processes to meet target and performance goals. We accomplish these objectives through cross agency support for the overall management of administrative functions as outlined in the following strategic focus areas:

Oversight of policy development, interpretation and implementation  
 Financial and budgetary planning  
 Cost management  
 Forms and Supply Management  
 Information Resources Management  
 Facility (safety) and Operational Management  
 Regulatory and Legislation Analysis  
 Board Management and Administration

Each of these strategic focus areas include programs and projects, policies and directives, performance targets, and evaluation and assessment criteria aligned with the overall agency mission. These focus areas also support outside central state agencies requirements and objectives.

**Customers for this Service Area**

*Anticipated Changes to Customers Base*

Currently, the Board serves the following:

- dealers
- potential dealers
- salespersons
- auto auctions
- consumers
- attorneys
- local law enforcement
- DMV
- local zoning officials

The Board does not anticipate any changes to this customer base.

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Employee	Commonwealth of Virginia Motor Vehicle Dealer Community	21,000	24,700	Increase
Dealership	Commonwealth of Virginia Motor Vehicle Consumer	5,400	6,500	Increase

**Partners for this Service Area**

Partner	Description
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Department of Motor Vehicles	The Department of Motor Vehicles, for which the Commissioner chairs the Board, works closely with the Motor Vehicle Dealer Board by providing some administrative services, investigative services for those matters requiring enforcement, certification testing, and joint computer (application-specific) system sharing.
Office of the Attorney General	Provides legal advice in those cases requiring opinion or interpretation of law.
Screening One	Provides criminal background screening for dealer and salesperson applicants to the Agency for review and evaluation and to those dealerships that use this vendor services.
VITA/NG	The partnership with Virginia Information Technologies Agency and Northrup Grumman provides IT-related support outside the scope of the agency's seat management contract.

## Products and Services

### Factors Impacting the Products and/or Services

Increase demand on service area resources to accomplish the VITA/NG requirements/changes and related complexity of security and contingency planning have challenged resources. Outside contractors must be utilized to coordinate mandated changes by VITA/NG.

The Motor Vehicle Dealer Board continues to implement automated activities that directly support service area objectives and responsibilities as charged. Application development continues to streamline work processes in these service areas to combine legacy applications into a single integrated system for headquarters and field staff. This single system, OnBoard, will continue development work during the 2012-14 biennium and house all dealer and salesperson licensing data for staff use. We envision a complete 360 profile of a dealership including general licensing data on the dealership and salespersons for licensing processing and to assist customers. OnBoard will also provide central data point for dealership record of fields inspections, customer complaints, violations, hearings, scanned images (forms, correspondence) for staff. OnBoard will also eventually service data to our current web applications to promote more online access for the dealer community, consumers, and business partners while meeting service area objectives.

Current economic and market downturns have placed demand on this service area to carefully monitor strategic focus areas and resources.

### Anticipated Changes to the Products and/or Services

During this biennium we anticipate this service area to continue to work with VITA/NG on tablet and desk top refresh and transition of a legacy circuit and retirement of an old server.

We anticipate more effort on business processes and work flow refinement through analysis. We will continue to streamline manual and automated work processes. We anticipate a fully integrated system (OnBoard) which will incorporate a 360 profile of dealer and salesperson data for agency use.

### Listing of Products and / or Services

Continuity of Operations Planning (COOP) - As directed by the Virginia Department of Emergency Management (VDEM), Office of Emergency Preparedness and the Office of the Governor the agency has developed a continuity of operations plan for guidance in situations when mission critical operations may be temporarily out of service. Plan is evaluated along with an assessment score by VDEM and remediation and corrective actions plans are provided before finalized. An annual agency review along with plan submission is conducted and coordinated with VDEM and the Office of the Governor.

Information technology (IT) resources planning and evaluation activities are coordinated in this service area. This service area serves as the primary agency information technology resource point of contact with VITA/NG on agency Transformation initiatives and overall Enterprise IT transformation objectives for the Commonwealth as mandated by the Office of the Governor. FY 2009 and early FY 2010 the agency has completed desktop, and network transformation. We expect to regresh both tablet and desktop computers in this biennium.

The administrative service area provides the structure for operating all agency service areas, core business functions, and business operations. Many of our services are requirements from state central agencies such as VITA (Virginia Information Technology Administration) to accomplish overall state mandates and enterprise performance objectives. Services are performed on an ad hoc basis or annually and are coordinated with cross agency support when required. These services are integrated into the strategic focus areas included in this Service Area as follows:

SWaM (Small, Women and Minority Business ) reporting and planning as directed.

This service area manages the penalty assessment, suspension, revocation of licenses and/or certificates for dealers and salespersons as needed. System tracking and correspondence review is conducted and communicated to the dealers and salespersons when appropriate.

This service area produces several financial reporting documents on agency revenue and expenditures, budget and strategic planning reporting as required by the Department of Planning and Budget (DPB) and the Department of Accounts (DOA). To accomplish these services, we utilize DMV and DPB resources to produce financial and budget reports as required.

Coordinates with the Board, and other constituencies including the General Assembly any proposed legislation and regulations impacting the agency mission.

The agency produces a Board Meeting Book which is a used for discussion at the Board meetings held six times a year in Richmond. The meeting book entails a comprehensive account of Board's activities in the areas of Licensing, Advertising, Dealer Practices, Transaction Recovery Fund, and other pertinent matters. This biennium we will transition to an electronic book thereby saving paper, time producing the book and money.

This agency serves on several inter-agency councils and working groups.

This service area is responsible for all bill payments to outside agencies, vendors and contractual services.

This service area is responsible for human resources management activities to include leave reporting, performance evaluations, other staffing requirements.

## Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
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Base	0	1,000,794	0	1,000,794
Changes to Base	0	54,468	0	56,868
<b>Total</b>	<b>0</b>	<b>1,055,262</b>	<b>0</b>	<b>1,057,662</b>

Objectives for this Service Area

Objectives for this Service Area

**Objective**

Ensure that administrative hearings are scheduled in a timely manner.

*Description*

Dealers, salespersons and applicants for licenses and certificates may request an informal fact finding conference or a formal hearing if the agency takes adverse action. These requests must be scheduled in a timely manner.

*Objective Strategies*

- Contract with hearing officers who will quickly schedule and conduct hearings.

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Percent of requests for informal conferences and hearings scheduled within 45 days of the request.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Internal data base captures pertinent dates related to conferences and hearings including the date of request and the date of the conference or hearing.

- Percent of requests for informal conferences and hearings scheduled within 45 days of the request.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Internal data base captures pertinent dates related to conferences and hearings including the date of request and the date of the conference or hearing.

**Objective**

Ensure that resources are used efficiently and in a manner consistent with applicable state and federal requirements.

*Description*

Develop and efficient and effective scanning/imaging system.

*Objective Strategies*

- Work with vendor to increase the number of templates (forms) that are recognized by the scanning/imaging software.

*Alignment to Agency Goals*

- Provide a high level of customer service.
- Promote the interest of both the automotive consumer and the dealer body.
- Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged.

*Measures*

- Number of templates (forms) that are recognized as they are scanned/imaged

Measure Class  Preferred Trend  Frequency

Data Source and Calculation

Count the number of different templates (forms) that are recognized by the scanning/imaging software.