

# FY23 Department of Motor Vehicles Budget

February 25, 2022





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# DMV - Operations Division





## Performance Measures by Calendar Year:

- Served more than 230,955 customers in-person, down from 236,000 in 2020, with an average wait time of 11 minutes
- Administered 19,671 in-person examinations in addition to 17,003 completed online
- Processed more than 199,000 applications received by mail.
- Answered 121,398 phone calls and received and responded to 24,611 emails
- Issued 21,688 suspensions and processed 41,408 reinstatements
- Processed 26,625 permit applications generating more than \$4.1 million in revenues, collected \$81 million in gas tax, \$18.5 million in diesel tax, \$1.8 million in IFTA, and \$9.5 million in IRP receipts
- Processed 317,720 registration renewal and replacement transactions conducted online (Fiscal Year)

Operations				
	203K Credentials Issued (Licenses & ID Cards)	748K Registrations	105K Online License Transactions	167K Walk-in Traffic

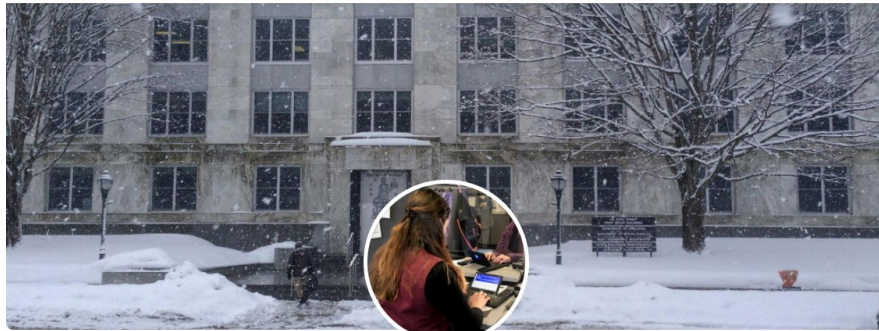
# DMV - Enforcement & Safety Division

- Performance Measures by Calendar Year:
  - 533,875 vehicle safety inspections were completed. 413,723 OBD inspections were completed, with a failure rate of 4.34%
  - Completed 7,154 roadside vehicle and driver inspections placing 1,062 vehicles and 296 drivers out-of-service
  - 9 carrier compliance investigations completed
  - 141 safety audits for new motor carriers completed
  - Supported 43 standard and 8 commercial driver training schools
  - Administered 54 school bus driver clinics (31% increase from 2021)
  - 32 motorcycle safety instructors trained 969 students (75% increase from 2021) across 8 sites

Enforcement & Safety				
	8,684 Commercial Vehicle Violations, CY21	6,173 Commercial Safety Inspections, CY21	547 Dealers Licensed, CY21	1,114 Inspection Stations, CY21

# DMV – Special Programs Division

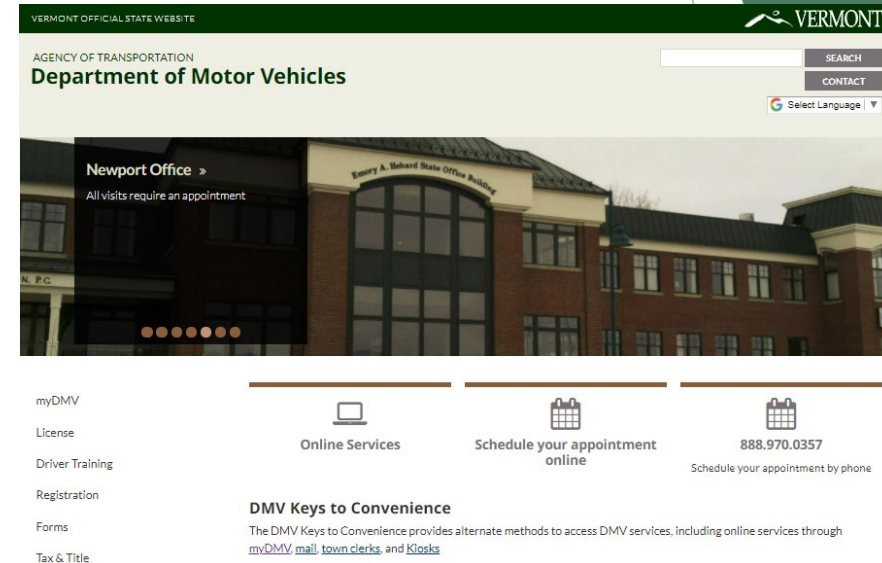
- Performance Measures by Calendar Year:
  - Website traffic - 2,886,987 visits (4.8% increase from 2020)
  - Translated Forms Downloaded - 1,355 (Nearly 350% increase from 2020)



## Vermont DMV




The Vermont Department of Motor Vehicles (DMV) is the governmental agency responsible for registerin

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# DMV - Finance & Logistics Division

- **Finance unit** - Comprised of the **Accounts Payable, Accounts Receivable and Contract Management units**. They are responsible for the protection of the financial resources of the Department including development and management of departmental budget, categorization of revenues, payroll administration, grants and contract management, and purchasing and payment activities.
  - Accounts Receivable unit processed 21,558 refunds totaling more than \$2.1M (FY 2021)
- **Facilities Management and Logistics unit** - Responsible for all real estate management, management of the Continuity of Ongoing Operations plan, security functions, and management of the department's stockroom and mailroom
  - Facilities team played a critical role in the reopening of branch locations throughout the state in response to COVID-19
- **Audit unit** - Perform investigative and audit work related to State and Federal fuel tax regulations, primarily covering International Registration Plan, Purchase & Use tax, and International Fuel Tax Agreements

Finance & Logistics	 \$340M Total Revenue	 \$44.7M Revenue for Other Programs (i.e. Education, Wildlife)	 216K Pieces of Mail Received
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# Budgeted vs Actual Spending FY22

Budget Level	FY22 Budget*	FY22 Expenditures**	% Spent	Remaining
<b>Personal Services</b>	\$ 27,054,252	\$ 12,849,678	47%	\$ 14,204,574
Payroll & Benefits	\$ 21,183,700	\$ 10,659,236	50%	\$ 10,524,464
Contracts & 3rd Party Services	\$ 5,870,552	\$ 2,190,441	37%	\$ 3,680,111
<b>Operating Expenses</b>	\$ 11,101,722	\$ 4,050,195	36%	\$ 7,051,527
IT/Telecommunications Services	\$ 2,264,729	\$ 205,578	9%	\$ 2,059,151
Property, Maintenance & Rental	\$ 1,926,120	\$ 1,212,650	63%	\$ 713,470
Equipment, Hardware, Software	\$ 748,000	\$ 118,792	19%	\$ 629,208
General Operating/Supplies	\$ 511,500	\$ 208,559	41%	\$ 302,941
Travel	\$ 114,050	\$ 30,829	27%	\$ 83,221
Other Purchased Services	\$ 3,371,751	\$ 1,207,224	36%	\$ 2,164,527
Other Operating Expenses	\$ 2,165,572	\$ 1,066,564	49%	\$ 1,099,008
<b>Totals</b>	\$ 38,155,974*	\$ 16,899,873	44%	\$ 21,256,101

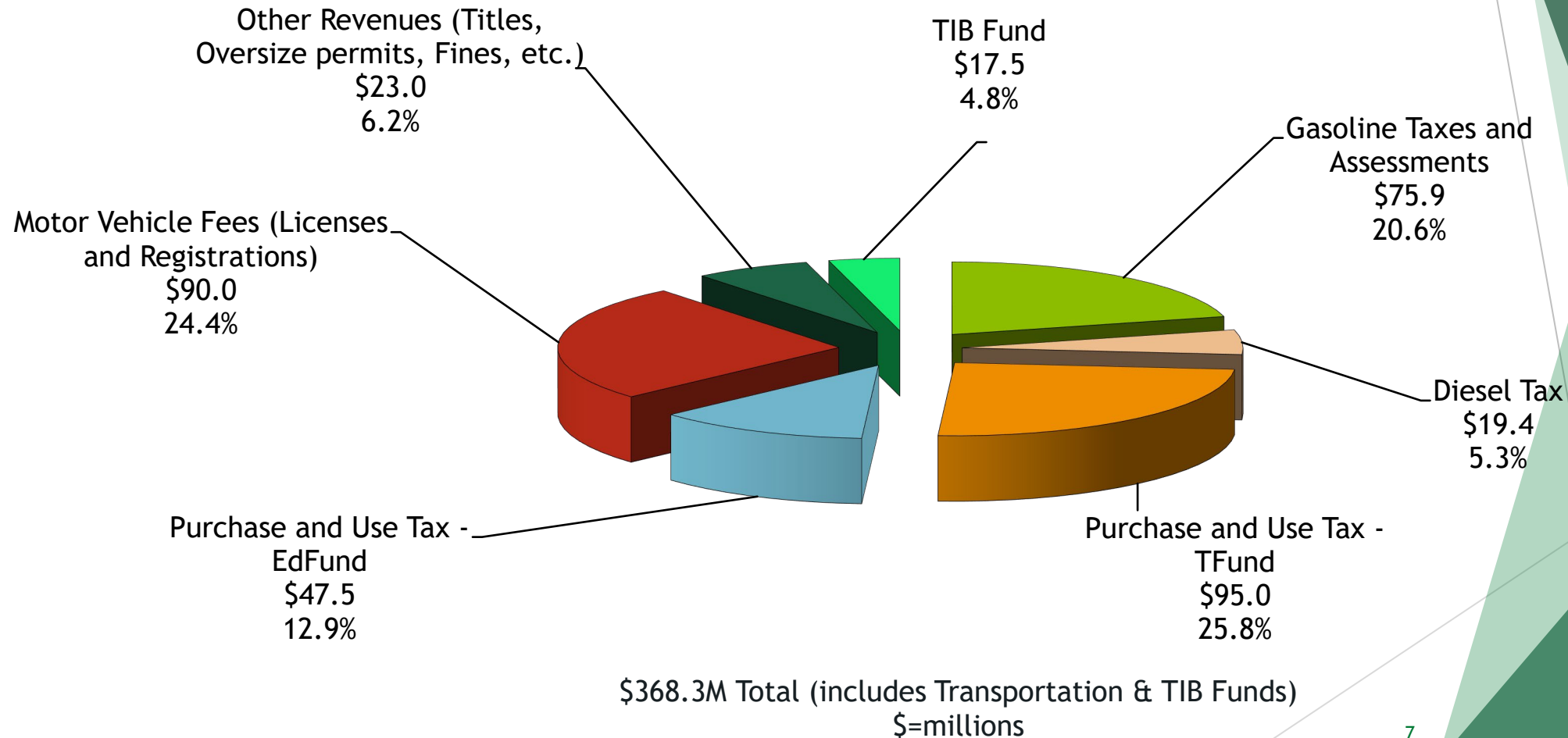
\*Includes Carry Forward of \$2,181,987 for IT Projects, COVID cleaning and call center

\*\*Expenditures through 12/31/2021

FY22 Budget "As Passed" - \$35,973,987

# State Transportation Fund Sources - FY23

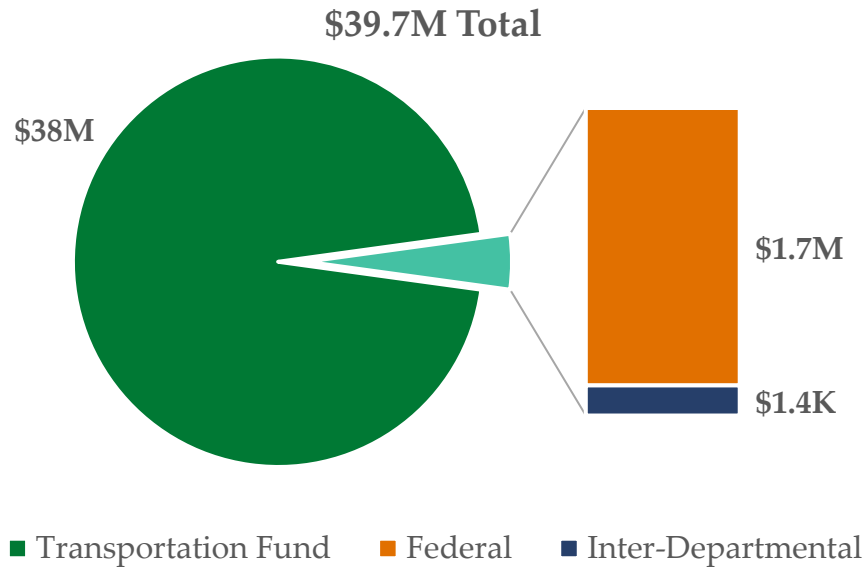
Source – January 2022 Economic Review and Revenue Forecast Update



# Governor's Recommended Budget FY23

The FY23 proposed budget maintains the current level of service. This essential maintenance budget helps ensure the continuation of DMV services and offerings at all current locations.

- DMV will collect an estimated \$368M in taxes and fees in FY2023
- Increase in overall budget of \$3.76M (10.47%)
  - Personal Services - increase of \$2.6M (10.5%)
    - \$1.5M increase in Salaries and Wages; reflects contractual increases, \$500k for-Class Reviews, and \$395k for 5 limited- service positions
    - \$455k increase in Fringe Benefits;
    - \$645k net increase in Contractual Services
  - Operating Costs - net increase of \$1.1M (10.4%)
    - \$300k increase (16%) in postage costs
    - \$400k increase (33%) in bank service charges
    - \$300k increase (8%) in Internal Services
    - \$200k increase (22%) in printing costs for plates and registration stickers
    - \$100k reduction of contractual costs that were reclassified to Personal Services.



Federal funds breakdown:

- Federal Highway Administration - \$100K
- Motor Carrier Safety Assistance Program - \$1.55M



# FY23 DMV Crosswalk and Budget Variances

	Transportation Fund	Federal	Interdept	FY23 Total Amount	FY22	Difference Between FY22 & FY23	COMMENTS
Department of Motor Vehicles (Appropriation DeptID 8100002100)	37,942,872	1,657,266	141,696	39,741,834	35,973,988	3,767,846	
<b>PERSONAL SERVICES</b>							
Salaries and Wages	14,368,374	0	0	14,368,374	12,843,946	1,524,428	VANTAGE budgeting system wage calculations. Vacancy Savings calculated as a percentage of classified salaries 5%; In addition to across the board salary increases, includes est \$500k for Class Review of Operations and E&S positions and \$395k for 5 Limited-Service positions to backfill staff assigned to the Core System Modernization project.
Fringe Benefits	7,730,757	1,064,396	0	8,795,153	8,339,754	455,399	Contractually required benefits (health & retirement). Annual allocations provided for internal services such as Workers Comp, Unemployment Compensation, Catamount Health Assessment. Substantial increase in Retirement benefits and additional retirement impact (\$625k)
Contractual & 3rd Party Services	4,285,008	187,250	0	4,472,258	3,826,565	645,693	IT and Third Party Contracts-includes education, training, interpreter services, license production, maintenance and operations of existing IT systems, and call center to schedule DMV appointments. IT line items include Stickers on Demand, CVO system, POS system, ePermitting system, automated testing system, queuing/online scheduling system, CVIEW (Commercial Vehicle data sharing), NMVTIS (Title Info System) and Azure (cloud services). Other contractual costs include license production (VALID) and call center/appointment scheduling.
Per Diem	0	0	0	0	0	0	
Personal Services Subtotal	26,384,139	1,251,646	0	27,635,785	25,010,265	2,625,520	
<b>OPERATING</b>							
Equipment	433,000	85,500	22,000	540,500	511,000	29,500	Includes PC upgrades, replacements, desktop printers and copiers. Office and safety equipment, security systems & maintenance, ergonomic assessment results. Includes funding for VREP (motorcycle program) and MCSAP grants. Interdepartmental Funds \$22k GHSP.
IT/Telecom Services & Equipment	2,424,422	83,325	0	2,507,747	2,274,730	233,017	Annual allocations provided for internal services: VISION, DII Telecommunications & Mainframe, ADS. Solutions Thru Software contract. Wireless phones, VoIP expenses. Federal Funds \$82,825 for MCSAP reimbursement for ADS & wireless phones/other mobile devices and ADS charges. Increase largely due to ADS services/allocated fee.
Other Operating Expenses	2,694,471	0	71,621	2,766,092	2,165,572	600,520	\$400k increase in Bank charges (banking, lockbox, credit card services, courier costs). \$200k increase in Registration expenses (Plates, stickers). Also includes Enforcement & Safety drug kits, and annual allocation for single audit
Other Purchased Services	3,542,700	26,300	32,775	3,601,775	3,371,751	230,024	Includes annual allocation provided for internal services such as General Liability Insurance, ADS Internal Service Support, and Human Resources, Printing & Binding costs (public announcements, stickers, decals, signs, etc.) Increase of \$300k for mail processing/postage costs and increased costs of internal services. Reduction of contractual costs that were reclassified to Personal Services.
Property & Maintenance	137,700	5,500	0	143,200	134,806	8,394	Includes SecureShred services at all DMV branch locations. Cleaning services at leased locations. Leased copier expenses. Enforcement & Safety information technology equipment inside vehicles - maintenance & repairs. Also includes E&S car washes, maintenance, roadcheck portable restrooms. Federal Funds MCSAP \$5,550.
Rental Other	487,500	80,500	0	568,000	568,000	0	Includes DMV vehicles leased from AOT Central Garage (E&S, Mobile Vans & DMV fleet), parts and repair labor, and police equipment purchases. Auto rentals through BGS Fleet Management auto rentals. Federal MCSAP Funds.
Rental Property	1,219,935	0	0	1,219,935	1,223,314	(3,379)	Includes leased office space, State-owned building 'Fee For Space' charges, and rental space for CDL and motorcycle testing. Increased Fee-for-Space charges are offset by lease cost savings of WRJ Branch Office.
General Operating/Supplies	445,955	93,495	15,300	554,750	511,500	43,250	Includes printed forms and envelopes, office supplies, books, subscription, building utilities (electricity, water propane), and gasoline. Increase due to reclassification of "forms/envelopes" from "printing" line item under Other Purchased Services.
Travel	83,050	31,000	0	114,050	114,050	0	Includes employee travel, as well as instructors and site assistants for the VREP motorcycle program. VREP \$12,000.
Repair & Maintenance Services	90,000	0	0	90,000	89,000	1,000	Maintenance and repairs on hardware and servers used for data storage. ADS: Includes annual hardware maintenance for camera server/storage.
Operating Subtotal	11,558,733	405,620	141,696	12,106,049	10,963,723	1,142,326	
<b>GRANTS</b>							DMV does not issue grants.
Grants Subtotal	0	0	0	0	0	0	
DMV FY23 Budget Request:	37,942,872	1,657,266	141,696	39,741,834			

# Changes to Federal Funding

- **Federal funding sources likely to be reduced or eliminated in FY23:**  
Highway Use Tax Evasion (HUTE) Grant - Funding to combat motor fuel tax evasion; training for auditors to gain insight into the latest evasion and import and export reporting schemes affecting the northeastern States.
  - This one-time grant funding has been received and future funding is not continuing
- **Details on significant changes in federal funding including information about size and duration of federal grants included in budget:**
  - No significant federal funding changes; overall decrease of \$8,984 for FY23
- **Major initiatives funded by federal funds and plans for initiatives after federal funding no longer available:**
  - N/A

# Position Increases/Reductions & Vacancy Savings

- **The FY23 budget includes 242 Positions:**
  - We had a total of 238 positions in FY22
  - 5 additional limited-service positions to backfill staff that will be reassigned to the Core System Modernization project.
  - Reduction - One position transferred back to AOT
- **Vacancy Savings:**
  - The Vacancy Savings target was calculated at 5% of classified salary costs, totaling \$636,498. We expect to absorb this reduction with actual vacancy savings.

# Carry-forward Funds

- **FY21 Carry-forward funds:**
  - Transportation Fund = \$1,997,121.61
    - Contractual Obligations = \$1,342,322
    - Unbudgeted COVID Expenditures = \$654,799.61
  - General Fund - \$138,000.00
    - FY21 BAA Allocation for Body Cameras
  - Coronavirus Relief Fund - \$46,865.47
    - Cleaning costs and call center
- **Anticipated Level of Carry-forward funds at the end of FY22:**
  - We are not anticipating carry-forward funds at the end of FY22.

# DMV Core System Modernization

- **FY22 - Budget Adjustment Act:**

- The 2022 Governor's Recommend Budget Adjustment Act (BAA) proposes to swap the remaining \$28.82 million IT projects from ARPA to General Funds (GF). That would include the balance of the \$24.5 million DMV IT project still funded by ARPA.
- Background - 2021 Act 74 contained \$52 million ARPA in tech investments (Sec. G.501), which included \$24.5 million for DMV IT Core System Modernization Project. Also in Act 74, to the extent there was GF surplus, \$100 million could swap from ARPA Funds to GF. Of that \$100 million swap, \$10.38 million was for DMV IT and another \$12.8 was for other IT. That left \$28.82 million in of the original \$52 million still in ARPA IT.

- **FY23 - Governor's recommended budget:**

- Sec. B.1100.1 FISCAL YEAR 2023 ONE-TIME TRANSPORTATION FUND APPROPRIATIONS
  - (a) In fiscal year 2023, funds are appropriated from the Transportation Fund as follows:
    - (1) To the Department of Motor Vehicles: \$20,250,000.00 for DMV Core System Modernization Phase II.

What it does: Completes the modernization of DMV core system, allows end-to-end processing of transactions, and puts DMV in best position to utilize the system that the legislature has already invested in.

EXPLANATION: A one-time appropriation, in an amount equal to that previously transferred annually to the Department of Public Safety – Vermont State Police, to fund the continued implementation for the modernization project.