

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Consumer	Commonwealth of Virginia Motor Vehicle Consumer	5,800	7,000	Stable
Dealership	Commonwealth of Virginia Motor Vehicle Dealers	3,700	3,900	Increase
Transportation	Commonwealth of Virginia Motor Vehicle Salespersons	23,200	24,300	Increase
Local or Regional Government Authorities	Local law enforcement, and zoning officials	20	134	Increase
Transportation	Virginia automobile trade associations	3	3	Stable
State Agency(s),	Department of Motor Vehicles	1	1	Stable
Attorney General	Consumer Services	1	1	Stable
Victim	Attorneys for consumers	5	20	Increase

Finance and Performance Management

Finance

Financial Summary

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, 2014: Revenues= \$2,107,052. Expenses/Transfers=\$2,288,857; Cash Balance=\$532,495. The Board continues to be good stewards of its resources. Fees were last adjusted in 2007 with a financial plan that we would build balances in the first three to four years and those balances would be used to off-set expenditures in the out years of the financial plan.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0212	Motor Vehicle Dealer Board Fund	\$2,505,974	\$2,708,472

Revenue Summary

The Motor Vehicle Dealer Board is self-sufficient and is funded strictly by fees paid by dealers. These fees cover all of the expenses of the Board. No general fund dollars are appropriated to the MVDB. The current fee structure was established in December of 2007; nearly twelve years after the initial fee structure was established when the MVDB was created.

The Transaction Recovery Fund is a Special Fund that is also funded by the dealers. The purpose of this Fund is to assist consumers who have secured a judgment of fraud against the dealer and the dealer does not pay the judgment.

Performance

Performance Highlights

The Motor Vehicle Dealer Board tracked the following performance indicators during FY 2014:

- Completed 80% dealership opening (original) inspections within 30 days of assignment to a field representative. Target 90%. We believe we are meeting the needs of the new dealers in conducting opening inspections in a timely manner. We have experienced a number of instances where the new dealers submitted their paperwork before they were ready to open and they delayed the process of conducting the opening inspection.
- In FY 14, 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%

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
50655002.001.001	Percentage of email correspondence responded to within 3 business days.	Quickly respond to emails	Improving
50656023.002.001	Percentage of opening inspections of (new) original dealerships within 30 days.	Open new dealers	Maintaining
50655002.002.001	Percent claims approved for payment within five business days of being authorized to approve payment.		

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. Anticipated VITA rate increases will also impact funds available for application development and upgrades. Potential mandated budget reductions are also anticipated.

Agency Statistics

Statistics Summary

Please see "Statistics Table".

Statistics Table

Description	Value
Dealer advertising civil penalties assessed. (Dollar amount)	22,250
Number of dealer advertising educational calls made and letters sent	246
Number of consumers receiving payments from the transaction recovery fund.	6
Total amount of dollars paid from the Transaction Recovery Fund to consumers.	86,419
Total amount of civil penalties assessed on dealers other than for advertising. (Dollar amount)	212,000
Number of consumers requesting assistance.	6,243
Independent Dealer Operators Recertified.	648
Number of criminal history checks run on new applicants for a salesperson license	3,793
Number of new and renewed dealer licenses processed	2,993
Number of new and renewed salespersons licenses processed	21,744
Number of qualification exams taken	4,283

Management Discussion

General Information About Ongoing Status of Agency

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 the previous biennium we replaced the imaging software that we installed eight years ago with a modern system that is faster and easier to use. The new system provides many enhancements to the imaging 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.

Along these same lines, we prepare a notebook for each Board member and by request, interested parties for each of our Board meetings. We have implemented an electronic/paperless board notebook that Board members and interested parties may elect to receive. We have worked closely with individuals who receive these notebooks to convert them to "e-notebooks". Previous to this effort, we were printing 29 notebooks for six meetings per year. We have reduced that number by 18 and are now printing just 11 notebooks per meeting. We estimate that this reduction saves over 43,000 sheets of paper per year and nearly \$1,000 in paper alone. We will continue our efforts to reduce the number of notebooks that we print.

Key personnel in the agency have and are reaching an age where they may retire soon. In this biennium we will continue our efforts to cross train personnel.

Information Technology

Meeting our performance target goals and servicing our customers continues to be our responsibility to the Commonwealth. Information Technology (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 as well servicing our customers: dealers and salesperson and business partners. 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 continue to be updated in order to provide the best customer service and reduce redundancy in data entry and other work flow processes.

During this biennium period, application development will continue to focus on combining legacy applications into a single shared and integrated database for headquarters and field staff. We will implement methods to better communicate electronically with field staff. We have recognized the value for our staff to perform functional responsibilities in a single, shared and integrated system to support our core business functions. 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.

Since MVDB is a special funded agency (non general 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.

Workforce Development

We are overhauling our internal automated systems into one integrated system. This process will facilitate how we do business and allow an "overhaul" of all existing core business functions within the Consumer Assistance and Motor Vehicle Dealer and Salesperson Regulation service areas. Work flow processes will streamline operational activities for staff allowing for more customer focused activities to be accomplished. Individual staff responsibilities continue to evolve with changes in demand for service and to improve customer service and record keeping.

Physical Plant

We are in leased space that fits our needs. It is convenient and easy to locate with easy parking for our customers who visit the office to conduct transactions. We are very happy in our current space.

Our eleven field representatives work out of their home offices. The eleven are stationed throughout the Commonwealth. This model saves the agency a significant amount of money as it reduces office space needs and travel costs.
