

Oregon Department of Transportation
Driver and Motor Vehicle Services Division

Program Description

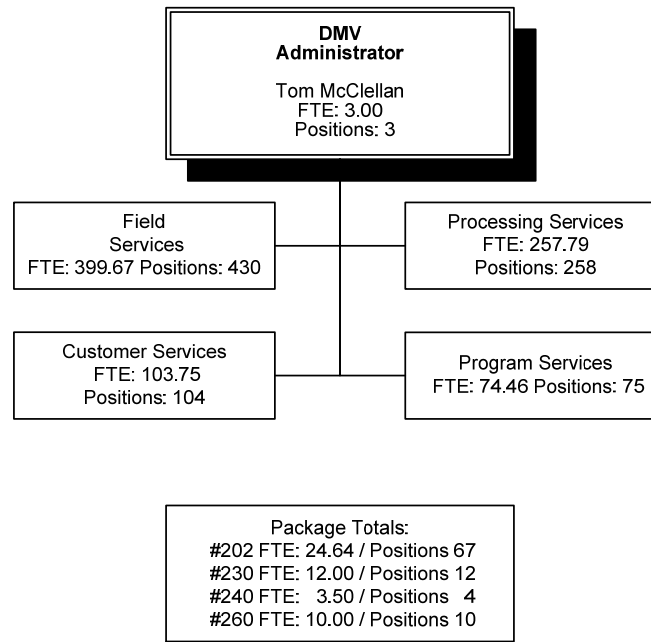
The Driver and Motor Vehicle Services Division (DMV) supports the ODOT mission by promoting driver safety, protecting financial and ownership interests in vehicles, and collecting revenues for Oregon's highway system. DMV services touch almost every Oregonian by issuing over 1.0 million driver licenses and identity cards, 1.1 million vehicle titles, and 1.9 million registration transactions each year. DMV also regulates and inspects about 3,500 vehicle and driver related Oregon businesses.

DMV is the face of state government for most Oregonians, especially for new residents to our state. We take that responsibility very seriously. DMV is committed to offering responsive and convenient services.

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2009–2011 Organization Chart

FTE: 838.67 (888.81 with Packages) Positions: 870 (963 with Packages)



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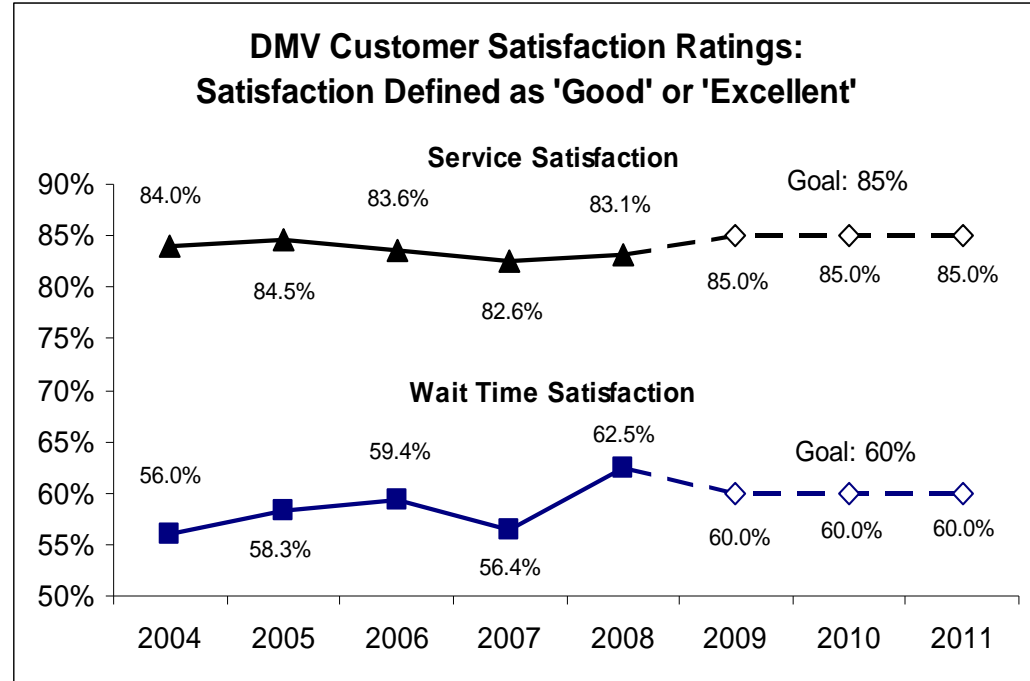
Internal Measures and Division Performance

DMV keeps performance metrics on both internal and external indicators of quality and quantity. These are used daily to manage workloads and balance performance levels. Customer wait times in the field offices and call centers are extremely important, but so are turnaround times for vehicle titles, mailing registration stickers, and posting convictions to driver records. One quality measure for field office services is the level of customer satisfaction as determined by a monthly survey of recent customers.

Customer Satisfaction

This measure rates employee helpfulness, courtesy, knowledge, efficiency, and wait times.

- DMV conducts customer satisfaction surveys and sets targets for the percentage of customers rating DMV service delivery as excellent or good.
- These surveys are conducted monthly by randomly sampling 400 customers who conducted business with DMV that month.
- DMV has set a goal of 85 percent of customers rating DMV service as good or excellent in relation to helpfulness, courtesy, knowledge and efficiency.
- DMV also surveys how satisfied customers are with the amount of time spent waiting for DMV services.
- DMV's goal is 60 percent for customers rating DMV field office wait time as good or excellent. This goal was exceeded in 2008 with 62.5 percent satisfaction level. This occurred during a year with a 10.6 minute average wait in field offices statewide.



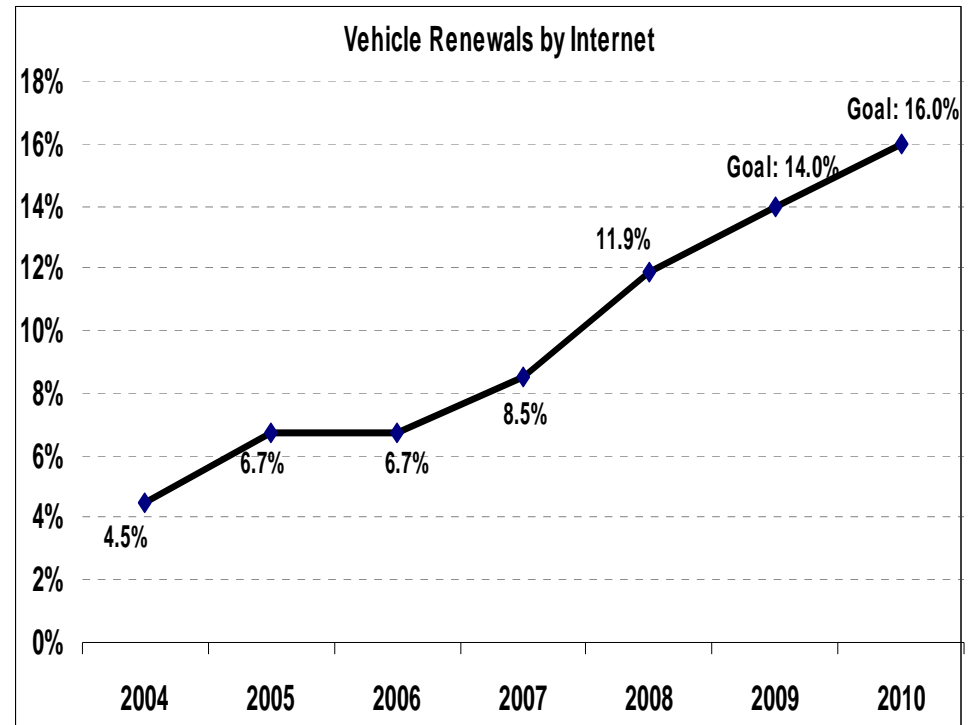
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Another measure of Division performance is the use of alternative service delivery channels. The highest volume DMV transaction is vehicle registration, and owners can renew their registration by mail, at DEQ emissions station, at DMV field offices, or online at the DMV website. Vehicle registration renewals via the Internet have more than doubled in the past four years.

Vehicle Renewals Using the Internet

This measure shows the percentage of customers that are using the Internet to renew their vehicle registration.

- DMV tracks which service channels customers are using to conduct business with DMV.
- Transactions processed through the Internet are the most cost effective method for DMV to conduct business with the public.
- Renewal notices mailed to homes encourage people to use the Internet to register their vehicle and pay with a credit card.
- Customers are reminded in field offices that their transaction could have been done over the Internet.
- DMV worked with DEQ to allow customers residing in vehicle emission inspection areas to use the Internet to renew their vehicle registration. This should increase the number of customers using the Internet for vehicle registration renewals.
- The goal of 16 percent is achievable as awareness increases and people become more accustomed to conducting business online.



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2009-11 Essential Budget Level (EBL) and the Governor's Recommended Budget (GRB)

MAJOR BUDGET DRIVERS, ISSUES AND ENVIRONMENTAL FACTORS

- **Demographic Changes** – Oregon is becoming more ethnically diverse and older. Both factors are important to DMV from a customer service and workforce perspective. Language and cultural differences must be bridged to enable people to complete their driver and vehicle transactions, and increasingly we are seeing older drivers referred to the Medically At-Risk Driver Program. From the workforce view, DMV must hire employees that reflect the communities that we serve and begin replacing employees who are retiring with significant experience and knowledge about our programs.
- **Eligibility for Driver Licenses and ID Cards** – Eligibility for an Oregon driver license or identification card is becoming more rigorous as standards for proving identity and legal status are tightened. Fewer documents are accepted from applicants, and more electronic systems for verifying the data contained on some documents are now being used. The Oregon Legislature adopted a legal presence standard in February 2008 (SB 1080) with provisions phased in by January 2010. Federal Real ID regulations call for full compliance with new driver license issuance standards by May 2011, or else the state-issued credentials will not be accepted for federal identification purposes.
- **Identity Theft/Fraud** – State-issued driver licenses and ID cards are used widely as identity documents to conduct business with public agencies and private companies. Increasing concern about identity theft has created the need for a robust fraud prevention program at DMV. DMV continues to strengthen its policies and procedures to prevent, detect, and investigate instances of internal and external fraud. Criminal investigations are turned over to law enforcement agencies.
- **Service Delivery** -- DMV field offices will evolve as we anticipate changes in the way services are delivered and what services are available. Driver licenses and ID cards are no longer issued over-the-counter at field offices, and facial recognition software is used to avoid issuing multiple cards under different names to the same person and to check previous photos on file. Fraudulent documents are reported to local law enforcement and more people are turned away because of insufficient documents to prove their eligibility. DMV offices will continue to provide professional and courteous service as quickly as possible, but ongoing changes to issuance requirements and the economic recession could impact the service levels Oregonians have come to expect from DMV. The services must adapt to changing workload and business needs.

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- **Aging Infrastructure** – The computer systems and facilities that DMV relies upon are aging and expensive to maintain and operate. The large mainframe systems were first developed in the mid-'60's with some additions and enhancements throughout the years, but the major applications are old and difficult to support. The supply of COBOL programmers is declining, so finding qualified employees and contractors to support computer system projects is very difficult. The ability of DMV to respond to statutory changes and to link its databases with other government agencies is severely constrained by these factors. The field offices are mostly leased rather than owned, so facility improvements must be planned and funded many years in advance. The buildings are not energy efficient and parking lots are frequently inadequate for the number of people served and the space needed for CDL and motorcycle testing.
- **Economy** – A depressed economy leads to fewer new and used vehicle sales, and deferred purchases for items such as driver licenses and reinstatement of driving privileges. Vehicle title and registration transactions have decreased, and fewer accident reports are filed as people reduce their vehicle miles traveled with higher fuel costs. These changes yield savings in Personal Services with fewer temporary workers hired and positions held vacant for longer periods. Some employees are re-deployed to areas of increased workload, such as photo analysis using facial recognition technology and telephone services for customers with unique needs. Employees are also assigned to different offices according to workload and staffing needs.

Process and Program Changes

DMV continually streamlines work processes to increase productivity. This is an important counter-balance to new state and federal program requirements that are intended to improve the effectiveness of programs, but will increase the time to serve the public and to process transactions. Many employees are cross-trained for jobs outside their work unit. The following allow DMV to avoid duplication and to minimize costs:

- Registration renewals at DEQ air quality emission testing stations (about 25% of annual registration renewals).
- Collection of vehicle title and registration fees and applications through vehicle dealers (about 17% processed through dealers).
- Third-party testers for commercial drive tests (about 73% of commercial drive tests).
- Call center at the Coffee Creek Correctional Facility takes about 1.1 million calls per year. (This is 62% of DMV customer calls at 21% of the cost of a phone call taken at DMV Headquarters.)
- Electronic vehicle registration through vehicle dealers (dealers issue plates and stickers to new car buyers and enter title and registration information into DMV's database).

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PROCESS CHANGES

- Continued functional cross-training of staff to increase workforce mobility and productivity.
- Installed a new call center telephone system to improve the management of phone calls and to achieve more efficient reporting.
- Implemented several work processes, which changed from manual processes to electronic. For instance, expedited lookup requests are emailed from the DMV HQ Call Center to our Records Section and the lookups are scanned and emailed back instead of being hand-delivered; businesses using our automated reporting system can now request employee records electronically; and requests for copies of accidents reports are now scanned and returned on a CD.
- Switched part of the mail services to UPS, which allows tracking of packages from the DMV field offices to headquarters.
- Using DMV's Continuous Improvement and Innovation (CI²), we initiated several business process changes. Improvements were made to the custom plate desk, title brands, security interest holders, and creation of an out of state test score folder.
- Moved three positions from the Vehicle Transaction Section, one from the Mail Transaction Section, and one from the Processing Support Section to the Driver Transaction Section to meet increased workloads from federal motor carrier requirements, and state legislation requiring central issuance and the use of facial recognition software.
- Streamlined the CDL Intrastate Waiver Program processes and procedures that were moved from the Motor Carrier Division.
- Increased security of customers' personal information by adding locking cabinets in each unit for daily work and locking recycle bins in common areas.
- Fraud/Risk assessments were completed on all five "specialty desks" in which specific kinds of transaction are handled by staff in a single area. Additional fraud/risk assessments were completed for the Customer Information System (CIS) access and cash handling procedures.
- Gained efficiencies and reduced our interagency agreement amount with the Oregon State Police / Law Enforcement Data System by giving them access to pull photo lineups electronically.

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Policy Packages

The 2009-2011 Governor's Recommended Budget includes these DMV requested policy packages:

#202	Real ID Act	\$7,950,384	67 Positions	24.64 FTE
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***** REVISED REQUEST**

\$2,590,884 24 Positions 4.75 FTE

This package is to meet requirements of the federal Real ID Act. The Act sets minimum standards for State-issued driver licenses, driver permits and ID cards. The purpose is to establish more stringent and consistent eligibility and issuance standards.

Federal regulations were issued by the Department of Homeland Security in January 2008. The regulations specify the requirements that Oregon and other states must meet to comply with the Act. A State-issued driver license or identification card may not be accepted for official purposes by federal agencies unless the State's issuance process complies with the federal Real ID regulations. Oregon has received an extension through December 31, 2009 to achieve partial (material) compliance. However, additional provisions must be completed to achieve full compliance by May 11, 2011.

#210	Aging Infrastructure	\$839,666	0 Positions	0.00 FTE
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This package is to replace aging microfilm equipment with a digital imaging system.

DMV will procure the hardware, software, and consulting services needed to replace its outdated document microfilm system. The funding will be used to research and identify the best solution or system that will meet DMV's business needs. The project includes: purchase of production scanners, capture and retrieval software licenses, additional computer workstations for indexing and proofreading, and other related items. Conversion of existing records to the new imaging system is expected to extend beyond the 2009-11 biennium.

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#230	Federal and State Mandates	\$755,849	12 Positions	12.00 FTE
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***** REVISED REQUEST** **\$319,199** **7 Positions** **7.00 FTE**

This package is to meet federal and state mandates for facial recognition (SB640, 2005 Session) and commercial driver licensing (CDL).

Each person who applies for issuance, renewal or replacement of a driver license, driver permit, or identification card must submit to collection of biometric data (digital photo) for the purpose of establishing the person's identity. This package is needed because of the additional steps required to complete the facial recognition process in DMV field offices and headquarters. These steps increase field office and headquarters personnel time to complete transactions.

This package also allows Oregon's Commercial Driver Licensing (CDL) program to meet current and evolving Federal Motor Carrier Safety Administration (FMCSA) regulations. DMV is implementing computer system and work process changes to avoid decertification of the CDL program and potential loss of federal highway funds.

#240	Transfers from other State Agencies	\$382,315	4 Positions	3.50 FTE
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Two significant operational functions were transferred to DMV from two other state agencies in 2008. Temporary staffing solutions were used in the current biennium, but permanent positions are needed going forward.

This request establishes one permanent half-time position to conduct medical case reviews formerly handled by the Department of Human Services (State Health Officer) prior to implementation of HB 2176 in January 2008. This package also establishes three permanent positions to perform case management hearings work previously handled by the Office of Administrative Hearings (OAH), Employment Department.

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#260	Driver License Security	\$1,088,352	10 Positions	10.00 FTE
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***** REVISED REQUEST**

\$442,304 4 Positions 4.00 FTE

The Oregon Legislature established a legal presence standard for driver license and ID cards during the 2008 Supplemental Session (SB 1080). DMV will begin issuing “limited term” cards by January 2010 that expire when a person’s legal stay in this country ends.

Implementation of the Governor’s Executive Order (e.g., SSN verification) and SB 1080 (e.g., immigration document verification and legal presence) were done expeditiously to meet tight timeframes. Additional work to strengthen system security (e.g., employee access, audit logs, etc.) are needed to further reduce the risk of unlawful release of sensitive data. As the national systems are improved (SSOLV and SAVE), Oregon must follow suit and adapt to changing standards and usage requirements. Also, the time to complete customer transactions will remain high as people experience the new issuance requirements for the first time when they renew or replace their 8-year driver licenses and ID cards. The limited duration positions approved for SB 1080 expire in July 2009, yet the workload is ongoing as people renew or replace their cards.

#502	Jobs and Transportation Act (HB2120)	\$1,000,000	0 Positions	0 FTE
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***** REVISED REQUEST**

\$1,997,213 0 Positions 0 FTE

This package is for DMV costs to implement the Governor’s Jobs and Transportation Act (HB 2120). The bill raises some DMV fees and establishes a one-time title fee based upon the vehicle manufacturer’s gas mileage rating. DMV will absorb many implementation costs within the Essential Budget Level. However, an increase in merchant fees (credit and debit card payments for vehicle registration renewals) and computer programming cannot be absorbed.

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Summary of Proposed Legislation

HB2233 — Update Commercial Drive School Requirements

This concept changes insurance and bond requirements for commercial drive schools and eliminates the vehicle insurance requirement for schools that provide only classroom training. It also establishes new automobile insurance minimum coverage, replacing insurance coverage amounts that were established in the 1960s. The coverage amounts should meet current standards based upon risk of a person operating a vehicle in a training mode. The concept increases the bond requirement from \$2,500 to \$10,000.

SB127 — Update Financial Responsibility Statutes (auto liability insurance)

Amends and/or repeals various statutes dealing with financial responsibility as it relates to ownership and operation of motor vehicles. The concept does the following: 1) Removes provisions of law that are obsolete, archaic and/or impractical for DMV to administer; 2) Clarifies provisions that cause confusion for DMV, the public, law enforcement and/or insurance industry personnel; and 3) Brings balance in the treatment of owners and drivers who violate financial responsibility laws in a way that is most likely to achieve compliance with financial responsibility requirements. Changes are intended to gain efficiencies, increase program effectiveness, and improve customer service.

SB128 — Driver License Security Compliance

This concept addresses statutory deficiencies in complying with the federal Real ID Act of 2005. Oregon complies with many of the federal requirements, but the Real ID Act includes additional provisions for which DMV requires statutory authority. The legislative changes include retaining electronic copies of identity source documents and allowing electronic sharing of data printed on driver licenses and ID cards with other state motor vehicle agencies. The concept restricts general access to imaged source documents and is modeled after ORS 192.445. Requires criminal history checks for persons involved with the manufacture or production of licenses and ID cards, or who can affect the data on licenses or ID cards. Includes a fee increase for implementation and on-going expenses.

SB129 — Commercial Driver License (CDL) Clean-up

This concept changes Oregon's Commercial Driver License (CDL) program to comply with Federal laws/regulations. The concept does the following: 1) Removes statutory language referencing mass transit vehicles under the definition of a commercial motor vehicle; 2) Aligns Oregon's civil and criminal penalties for violating out-of-service orders with penalties defined by federal regulations; 3) Extends the statute of limitation from five years to ten years for Failure to Appear (F/A) and Failure to Comply (F/C) CDL suspensions from out-of-state drivers; and 4) Disqualifies farm endorsement privileges for violations for which a CDL or other CMV operator is disqualified.

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Budget Detail

	2005–2007 Expenditures	2007–2009 Approved Budget	2009–2011 Governor’s Recommended w/o JTA	2009–2011 JTA	2009–2011 Governor’s Recommended
Program					
<u>Driver and Motor Vehicle</u>	\$133,174,296	\$148,251,041	\$171,021,043	\$1,000,000	\$172,021,043
Total DMV	\$133,174,296	\$148,251,041	\$171,021,043	\$1,000,000	\$172,021,043
Expenditures by Revenue Source					
Federal (FF and FF as OF)	\$324,186	\$1,619,148	\$937,236	\$0	\$937,236
State (Other)	132,850,110	146,631,893	170,083,807	1,000,000	171,083,807
Revenue Bonds					
State (General)					
Total	\$133,174,296	\$148,251,041	\$171,021,043	\$1,000,000	\$172,021,043
Positions	867	883	963	0	963
Full-Time Equivalent (FTE)	833.50	842.75	888.81	0.00	888.81
Personal Services	\$87,216,417	\$97,684,064	\$110,558,826	\$0	\$110,558,826
Services & Supplies	45,502,401	48,572,288	56,746,594	1,000,000	57,746,594
Capital Outlay	75,555	1,531,092	2,746,963	0	2,746,963
Special Payments	369,664	463,597	968,660	0	968,660
Debt Service	10,259	0	0	0	0
Total	\$133,174,296	\$148,251,041	\$171,021,043	\$1,000,000	\$172,021,043

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Essential Packages

	Package Amount	Pos / FTE
Non PICS Increases	\$ 197,118	
General Inflation	1,695,775	
PERS Pension Bond Increase	57,067	
State Government Service Charge Increase	715,988	
Phase In / Out:	1,804,751	
Total	\$ 4,470,699	

Summary

The recommended budget for DMV continues the efficient use of Essential Budget Level resources to meet performance targets, but also requests additional resources to comply with state/federal laws and to replace an outdated microfilm system. The budget packages are financed with fee increases on the sale of online driver records and issuance of driver license and ID cards.

DMV provides high quality, consistent driver and vehicle services statewide through multiple channels to meet the needs of a population growing in size and diversity. In addition to its core services, DMV also must meet the challenges posed by society's need for secure, government-issued identification.