

Meeting Summary

Following is a summary of issues discussed at the MDOT (MVA) Stat on July 12, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

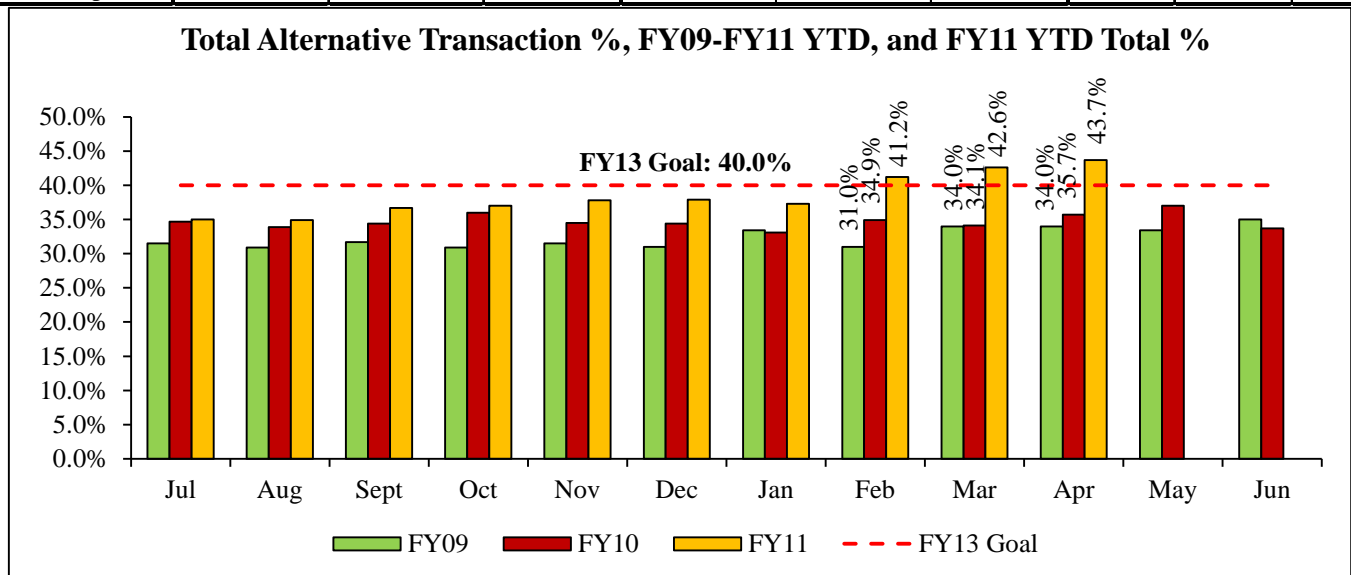
MVA Emergency Contact Registry

- The MVA Emergency Contact Registry just rolled out. It allows the emergency contacts of licensed individuals to be quickly and efficiently contacted after an accident just by scanning their license. 41,908 individuals have registered to date.

Alternative Service Delivery

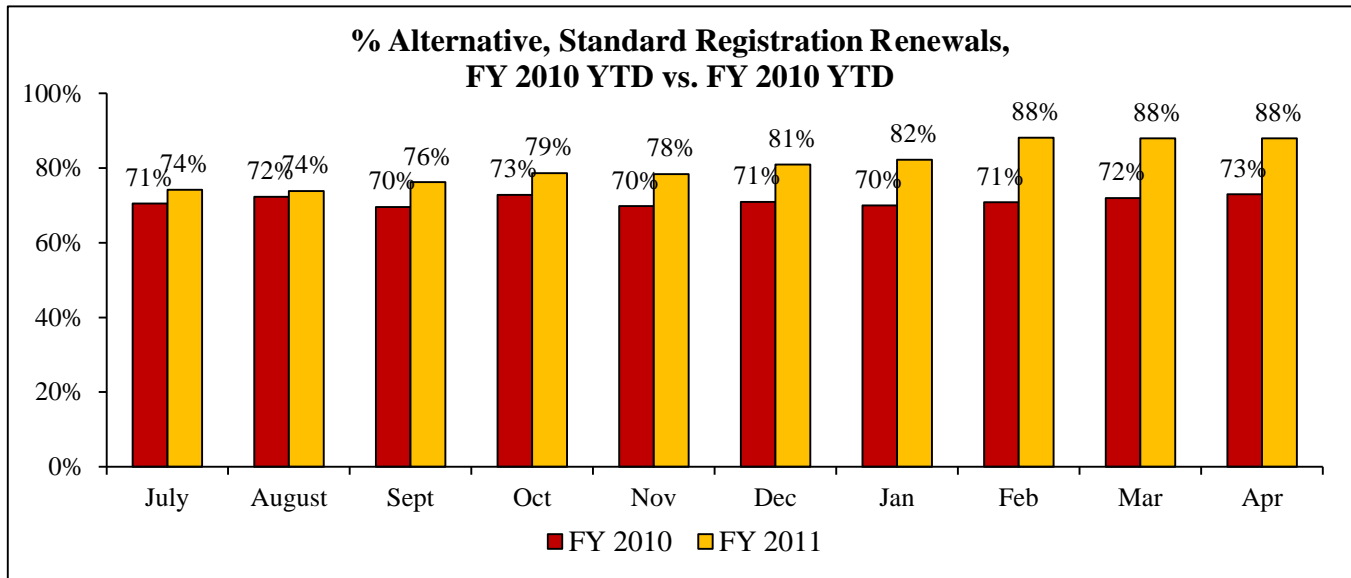
- Improving Alternative Service Delivery.** There has been increased focus on improving the MVA's delivery of alternative service points to its customers, including increasing the usage of kiosk and internet transactions. The MVA has imposed a goal to increase alternative service delivery transactions to 40 percent by FY13. StateStat has focused in on six specific types of transactions, which account for the almost 80 percent of the planned increase; these are shown in the table below. As the data reflects below, the agency exceeded its 40 percent FY13 goal for a third consecutive month in April, with the 43.7 percent figure recorded last month being the highest monthly rate of alternative service delivery transactions on record. In FY11 to date, 38.5 percent of transactions have been completed through alternative service. The agency was asked to elevate its FY12 and FY13 goals going forward.

Alternative Transaction Goals April 2011									
Transaction	FY 2010 Baseline			FY 2011 YTD			Fiscal Year Goals		
	Alt. Service Transactions	Total Transactions	% Alternative	Alt. Service Transactions	Total Transactions	% Alternative	FY 2011	FY 2012	FY 2013
Standard Renewals	1,489,160	2,086,908	71%	1,423,024	1,753,395	81%	83%	89%	92%
New Titles	474,890	965,423	49%	437,915	819,541	53%	55%	64%	67%
Returned Tags	135,415	773,907	17%	67,756	683,827	10%	18%	45%	54%
Photo ID Cards	2,396	156,447	2%	2,760	133,929	2%	2%	21%	40%
Renewal Licenses	74,357	767,221	10%	43,888	593,609	7%	10%	12%	16%
Certified Copies	31,779	181,628	17%	31,288	151,320	21%	18%	18%	18%



Registration Renewals

- **Plan.** The MVA recently began requiring customers to use alternative services to perform registration renewals for all “clean¹” transactions; the program was fully implemented in June. All walk-ins are now directed to self-service kiosks. The increased use of alternative services for registration renewals is driving the increase in total alternative service usage, as registration renewals have accounted for 24.2 percent of total transactions in FY11 to date and 42.5 percent of titling/registration transactions.



- **Tax Compliance Bill Roll-Out.** Under the recently passed Tax Compliance Bill (Part of the Budget Reconciliation and Financing Act, HB 72), any individual with unpaid taxes will have their vehicle registration renewal flagged until outstanding liabilities are satisfied. The Comptroller’s Office has agreed to extend the notice period out to 180 days if the new law has a significant impact on wait times at agency locations. The agency has previously indicated that the new law will have an impact on the alternative service rate for registration renewals, as it will increase the number of customers with flagged records. As noted above, the agency can only require the use of alternative service for ‘clean’ registration renewals. The Comptroller sent out the first file with flags at the end of June. It contained about 136,000 flags. The 120 day notice for August expiration dates were sent out.
- **Reducing Flags.** Customers can pay flag fees at the kiosk; the main issue is resolving the fine with the jurisdiction that flagged the record. MVA indicated that Baltimore City Parking is responsible for over 50 percent of administrative flags, followed by the State Highway Administration (SHA) with 15 percent of flags. There is now an agreement with Baltimore City that allows for parking and red light camera fines to be paid online. The person will then receive a number and eventually will be able to renew registration online. The goal is for this program to be fully implemented by November. SHA has online bill pay for flags developed through their agency. MVA was asked to start working with SHA to reduce SHA’s high number of flags.
- **Goal Setting.** As noted above, the agency has had 88 percent of registration renewals occur through alternative service in three consecutive months, due largely to the piloting of required use of alternative service for clean transactions. Though the agency believes that the new tax law will impact alternative

¹ A clean registration renewal means the customer does not have any outstanding flags or issues with the customer’s MVA record.

service rates by increasing the number of flagged records, the impact of the new law should be minimal. Additionally, agency efforts to reduce other administrative flags by working with the jurisdictions responsible for the flags should continue to drive up alternative service usage during FY12. The panel suggested that the MVA should bump up their FY13 goal for registration renewals because the pilot program almost reached that goal without being fully rolled out yet.

Registration Renewals					
FY 2010 Baseline	Most Recent Month	FY 2011 YTD	FY 2011 Goal	FY 2012 Goal	FY 2013 Goal
71%	88%	81%	83%	89%	92%

New Titles

- Current ERT Usage.** To date, the Department is largely on track with its goal to increase alternative new title transactions. The majority of these transactions are completed via the Electronic Record Transfer (ERT) System, which allows dealers to directly transmit titling information from the dealership to the MVA. The Department will need to expand this system in order to meet its goals of increased alternative service delivery. The agency reported that the majority of new car dealerships not using the ERT system sell commercial vehicles (trucks, motor coaches, trailers or special mobile equipment). The FY13 goal for alternative service usage for new titles is 67 percent. Transaction numbers are small for commercial dealers because they use tag and title services. The panel asked the MVA to get a number of approximately how many car dealerships (new and used) would have to convert to the ERT system in order for the agency to reach its FY13 goal.

Dealers Using Electronic Records Transfer (ERT), FY 2010 vs. FY 2011							
	FY 2010			FY 2011			Percent Change in ERT
	Total	ERT	% ERT	Total	ERT	% ERT	
New Dealers	445	364	82%	450	396	88%	9%
Used Dealers	927	148	16%	950	407	43%	175%

- ERT Expansion.** To boost ERT usage among non-ERT used car dealerships, the agency reported a survey they developed to understand why these dealerships are not using ERT is now on their website and is being mailed out this week. The agency was asked to follow up on the responses. A meeting has been scheduled at the end of July with ERT vendors to review the list of dealers not currently using ERT. The agency was informed by the Department of Business and Economic Development (DBED) that no special loan programs currently exist to assist with car dealerships with the procurement of hardware and high speed internet lines.

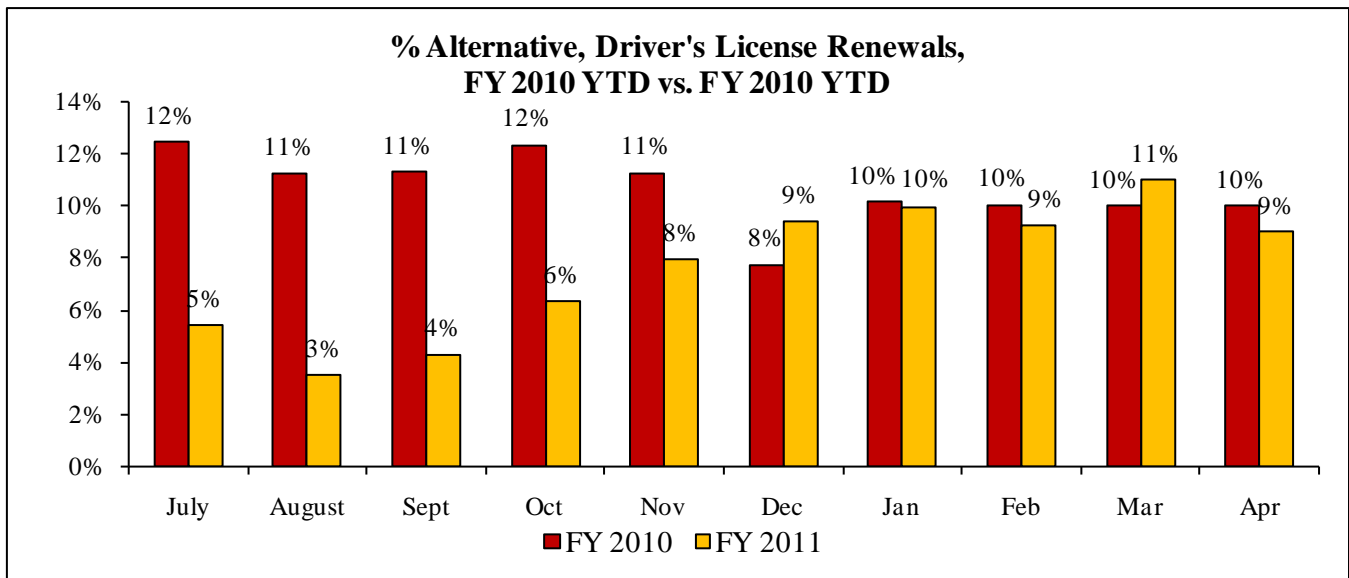
Photo ID and Driver's License Renewals

- Goals.** The Department's efforts to increase alternative transaction use for Photo ID and Driver's License Renewals both require significant policy and infrastructure changes. The agency reported that most to all renewals are eligible for mail-in. If an eye test is need, the test could be done through an eye care provider. People under 40 do not need eye tests.

Photo ID Cards					
FY 2010 Baseline	Most Recent Month	FY 2011 YTD	FY 2011 Goal	FY 2012 Goal	FY 2013 Goal
2%	2%	2%	2%	21%	40%

Driver's Licensing Renewal					
FY 2010 Baseline	Most Recent Month	FY 2011 YTD	FY 2011 Goal	FY 2012 Goal	FY 2013 Goal
10%	9%	8%	10%	12%	16%

- Progress to Date.** Usage of alternative service for driver's license renewals has annually declined in all but 2 of the first 10 months recorded in FY11, and is currently below both the FY11 goal and FY10 baseline of 10 percent.



- Plan.** The MVA has provided the StateStat team with a detailed timeline for providing improved alternative service delivery for photo ID renewals. The MVA stated that a detailed timeline for providing improved alternative service delivery for driver's license renewals will not be prepared until significant progress has been made with the photo ID initiative.

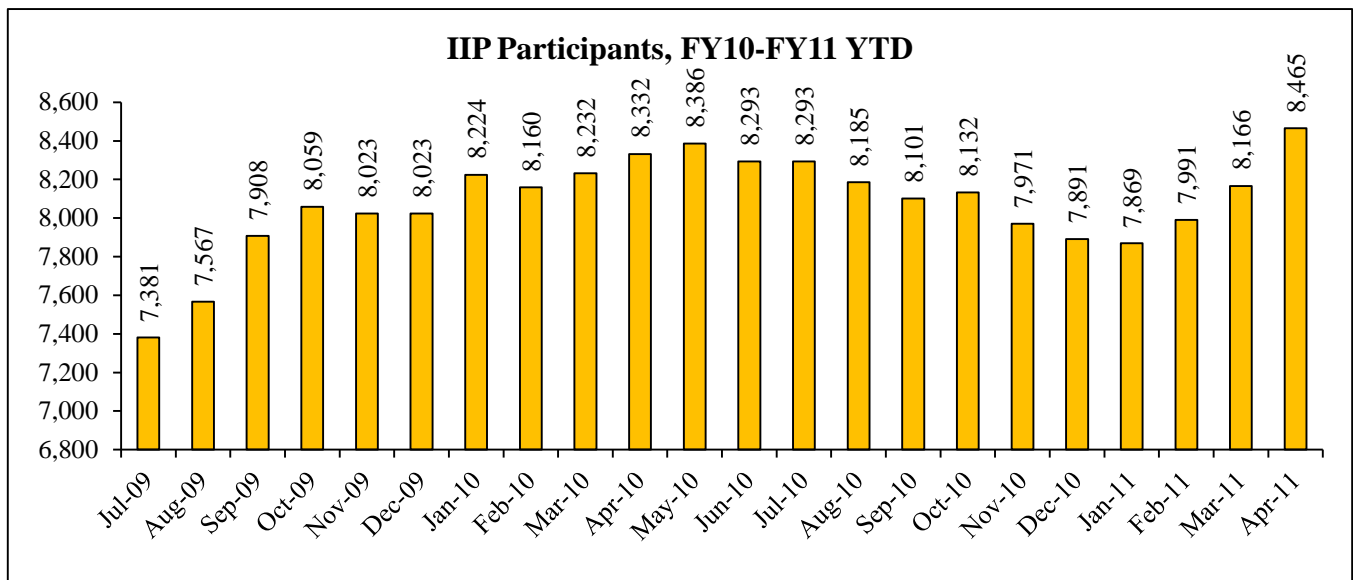
Other Projects

- Email Collection.** On June 9, the agency began requiring that customers provide an e-mail address or phone number for all transactions performed through the website or kiosk. To date, over 150,000 email addresses have been collected. The MVA should schedule a press conference where the governor could attend to publicize efforts. The agency reported that it is developing a plan to inform the public that they will be able to receive e-mail renewals by providing the agency with an e-mail address. The ultimate goal is to have all notifications be paperless.

Email Address Collection Timeline	
Implementation Date	Action
Present	Currently request and store customer email addresses via select transactions conducted on the web and kiosk
February - April 2011	Requirements gathering to establish email collection on all workflows for the web and kiosk
May - June 2011	Pilot test and verify changes
Jul-11	Implementation
Aug-11	Begin project plan to send renewals by email

Ignition Interlock Program (IIP)

- Drunk Driving Elimination Act (HB 1276).** HB 1276 passed the 2011 legislative session. The bill expands participation in the program by requiring participation in IIP if the individual has a blood alcohol content (BAC) of 0.15, refuses to take a breathalyzer test, or is under 21. The potential increase in cost to the MVA would be offset by instituting a program fee, which can be waived for financial hardship. The agency is reporting that the proposed fee to cover the cost of running the IIP is \$47 per participant. Roughly 8000 of the current IIP participants are under DPP supervision. However, this information is currently manually transmitted between the agencies and is in the process of being automated. The MVA was asked to provide a time table of when the automation will be complete.



- Program Roll-Out.** The new law takes effect on October 1. The fiscal note from the ignition interlock legislation allocates 7.5 pins to the agency to handle the substantial workload increase from IIP. The agency is working with MDOT to identify 4 pins for FY12 and 3.5 pins for FY13.

Legislative Audit

- Overview.** In the agency's most recent legislative audit, dated October 2010, 13 audit findings were made, two of which were repeat findings. The October 2010 audit represents significant progress over the agency's past legislative audit in 2007, where 25 audit findings were made with 11 repeat findings.

- **Finding 12 (repeat finding): MVA had not established adequate controls over the processing of disbursement transactions.** The legislative audit found that the agency was not making full use of its Financial Management Information System (FMIS), which restricts user access and prevents unauthorized disbursement transactions. Specifically, four employees were permitted to initiate and approve direct voucher transactions not subject to independent approval. Similar findings were made in the previous two audits. The agency said that all corrective measures have been completed and implemented.
- **Finding 13 (repeat finding): MVA did not always sufficiently investigate possible fraudulent activity.** The Office of Legislative Audits (OLA) reviewed 10 internal investigations conducted by the agency. In 6 of the 10 cases reviewed, additional testing/investigation beyond the specific fraudulent occurrence suspected was not conducted. A new database for investigations is being designed; the agency is currently using paper. They do have their own internal auditors that report on a bi-weekly basis.

Legislative Audit Findings, Motor Vehicle Administration, October 2010		
Issue	Finding	#
License Suspensions and Revocations	MVA didn't verify reports used to identify cases requiring review for administrative actions were complete	1
Disbursements	MVA had not established adequate controls over the processing of disbursement transactions*	12
Fraud Investigations	MVA did not always sufficiently investigate possible fraudulent activity*	13
* Repeat Finding		

Overtime

- **Overall Overtime.** The agency has expended its overtime budget far in advance of the end of the fiscal year. District 3 specifically has exceeded its budgeted overtime spending by a substantial margin. The agency has submitted its FY12 overtime budget, which was calculated by viewing a 4 year weighted overtime spending average, as opposed to based on uniform cuts and apportionment. An opstat process is being implemented at the agency, and is aimed at improving overtime management.

MVA District Overtime Expenditures vs. Overtime Budget, FY2010 vs. FY2011 YTD						
	FY11 YTD	FY11 Budget	% of FY11 Budget Expended	FY10 Total	FY10 Budget	% of FY10 Budget Expended
District 1	\$263,205	\$202,944	130%	\$258,236	\$233,755	110%
District 2	\$224,102	\$187,516	120%	\$201,775	\$215,984	93%
District 3	\$238,031	\$109,038	218%	\$201,524	\$125,591	160%
District 4	\$347,476	\$389,218	89%	\$403,390	\$448,630	90%

FY12 Overtime Branch Budgets	
	FY 12 Overtime Budget
Total Overtime	\$910,943
District 1 Total	\$215,770
Baltimore City	\$83,427
Cumberland	\$6,073
Oakland (Satellite)	\$0
Frederick	\$25,514
Hagerstown	\$2,369
Westminster	\$29,784
White Oak	\$68,604
District 2 Total	\$190,139
Bel Air	\$65,559
Elkton	\$18,570
Essex	\$53,220
Loveville	\$6,951
Prince Frederick (Sat)	\$1,358
Parkville Express	\$3,494
Waldorf	\$40,987
District 3 Total	\$210,722
Beltsville	\$84,890
Columbia Express	\$18,128
Gaithersburg	\$79,353
Glenmont Express	\$10,282
Walnut Hill Express	\$18,069
District 4 Total	\$294,312
Annapolis	\$65,450
Easton	\$18,264
Glen Burnie	\$73,235
Largo	\$120,228
Salisbury	\$17,134