

DMV Select Study



Virginia Department of Motor Vehicles



October 2011

Table of Contents

Executive Summary.....	Page 1
Charge Letter and Study Origin.....	Page 3
History of the DMV Select Program.....	Page 4
Input from Selects.....	Page 6
Recommendations.....	Page 10
Conclusion	Page 14
Appendix A – Select Study Charge Letter	Page 15
Appendix B – Timeline of Select Evolution	Page 17
Appendix C – Statutory History of DMV Select Program	Page 18
Appendix D – Attorney General’s Opinion on Constitutional Officer Compensation	Page 20
Appendix E – Select Survey Results	Page 23
Appendix F – Technical Resource Panel Participants.....	Page 33
Appendix G – Notes from Technical Resource Panel Meeting.....	Page 34
Appendix H – Technical Resource Panel Notes (Powerpoint Presentation)	Page 39
Appendix I – DMV Select Buddy List Pairings.....	Page 45
Appendix J – DMV Select Budget Language	Page 47

Executive Summary

The DMV Select Program is a partnership, authorized under §46.2-205 of the Code of Virginia, between the Department of Motor Vehicles and local agents to offer limited service outlets to supplement full-service DMV Customer Service Centers (CSCs). There are currently 57 Select locations, the majority of which (30) are in partnership with Constitutional Officers, e.g. Commissioners of the Revenue or Treasurers. Of the remaining locations, 16 are run by private for-profit entities, 10 are operated by town governments, and 1 is in partnership with a Director of Finance. Select Agents offer a range of vehicle transactions, and are paid based on a percentage of annual gross revenue collections¹. This partnership has existed in various forms since 1928.

During the 2011 session, a number of legislative proposals were forwarded that would have altered the financial and service-delivery arrangement between DMV and its Select partners. While none of those proposals were successful, Senate Transportation Committee Chairwoman Yvonne Miller directed DMV to conduct a study on the Select Program. To that end, DMV has gathered information regarding the Select Program, including the purpose of the DMV Select Program, the importance of this partnership, the evolution of program operations and funding, the role of Selects in DMV's current service delivery model, and future funding options for program sustainability.

DMV took a number of steps to ensure that Select Agents, as stakeholders in this study, were involved in the process. Over the course of several months, Commissioner Rick Holcomb visited all Selects; additionally, a survey was distributed to all Select Agents to gather information about operations, and opinions on the future direction and funding of the program. Finally, a Technical Resource Panel, comprised of 17 Select Agents representing a broad cross-section of the program, was convened to discuss potential funding options that would place the program on sustainable financial footing, along with the results of the survey. All Select Agents were kept apprised of the progress of the study via email and staff-level conversations.

Between 1994 and 2010, the Select Program grew tremendously. The number of Selects increased by 148% from 23 to 57, the number of transactions increased by 146% (approximately 402,000 to 989,000), and annual gross revenue collected increased by 281% from \$23.1M to \$88M. However, the increase in the cost of the program far outpaced growth in these other categories, skyrocketing by 690% over that same period. The program now costs the agency over \$4.3M in annual payments, representing a significant underfunded and unsustainable liability, at a time when the agency is facing a substantial budget shortfall due to the implementation of the 8 year drivers license.

DMV recognizes that the Select program is a valuable part of its customer service delivery model. However, in order to ensure the continuation of the Select program, a dedicated sustainable funding source must be found. Based on information gathered, along with feedback from our Select partners, DMV suggests the following legislative package:

- ▶ Add a \$5 walk-in fee for vehicle registration renewals at Selects to match what is charged at a CSC, which would generate \$1,800,000
- ▶ Increase the fee to remove stops placed by localities by \$10 (from \$20 to \$30) to generate \$3,200,000
- ▶ Charge a \$10 fee for 1 month vehicle registration extension when a locality stop is in place, generating \$300,000 (possibly more)

¹Under the current payment scheme, Selects are paid 4.5% for the first \$500,000 in gross annual revenue collected, and 5% for gross annual revenues over \$500,000. Each Select is paid individually, based on its own performance.

Executive Summary

This package would create a sustainable funding source of at least \$5.3M annually for the Select Program, which is sufficient to fund the 57 current Selects. The Commissioner would retain his authority to choose the number and location of Selects, as well as the option of partnering with either government or private entities, to ensure that any future expansion of the program is based on the business needs of the agency.

After discussion of this package at the meeting of the Technical Resource Panel, there was a general consensus in favor of the items listed above. After the meeting of the Panel, this package was distributed to all of the Select partners for input. While some Selects expressed concern with individual portions of the package, almost all recognized the need for a comprehensive and wide-ranging funding solution, and overall the response was positive.

Charge Letter and Study Origin

During the 2011 General Assembly session, legislation was introduced in the form of Senate Bills 776, 1225, and 1226, at the behest of the Commissioners of the Revenue Association, that would have compelled DMV to open a Select at the request of any Commissioner of the Revenue, Treasurer, or town official, regardless of the cost impact on the agency. This legislation would have potentially forced DMV to open an additional 224 Selects, at a cost of up to \$10 million to the Commonwealth. The agency expressed its concerns with this legislation, and ultimately a compromise was offered as an amendment in the nature of a substitute.

The resulting SB 776, crafted by Senator McDougle, would have allowed for the expansion of the Select program among local revenue officers (Commissioners of the Revenue, Treasurers, and Directors of Finance), while “grandfathering” extant partners that did not fall into one of those categories. Additionally, the bill made changes to the funding mechanism in an attempt to make the program sustainable. That bill was passed out of Committee, but was ultimately re-referred on a floor vote.

Recognizing the need to resolve the funding imbalance with respect to the Select Program, Senate Transportation Chairwoman Yvonne Miller directed DMV to conduct a study to examine the purpose of the DMV Select program, the importance of these partnerships, the evolution of program operations and funding, the Select Agent’s role in DMV’s service delivery model, and future funding options for program sustainability. The official charge letter is attached as *Appendix A*.

In addition to the charge issued by Chairwoman Miller, DMV was directed to conduct a study by language in Virginia’s biennial budget².

²Budget language attached as *Appendix J*.

History of the DMV Select Program³

DMV first began utilizing private sector “License Agents” more than 80 years ago, with partnerships established in Abingdon, Berryville, Bowling Green, Cape Charles, and Chatham. At that time there were very limited options to renew a vehicle’s registration, and these License Agents were established in rural areas of the state to provide DMV services to citizens who had to travel long distances to full service DMV Customer Service Centers (CSCs). For the first several decades of the program’s existence, License Agents did not process transactions on-site. Rather, they collected forms and payment, which were then mailed to DMV headquarters for processing. Upon completion, the appropriate credential or product was mailed to the customer.

Over the years, the program has expanded and contracted, as the opening of new CSCs, population expansion and shifts, and the rise of alternative means of conducting transactions (mail, phone, and internet) altered DMV’s business needs. At its largest in the 1970’s, the program had 154 participants (while DMV maintained only 10 CSCs). These License Agents were paid up to \$0.50 per set of license plates. In 1979, the compensation system was changed to one based on a percentage of annual collections: 3.5% for the first \$250,000, with less for higher volumes.

By 1990, the number of CSCs had increased to 73, and the number of License Agents had dropped to 35. Beginning in 1994, DMV began to automate License Agents to allow transactions to be conducted on-site. Agents were linked directly to DMV’s system to allow for this capability. In 2002, budget reductions led to the closure of 11 CSCs, the elimination of 5 mobile customer service centers, and a reduction in DMV personnel. Though the closure of the CSCs proved to be temporary, this drastic reduction in customer service capacity, combined with concerns that new identity security requirements would be implemented following the attacks of September 11, 2001, led the agency to increase the number of License Agents.

In 2004, based on the recommendations of an internal “Alternative Services Study,” the License Agent program was transformed into the current DMV Select program. At this time an additional significant investment was made in technology to allow the Select Agents to process transactions via a web-based application.

Today, there are 74 full-service CSCs and 57 DMV Select offices, authorized under § 46.2-205 of the Code of Virginia. Selects offer a limited menu of transactions, including:

- ▶ Title transactions: original titles (with or without liens), substitute and replacement titles, and title maintenance
- ▶ Registrations: original registrations, registration renewals (including fleets), registration transfers, registration re-issues, and plate surrenders
- ▶ Special and personalized license plate orders
- ▶ Trip permits and overload permits
- ▶ Handicapped parking placards
- ▶ Voter registration applications
- ▶ Vehicle and driver transcripts

³A full timeline of the Evolution of the DMV Select Program is attached as *Appendix B*. A timeline of the statutory history of the DMV Select is available as *Appendix C*.

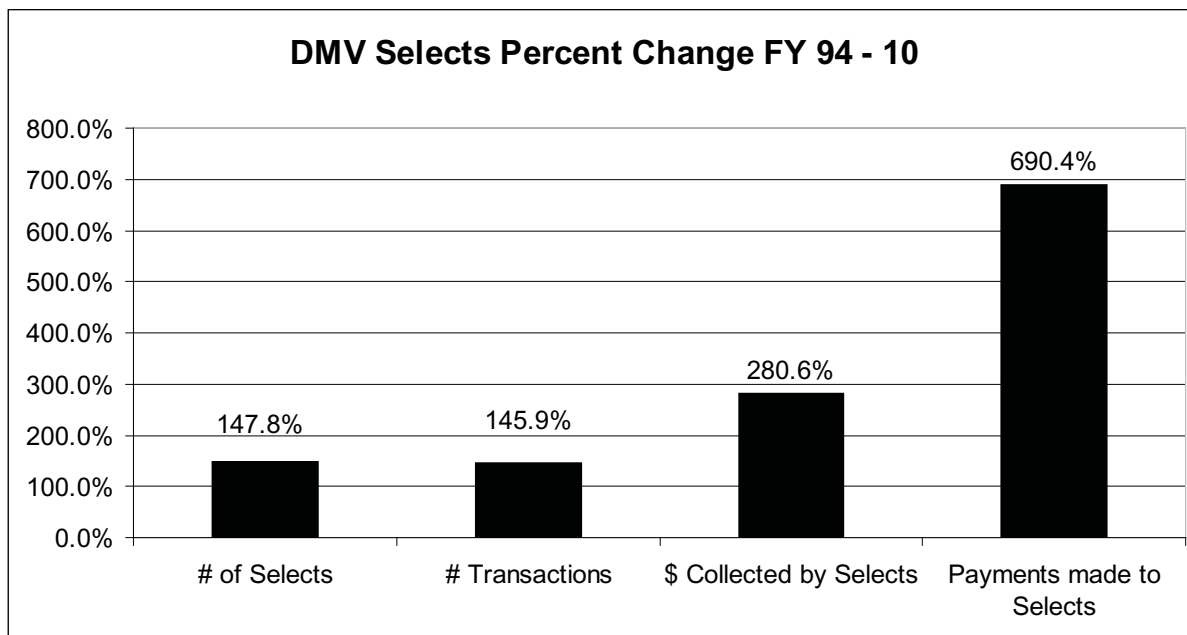
- ▶ Address changes not related to the issuance of a drivers license or ID card
- ▶ Dealer title and registration transactions, and
- ▶ Returned checks

Selects are paid based upon a percentage of their gross annual collections: 4.5% for the first \$500,000, and 5% thereafter. The provisions of this arrangement are found in Virginia’s biennial budget⁴. According to an August 2011 Attorney General’s opinion, Selects run by constitutional officers are entitled to retain within their office at least 80% of the revenue they generate as a Select. This opinion can be found in *Appendix D*.

Of the 57 Selects, 16 are privately operated and the rest are run by a Commissioner of Revenue, Treasurer, jointly by those two constitutional officers or by a local government such as a town. In partnering with a number of locally elected officials, DMV has created a situation in which many of its Select Agents are responsive to individuals not just as customers, but also as voters. While positive in this sense, this partnership does create a situation in which the agency can potentially be drawn into local political situations. In particular, the desire to add additional services to an office and reap the subsequent electoral benefits is a powerful inducement to lobby for additional Select locations in areas where they may not otherwise fit into the overall needs of DMV and its customers.

The dramatic growth of the Select program has created additional access points for Virginia’s citizens who wish to conduct certain DMV transactions in person, but for one reason or another do not wish to visit a full-service CSC. However, as the graph below demonstrates, the growth in the number of Selects, the amount of transactions processed, and the amount of revenue collected pales in comparison to the growth in the cost of the program. **The program, which cost DMV \$544,000 in 1994, now costs \$4.3M annually in commission payments. This represents a significant underfunded and unsustainable liability for the agency.**

Select Program Growth



⁴Budget language attached as *Appendix J*.

Input from Selects

Over the course of the study, DMV solicited input from its Select partners in a number of ways. Between the months of March and August 2011, Commissioner Rick Holcomb visited each Select location to discuss general operations and potential revenue fixes. These meetings have been very beneficial, not only in terms of gathering information from Selects on this study, but also in strengthening lines of communications between the agency and its partners. The visits resulted in DMV making several commitments towards enhancing the service it provides to Selects, which are detailed in the “Recommendations” section.

Additionally, in order to gather standardized information from as many Select Agents as possible, DMV distributed an online survey designed to collect data about the operation of each Select and to provide a platform from which Selects could voice their opinions on potential changes to the program. Each Agent operating a Select received a survey; since some Selects are operated by more than one agent, 72 surveys were distributed. Response was positive, and over 80% of the surveys were returned fully completed. Full survey results are attached as *Appendix E*, but some key findings are provided below.

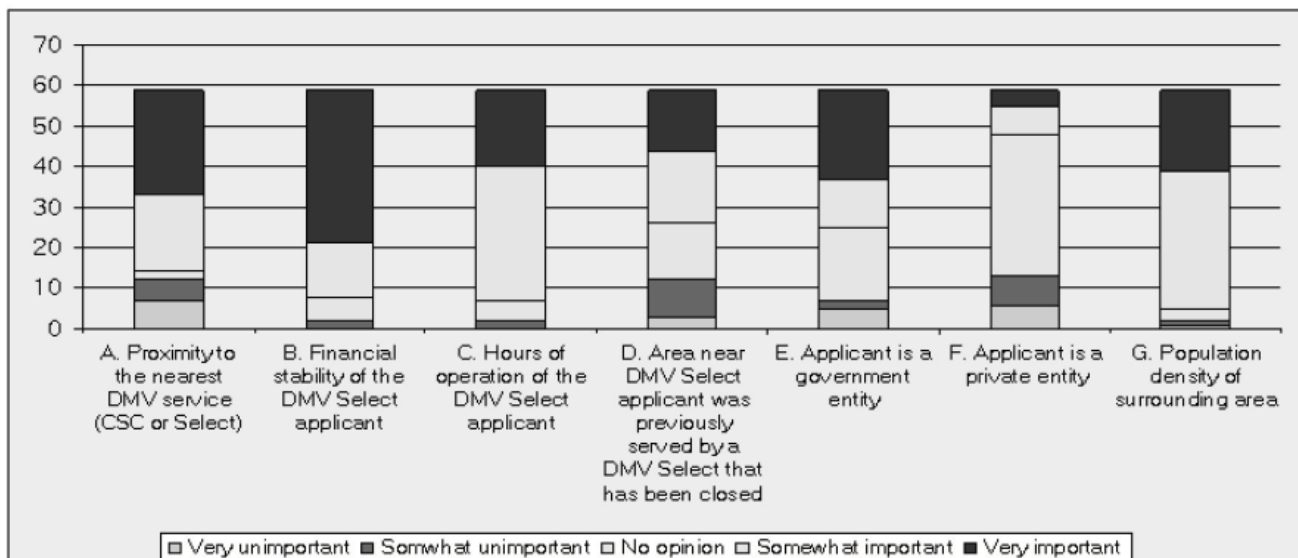
- ▶ Of those who completed the survey, 73.6% were public sector partners, while 26.4% were private sector partners. The majority provide other local government services, but no additional state services.
- ▶ When asked whether they participated in the program for customer service/convenience for the public, financial incentive, or because they were approached by DMV, 77.8% responded that they participate for customer service/ convenience for the public.
- ▶ Most Selects indicate that they have between 1 and 5 employees working in whole or in part on DMV Select business. The average reported full-time employee (FTE) equivalent is 2.9.
- ▶ When asked how long their Select location has been open, 75% indicated that they have been operating for 10 years or less, while 18% have been operating for 20 years or more.
- ▶ Selects are open an average of 39.8 hours a week, and almost all (91.7%) are closed on Saturdays. Only 40% indicated that they would be willing to consider Saturday hours.
- ▶ The vast majority of DMV work done by Selects is done for the general public, at nearly 74%. Another 14% of their business comes from auto dealers⁵, with the remaining 12% from other businesses.
- ▶ Agents were asked to consider a series of factors that could influence a decision on where to locate a new DMV Select, and to rate these from “Very Important” to “Very Unimportant.” The items ranked most important were “Proximity to the nearest CSC,” “Financial Stability of the Applicant,” and “Applicant is a Government Entity.”

⁵While Selects have been prohibited from processing work from auto dealers participating in DMV’s Online Dealer program since July 1, 2010, they are allowed to process work from dealers not in that program.

Responses were as follows:

How important do you think each factor is when considering a new DMV Select applicant?						
Answer Options	Very important	Somewhat important	No opinion	Somewhat unimportant	Very unimportant	Response Count
A. Proximity to the nearest DMV service (CSC or Select)	26 44.1%	19 32.2%	2 3.4%	5 8.5%	7 11.9%	59
B. Financial stability of the DMV Select applicant	38 64.4%	13 22.0%	6 10.2%	2 3.4%	0 0.0%	59
C. Hours of operation of the DMV Select applicant	19 32.2%	33 55.9%	5 8.5%	2 3.4%	0 0.0%	59
D. Area near DMV Select applicant was previously served by a DMV Select that has been closed	15 25.4%	18 30.5%	14 23.7%	9 15.3%	3 5.1%	59
E. Applicant is a government entity	22 37.3%	12 20.3%	18 30.5%	2 3.4%	5 8.5%	59
F. Applicant is a private entity	4 6.8%	7 11.9%	35 9.3%	7 11.9%	6 10.2%	59
G. Population density of surrounding area	20 33.9%	34 57.6%	3 5.1%	1 1.7%	1 1.7%	59
<i>answered question</i>						59
<i>skipped question</i>						13

Shown as a graph, it becomes readily apparent that “Financial Stability” is clearly considered as the most important factor.



Input from Selects

- ▶ In addition to pre-selected answers, Select Agents were given the opportunity in an open-ended question to name other factors they thought should be given weight when considering a new Select applicant. The most frequent responses were customer service quality, wait times in DMV CSCs, and location of the applicant.
- ▶ Select Agents were asked in open-ended questions to name the strengths and weaknesses of the program. The most frequent responses for the strengths of the program were customer service and convenience for public, one stop shopping, and providing DMV access for customers in rural areas. The most frequently cited opportunities for improvement were a need for more training/refresher information, IT system stability, and requests to add additional transactions to those currently offered by Selects.
- ▶ When given an opportunity to express any other thoughts to the agency, the overall theme was that Select Agents feel the program provides a great service to the public. Many stated that they truly enjoy the work they do, and their focus is on customer service.

Perhaps the most interesting portion of the survey had to do with compensation alternative preferences. Given a scenario in which DMV changed from the current compensation system, Selects were asked to rank the following alternative compensation methods from best to worst.

- ▶ Increase a statewide charge (such as stop fees or title fees)
- ▶ Lower compensation rate to 3.5 percent
- ▶ Unlimited dealer work with \$10 transaction charge (paid by dealers)
- ▶ Add service charge up to \$5 per transaction (paid by customers)

Responses were as follows:

If DMV changes from the current compensation system, which of these alternatives would you prefer? Please rank the following ideas from best to worst.					
Answer Options	1st (BEST)	2nd	3rd	4th (WORST)	Response Count
A. Increase a charge statewide to fund DMV Selects (e.g. stop fees or title fees)	34 57.6%	15 25.4%	5 8.5%	5 8.5%	59
B. Keep the current compensation system based on the percent of transactions, but lower the compensation rate back to 3.5 percent	13 22.0%	19 32.2%	17 28.8%	10 16.9%	59
C. Add a service charge of up to \$5 per transaction done at a DMV Select (paid by the customer)	6 10.2%	8 13.6%	12 20.3%	33 55.9%	59
D. Allow DMV Selects to do unlimited dealer work and collect a \$10 charge per vehicle transaction (paid by the dealers) for compensation	6 10.2%	17 28.8%	25 42.4%	11 18.6%	59
<i>answered question</i>					59
<i>skipped question</i>					13

The only two items to receive a majority of votes in any one ranking were Option A (increase a statewide fee) as the top choice, and Option C (add a \$5 service charge) as the bottom choice.

Additionally, Agents were given an opportunity to suggest other compensation suggestions. The most popular responses were to charge a late fee for past due renewals, increase the stop fee from \$20 to \$25, raise other DMV fees, and to allow DMV Selects to process online dealer work⁶. Several of these suggestions are discussed in the "Recommendations" section of this study.

Finally, a Technical Resource Panel, consisting of a cross-section of Select Agents representing all geographic areas of the state and all partner types was convened on May 16, 2011, to discuss the survey results and possible solutions to the program's funding problems. A listing of the participants is attached as *Appendix F*, and the full notes from the meeting (which were distributed to all Selects) are attached as *Appendices H and I*.

After a very productive meeting, a consensus emerged on a number of items, including new commitments from the agency to enhance the level of support provided to the Selects, and a sustainable funding model to ensure that the program remains a robust part of the agency's service delivery model.

⁶Selects were prohibited from processing work from auto dealers participating in DMV's Online Dealer program in July 2010. The practice was disallowed when it was discovered that Selects were paid approximately \$800,000 that year for work that could have been done at no cost to the state by the online dealer. Online dealers are allowed to assess a \$10 processing fee from customers to offset the time required to complete their transaction through the program.

Recommendations

Based upon the survey results, visits by Commissioner Holcomb, and the responses of members of the Technical Resource Panel, it is clear that Select Agents share the agency's view that the DMV Select program is a valuable part of the agency's service delivery model. In addition, both DMV and its partners are committed to taking the steps necessary to place the program on a funding path that is sustainable over the long term. Finally, DMV has made a commitment to be the best partner that it can be in terms of providing the support needed to Selects.

Taking all of this into account, the following recommendations are made. **Based upon feedback received, these recommendations are supported by both DMV and its Select partners.**

Recommendation 1: That the Select Program be continued and placed on sustainable financial footing.

Previously, there had been some question as to whether or not the Select program was in a position to be financially sustainable under any scenario. However, all parties to this study believe strongly that the Select program is an integral part of the DMV customer service delivery model, and are firmly committed to the continuation of this program.

Recommendation 2: That the Select Program be maintained as a limited service partner.

While there was some desire on the part of Select Agents to expand the line of currently offered services to offer Driver transactions (such as Drivers Licenses) or Motor Carrier transactions, DMV strongly feels that an expansion of this nature could create significant issues in terms of document security. Additionally, adding these services would require significant expenditures on the part of Select Agents, with limited increased revenue as a result.

Recommendation 3: That the DMV Commissioner retains the authority to choose where to locate Selects as a supplement to full-service CSCs, and that the Commissioner be able to partner with any entity, public or private, as appropriate.

Legislation proposed during the 2011 General Assembly session would have removed the Commissioner's discretion in terms of the location and number of Selects, and would have restricted new Select locations to partnerships with local revenue officers. The former would have potentially led to a massive and unaffordable expansion of the program, and the latter would have severely restricted the ability to locate a Select partner in an underserved area, if local revenue officers were uninterested in a partnership.

The DMV Commissioner must retain the exclusive authority to partner with Selects on an as-needed basis in conjunction with the agency's business needs, and the needs of its customers.

Recommendation 4: That DMV commits to continue the enhancement of the support it provides to its Select partners.

These items have been initiated by DMV, and are in the process of being implemented, as noted in brackets.

1. Enhanced Training – DMV will offer training for new Select employees and refresher training for existing employees. *[Refresher training began September 7, 2011 and will continue through the remainder of the year. New employee training will begin October 17 and go through March, 2012]*
2. Improved Signage – DMV will replace old “License Agent” signs and improve the trailblazer signs to emphasize the “DMV Select” brand. *[Artwork for signs has been approved and new signs are on order.]*
3. Improved Web Pages – A picture of each Select office will be placed on the DMV website, similar to the pictures DMV currently posts for its CSCs. *[DMV is collecting photos of each Select for posting to its website.]*
4. Mobile Units – DMV’s Mobile Unit, DMV2Go, will be available to offer Driver Transactions at Select locations. *[DMV’s Mobile unit has been deployed to a number of Select locations, with more scheduled.]*
5. IT Enhancements – The server for the Select program will be upgraded to improve reliability and reduce down time. *[Upgrade scheduled for Fall 2011.]*
6. Manuals – Driver, Commercial (CDL), and Motorcycle Manuals will be made available to Selects as a customer service enhancement. *[Selects were made aware in May of 2011 that they could begin ordering all manuals.]*
7. CSC Buddy List – All Selects will be assigned a Customer Service Center, the manager of which will be a point of contact for help and information sharing. A list of partners can be found in *Appendix H*.
8. Annual Meeting – The 2010 annual Select meeting was cancelled because of budgetary concerns, but these meetings were reinstated, starting with a September 15, 2011 meeting, to facilitate the continued improvement of communication between DMV and Select Agents.

Recommendation 5: That additional funding for the Select Program not conflict with DMV’s need to close the agency’s projected budgetary gap.

DMV estimates that it will face a budgetary shortfall of \$15M annually beginning in July of 2013. This shortfall will be caused in large part by the implementation of an 8-year driver’s license in 2008, which allowed the agency to avoid an estimated \$26M deficit at the time, essentially by accelerating revenue collections. However, collecting an additional 3 years of license revenue “up front” will result in significantly lower collections in the near future as the last of the previously issued 5-year licenses are renewed and removed from circulation.

While the agency has taken a number of steps to balance its budget based on its current revenue model, external factors such as the rising costs of IT support, postage, fringe benefits rate changes for VRS and healthcare, utilities and rental rates will likely require new revenues. The agency must ensure that any proposed revenue sources to support the Select program do not conflict with the overarching need to find adequate resources to support DMV’s core functions and essential operations.

Recommendations

Recommendation 6: That additional funding for the Select Program not create an inequitable fee structure in which customers are charged more for a transaction at a Select than they would be at a traditional DMV Customer Service Center, and vice versa.

The Select program should not be funded by charging more for a transaction at a Select than the same transaction at a DMV Customer Service Center. Many Select locations are in rural areas where access to full-service CSCs is restricted by distance, or in urban areas where large populations can increase wait times at CSCs, or traffic considerations make travelling even a short distance to a CSC problematic. Conversely, transaction fees at CSCs should not be established or maintained at levels higher than their Select counterparts.

Recommendation 7: That the following funding package be adopted as a means to place the DMV Select program on sound and sustainable financial ground for the foreseeable future. Additional revenue generated by these items would go to DMV's special fund, and be earmarked to ensure that DMV is able to meet its financial obligations to its Select partners, while maintaining the current percentage-based payment system.

1. Charge a \$5 walk-in fee for vehicle registration renewals at Selects consistent with what is charged at a CSC. Currently, a \$5 fee is assessed on vehicle transactions completed in-person at a CSC, when the transaction could have been completed either on-line, over the phone, or through the mail. This is done as a means to encourage customers to complete their transactions in ways that cost the Commonwealth less money than an in-person transaction.

When this fee was imposed by the General Assembly, Selects were excluded. Including Selects would create parity between DMV's two in-person service options.

Estimated additional revenue: \$1,800,000.

2. Increase the fee charged by localities to remove vehicle stops placed for non-payment of local taxes, fines, and fees by \$10 (from \$20 to \$30). DMV currently partners with localities to place stops on vehicles of citizens who owe money to their county or city. These stops prevent citizens from being able to renew their vehicle registration. In order to have the stop removed, individuals must pay their debt to the locality in question, along with a (currently) \$20 surcharge, which is remitted to DMV to cover administrative costs. This program has been extremely successful in encouraging individuals to pay outstanding balances. The increase from \$20 to \$30 would only affect customers who have failed to meet their financial obligations in a timely fashion.

Estimated additional revenue: \$3,200,000.

3. Charge a \$10 fee for a one-time 1 month vehicle registration extension when a stop is in place. This would be a new product offered by DMV, and would serve as a customer convenience as well as a revenue-generating item. Customers would pay DMV for 1 month of valid vehicle registration during the initial transaction, plus a \$10 convenience charge, and be issued a "month" sticker to note their extended registration. After the customer has cleared his or her stop with the locality, they can then obtain a normal 1, 2, or 3 year registration from DMV. While the initial one month extension would need to be conducted in-person (at either a DMV CSC or Select) due to the stop in place, the follow-up registration could be conducted through any of DMV's service outlets, including phone or internet, saving the customer a return trip.

Currently, customers with locality-imposed stops on their records are not able to settle this debt at the DMV CSC, and must pay the locality directly. Offering an optional one-month extension would allow customers in these situations more time to pay money owed to localities, while not encouraging them to drive with expired registrations.

Additionally, although DMV CSC's are open on Saturdays, most local government offices are not, which leads to a situation in which the customers are unable to complete their DMV transaction until the local offices open the following Monday. Previously, DMV has recommended that it be allowed to accept payment on behalf of localities, but this proposal has been rejected. This item represents a partial solution to this issue.

This service would be provided to all individuals with stops placed by localities, regardless of the day of the week.

Estimated additional revenue: \$300,000, possibly higher.

Taken together, these recommendations would raise additional annual revenue of at least \$5,300,000. DMV estimates that this will be enough to fund the program at its current level of service for the foreseeable future, while allowing for unforeseen increases in costs, or potential expansion of the program.

Conclusion

The DMV Select Program is a valuable component of the Department of Motor Vehicles customer service delivery model. As an agency widely perceived as the “face” of government for many citizens, it is critical that DMV seize every financially responsible opportunity to enhance its service to the people of the Commonwealth of Virginia.

In particular, Virginia’s DMV takes great pride in being a model of customer service delivery for other agencies, both in-state and around the nation. As the first DMV in the world to harness the power of the internet, Virginia propelled itself to the forefront as a trailblazer in providing service in new and unique ways. Today, the Commonwealth’s citizens have an increasing number of options by which they are able to conduct their business: at a traditional Customer Service Center, by phone, mail, or internet, at a DMV Select, or at one of the agency’s new DMV2Go Mobile Units. In the near future, the agency will look to add the ability to conduct transactions via smart phone.

The DMV Select program is a valuable partner with a long history of serving Virginians, and one upon which citizens have come to rely. With the adoption of the recommendations of this report, DMV, its Select partners, and the General Assembly can ensure that this program is preserved for years to come.

Appendix A

Select Study Charge Letter

SENATE OF VIRGINIA

YVONNE B. MILLER
5TH SENATORIAL DISTRICT
PART OF THE CITIES OF CHESAPEAKE, NORFOLK
AND VIRGINIA BEACH
POST OFFICE BOX 452
NORFOLK, VIRGINIA 23501



COMMITTEE ASSIGNMENTS:
TRANSPORTATION, CHAIR
COMMERCE AND LABOR
FINANCE
REHABILITATION AND SOCIAL SERVICES
RULES

February 28, 2011

Mr. Richard D. Holcomb
Commissioner
Department of Motor Vehicles
2300 West Broad Street
Richmond, VA 23220

Dear Commissioner Holcomb:

As you are aware, during the 2011 Session of the General Assembly the Senate Transportation Committee dealt with several legislative proposals regarding the operation and funding of the DMV Select Program. None of these proposals was ultimately reported out of Senate Transportation. While it is clear that DMV Select agents have been a long-standing component of the Department of Motor Vehicles' service delivery model, the current manner of funding this program is unsustainable in the long term.

In lieu of the legislation, the Committee requested a study of the DMV Select Program. Therefore, I am directing you to conduct a study on the operation and funding of the DMV Select Program, and to report your findings to a special subcommittee established to review this matter. Specifically, I would like your presentation to include:

- why the DMV Select Program was established, how it has grown over the years, and how you see the program fitting into DMV's service delivery model in the future;
- the funding structure of the program, how this structure has changed over time, and why;
- alternative funding options that would result in a sustainable program; and
- any other information you think would be important for the subcommittee to consider.

Please be prepared to report this information to the subcommittee by November 1, 2011.

Thank you for your attention to this matter. I look forward to hearing from you during the subcommittee deliberations.

Sincerely,

A handwritten signature in cursive script that reads "Yvonne B. Miller".

Yvonne B. Miller

Appendix B

Timeline of Select Evolution

The Evolution of the DMV Select Program
An Overview of an 83-year Service Partnership

- 1906** First DMV Office established in Richmond. All processes were manual. First license plate issued for \$2.
- 1928** First License Agents established in Abingdon, Berryville, Bowling Green, Cape Charles, and Chatham. Compensation rate of 25 cents per license plate.
- 1932** Virginia drivers required to be tested and licensed by Virginia State Police.
- 1948** Driver licensing function transferred to DMV, which had five customer service centers (CSC) located in Richmond, Norfolk, Roanoke, Hampton, and Arlington.
- 1967** DMV began automation of processing at headquarters.
- 1970** DMV contracted with 154 License Agents, and had 126 driver exam stations, 10 CSCs. Compensation not to exceed 50 cents for each set of license plates.
- 1973** Automating CSCs resulted in expansion in number of CSCs. License Agents, monitored by neighboring CSCs, processed paper work and sent to CSCs. CSCs posted transactions to the system.
- 1979** License Agent compensation became a fixed percentage of fiscal year gross collections: 3.5 percent of the first \$250,000 and less for higher volumes.
- 1980** The number of DMV CSCs increased to 49. As DMV built offices, many License Agents closed operations and often became DMV managers or employees.
- 1990** DMV had 73 CSCs and 35 License Agents.
- 1994** DMV began automation of 23 License Agents.
- 2002** State budget reductions led to the closing of 11 CSCs, elimination of five mobile customer service centers, and reduction in personnel. (Re-opened CSCs in 2003) DMV anticipated that heightened awareness of driver's license security would result in higher volume of CSC customer traffic and longer transaction times. As a result, DMV looked to alternative service outlets, including increasing License Agents, for routine transactions.
- 2004** DMV conducted an Alternative Services Study and, as a result, renamed the License Agent program DMV Select. The 34 partners served as assisted-service outlets that conduct select DMV transactions for customers who chose an alternative means of conducting DMV business.
- 2005** The DMV Select interface with DMV became web-based. DMV provided computers and telecommunications costs. Rather than monitoring by neighboring CSCs, DMV Selects came under the oversight of a unit within the headquarters Customer Service Management Administration.
- 2007** DMV Select compensation rate increased to 4.5 percent and 5 percent when over 500,000 transactions processed.
- 2011** Currently, DMV has 74 CSC and 57 DMV Selects.

Appendix C

Statutory History of DMV Select Program

1932 Section 2154(51) added to the Code of Virginia, establishing agent compensation at a rate “not exceeding the sum of twenty-five cents” for each license plate sold. From this compensation agents are required to pay “all freight, cartage, and postage, and any extra clerk hire or other expense occasioned by their duties.”

1944 Compensation not to exceed “an amount in excess of the aggregate of twenty-five cents for each set of number plates issued or sold annually at each agency.”

In addition, Commissioner may prorate agent compensation “in such manner as will best secure adequate service at all times throughout each calendar year and no agent selling and issuing licenses shall be entitled to the fees for each license issued by him.”

As amended, statute stipulates that agents are required to pay premium on bond from their compensation, along with freight, cartage, postage, and any extra clerk hire or other expense occasioned by their duties.

1948 Compensation not to exceed “an amount in excess of the aggregate of thirty cents for each set of number plates issued or sold annually at each agency.”

1950 Compensation not to exceed “an amount in excess of the aggregate of thirty-five cents for each set of number plates issued or sold annually at each agency.”

1954 Commissioner required to pay “all freight, cartage, premium on bond and postage” for agent. Agent required to pay “any extra clerk hire or other expense occasioned by their duties.”

1970 Compensation not to exceed “an amount in excess of the aggregate of fifty cents for each set of license plates issued or sold annually at each agency.”

In addition, “for each transfer of title and collection of the titling tax each agency shall be allowed thirty-five cents.”

1974 Compensation not to exceed “an amount in excess of the aggregate of sixty cents for each set of license plates or decals issued or sold annually at each agency.”

In addition, “for each transfer of title and collection of the titling tax each agency shall be allowed an amount not to exceed fifty cents.”

1979 Compensation as fixed percentage of fiscal year gross collections: 3.5% of the first \$250,000, 3% of the next \$250,000, 2% of the next \$500,000, and 1% of collections in excess of \$1 million.

Provisions for proration eliminated.

Also eliminated: provision that “no agent selling and issuing licenses or decals shall be entitled to the fees for each license or decal issued by him.”

1999 Separate compensation schedules established for automated and nonautomated agencies.

For nonautomated agencies: 3.5% of the first \$500,000, 2% of the next \$500,000, and 1% of collections in excess of \$1 million.

For automated agencies: 3.5% of the first \$1 million and 1% of collections in excess of \$1 million.

2002 Compensation for automated agencies set at 3.5% of all collections. No change to compensation for nonautomated agencies.

2003 Provisions added to allow agency agreements with Virginia-licensed motor vehicle dealers, T&M vehicle dealers, trailer dealers, or motorcycle dealers, with these agents compensated the same as Select agents.

Also added: § 46.2-205.1, requiring DMV to “conduct a pilot project whereby an automated commercial service center is established by private business entities to perform certain customer transactions with the Department on behalf of business companies, firms, and corporations.” Compensation for each such center was no more than 5% percent of gross collections during the fiscal year. This statutory section expired July 1, 2005.

Appendix D

Attorney General's Opinion on Constitutional Officer Compensation



COMMONWEALTH of VIRGINIA

Office of the Attorney General

August 19, 2011

Kenneth T. Cuccinelli, II
Attorney General

900 East Main Street
Richmond, Virginia 23219
804-786-2071
FAX 804-756-1991
Virginia Relay Services
800-828-1120
7-1-1

The Honorable Raymond A. Hunley, MCR
Commissioner of the Revenue, Mathews County
10644 Buckley Hall Road, Liberty Square
Post Office Box 896
Mathews, Virginia 23109-0896

Dear Commissioner Hunley:

I am responding to your request for an official advisory opinion in accordance with § 2.2-505 of the *Code of Virginia*.

Issue Presented

You ask whether a local Board of Supervisors may use the monies received by employees of constitutional officers for services provided to the Department of Motor Vehicles to supplant existing local funding or to reduce the local share of the Compensation Board-approved budget.

Response

It is my opinion, based on language in Item 441, subsection C of both the 2010 Appropriations Act and the 2011 Appropriations Act, that a county Board of Supervisors is required to appropriate to the office of a constitutional officer such as a Treasurer or Commissioner of the Revenue who is serving as a license agent for DMV, 80 percent of the funds remitted by DMV to the county for DMV transactions processed by the office of the constitutional officer, and that the monies so appropriated may not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

Applicable Law and Discussion

Item 441, subsection C of both the 2010 Appropriations Act and the 2011 Appropriations Act¹ ("Appropriations Acts") provides:

In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § 46.2-205, Code of Virginia. *Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a*

¹ See 2010 Va. Acts, ch. 874; 2011 Va. Acts, ch. 890.

Honorable Raymond A. Hunley
 August 19, 2011
 Page 2

license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law. (Emphasis added)

The positions of Commissioner of the Revenue and County Treasurer are constitutional offices created pursuant to Article VII, § 4 of the Constitution of Virginia.² The process for establishing the budget of a constitutional officer, including a County Commissioner of the Revenue or County Treasurer is provided by general law. Generally, the officer prepares the budget for his office and submits it to the Compensation Board for review, possible modification, and approval.³ Such budget includes salaries, permitted expenses, and other allowances necessary for operating the office of the Commissioner of the Revenue or Treasurer.⁴ A copy of the proposed budget is submitted concurrently to the governing body of the locality.⁵ Once the budget is set, and subject to appropriated funds, the Commonwealth and locality participate in funding the approved budget, with certain exceptions.⁶ In the event of disagreement, the constitutional officer, the locality, or the Commonwealth may appeal the decision of the Compensation Board.⁷

"In the event of any inconsistency between [a] statutory authorization and the appropriation, the Appropriations Act, which has the effect of law and which is the most recent expression of legislative intent, controls."⁸ Section 4-12.00 of the appropriations acts provides:

Notwithstanding any other provision of law, and until June 30, 2012, the provisions of this act shall prevail over any conflicting provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s) of this act and the provision of such other law.

The General Assembly does not define the term "supplant" as it is used in the Appropriations Acts. Consequently, the term must be given its ordinary meaning within the statutory context.⁹

² See Ops. Va. Att'y Gen.: 2008 at 44, 45; 2002 at 58, 59; 1977-78 at 466, 467. See also VA. CODE ANN. § 15.2-102 (defining "constitutional officer") (2008).

³ See VA. CODE ANN. §§ 15.2-1636.7, 15.2-1636.8 (2008).

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ Section 15.2-1636.9 (2008).

⁸ See 1976-77 Op. Va. Att'y Gen. 301, 301-02.

⁹ See *Grant v. Commonwealth*, 223 Va. 680, 684, 292 S.E.2d 348, 350 (1982) (citing *Loyola Fed. Savings & Loan Ass'n v. Herndon Lumber & Millwork, Inc.*, 218 Va. 803, 805, 241 S.E.2d 752, 753 (1978)).

Honorable Raymond A. Hunley
August 19, 2011
Page 3

"Supplant" generally means "to supersede (another)"; "to take the place of and serve as a substitute for esp. by reason of superior excellence or power."¹⁰ The term "supersede" generally means "to cause to be set aside"; "to take the place, room or position of."¹¹

The intent of the Appropriations Act is clear. Based on the plain language of Item 441, subsection C, I conclude that any compensation due to a constitutional officer serving as a license agent for DMV shall be remitted by DMV to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate the officer for the additional work performed in processing transactions for DMV. The language clearly provides that compensation from DMV is intended to serve as compensation for additional work performed for processing DMV transactions. This principle is further clarified and supported by the language of the 2010 and 2011 Appropriations Acts mandating that the funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

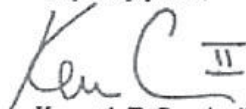
Adopting a resolution that provides for the use of DMV funds to offset the salaries of the employees of the offices of the Treasurer and Commissioner of the Revenue, as a result of the state budget cuts, is not only contrary to the principle that constitutional offices receive compensation for the additional work their employees have performed in processing transactions as DMV license agents, but is contrary to the clear dictates of the Appropriations Acts. Using DMV funds to offset salaries of employees of the Treasurer and Commissioner of the Revenue constitutes an action that uses the funds to supplant or replace the existing local funding for such offices, in direct contravention of the Appropriations Act. Furthermore, assuming the Board has not appealed pursuant to § 15.2-1636.9 the budget for the offices of the County Treasurer and Commissioner of the Revenue established by the Compensation Board, the use of DMV compensation to offset the salaries of employees of those offices results in a impermissible reduction of the local share of the Compensation Board-approved budget for such offices.

Conclusion

Accordingly, it is my opinion, Board of Supervisors is required to appropriate to the office of a constitutional officer such as a Treasurer or Commissioner of the Revenue, serving as a license agent for DMV, 80 percent of the funds remitted by DMV to the county for DMV transactions processed by the office of the constitutional officer, and that the monies so appropriated may not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

With kindest regards, I am

Very truly yours,



Kenneth T. Cuccinelli, II
Attorney General

¹⁰ WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY 1185-86 (1990).

¹¹ *Id.* at 1185.

Appendix E

Select Survey Results

Survey of DMV Selects

Responses

What is the PRIMARY function of your organization?

Answer Options	Response Percent	Response Count
Commissioner of Revenue	33.3%	24
Treasurer	30.6%	22
County/Town Administrative Office (other than Commissioner of Revenue or Treasurer)	9.7%	7
Private business	8.3%	6
DMV Select only	18.1%	13
<i>answered question</i>		72

What is the PRIMARY reason you have chosen to participate in the DMV Select program?

Answer Options	Response Percent	Response Count
Customer service/convenience for the public	77.8%	56
Financial incentive	6.9%	5
I was approached by DMV	11.1%	8
Other (please explain)	4.2%	3
<i>answered question</i>		72

Other than DMV Select work, what other GOVERNMENT services does your office provide? Please check all that apply.

Answer Options	Response Percent	Response Count
None – this office provides no other government services	23.6%	17
Fishing, hunting, and similar licenses	5.6%	4
Lottery tickets	1.4%	1
Local government services (please explain)	68.1%	49
Other (please explain)	44.4%	32
<i>answered question</i>		72

The most common “other” responses have been categorized below.

other tax (not PPT)	22	assessment	3
PPT	12	parking citations	3
collection of fees for local govt	6	passport facility	3
dog tags & licensing	5	permits	3
utility bills	5	real estate tax relief program	3
business licenses	4		

What NON-GOVERNMENTAL services does your office provide?

Answer Options	Response Percent	Response Count
None	72.2%	52
Other (please list)	27.8%	20
<i>answered question</i>		72

The most common “other” responses have been categorized below.

notary	7	faxing	2
citizen questions	2	other tax	2
construction company	2	self-storage units	2
copy services	2		

How many DMV Select employees work in your office? Please count any employee who spends any time on DMV business.

Answer Options	Response Percent	Response Count
1 to 5	61.1%	44
6 to 10	30.6%	22
11 to 15	2.8%	2
16 or more	5.6%	4
<i>answered question</i>		72

	Commish of Revenue	Treasurer	Other Local Official	Private	DMV Select Only
Statistical Mean (avg) # of Employees	8.0	5.0	4.4	3.0	4.2

How many FTEs (full-time equivalent employees) work on DMV Select business. One FTE = 40 hours of work a week.

Answer Options	Response Count	
Average	2.9	
Maximum	20	
Minimum	0.5	
<i>answered question</i>		72

Cross-tabulation by business category

Answer Options	Commissioner of Revenue	Treasurer	County/Town Administrative Office	Private business	DMV Select only
Average	4.4	2.1	1.8	1.4	2.5

How long has your office been a DMV Select (or DMV License Agent)?

Answer Options	Response Percent	Response Count
Less than 5 years	36.1%	26
5 to 9 years	38.9%	28
10 to 14 years	5.6%	4
15 to 19 years	1.4%	1
20 years or more	18.1%	13
<i>answered question</i>		72

Statistical mean for grouped data:

	Commish of Revenue	Treasurer	Other Local Official	Private	DMV Select Only
Statistical Mean (avg) # of Years in Operation	5.6	5.9	14.9	11.3	13.6

Are you aware of a DMV Select (or DMV License Agent) that operated in your area prior to your contract?

Answer Options	Response Percent	Response Count
Yes	48.6%	35
No	48.6%	35
Don't know	2.8%	2
<i>answered question</i>		72

If you answered yes to the previous question, approximately what years did it operate?

This item was open-ended. Applicable responses are included here. Many respondents indicated that they did not know the exact years but were providing estimates.

1932 - 1972	1970s - 2011	1980s - 2006	2000 - 2006
1940 - 1969	before 1974	1980s - 2006	2004 - 2005
1951 - 1971	1979 - 1999	1988 - 1994	2004 - 2009
1960 - 2000	1980s	before 1995	2005 - 2007
1965 - 1980	1980s	2000 - 2006	2005 - 2007
1970s - 1986			

Appendix E

How many hours are you open for DMV Select business every week?

Answer Options	Response Count
Average	39.8
Maximum	47.5
Minimum	35
<i>answered question</i>	
	72

Is your DMV Select open on Saturdays?

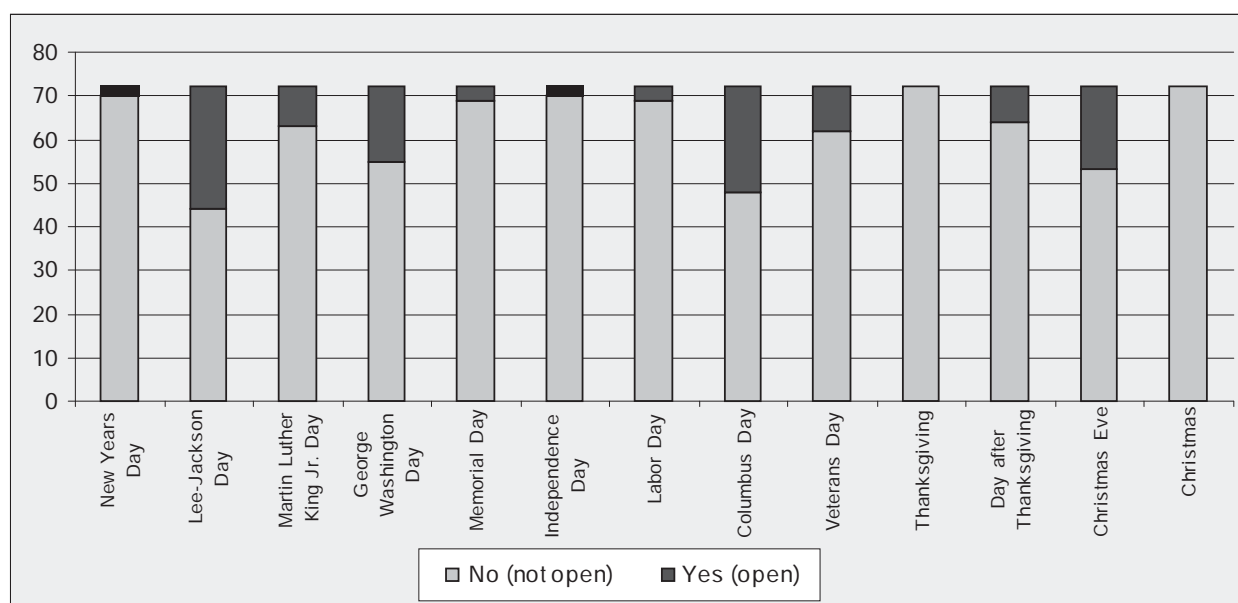
Answer Options	Response Percent	Response Count
Yes	8.3%	6
No	91.7%	66
<i>answered question</i>		72

If you answered no to the previous question, would you be willing to be open on Saturdays from at least 8:00 to 12:00?

Answer Options	Response Percent	Response Count
Yes	3.1%	2
No	56.9%	37
Maybe	40.0%	26
<i>answered question</i>		65

Please indicate if you are open on any federal or state holidays.

Answer Options	Yes (open)	Response Percent	No (not open)	Response Percent	Response Count
New Years Day	2	2.8%	70	97.2%	72
Lee-Jackson Day	28	38.9%	44	61.1%	72
Martin Luther King Jr. Day	9	12.5%	63	87.5%	72
George Washington Day	17	23.6%	55	76.4%	72
Memorial Day	3	4.2%	69	95.8%	72
Independence Day	2	2.8%	70	97.2%	72
Labor Day	3	4.2%	69	95.8%	72
Columbus Day	24	33.3%	48	66.7%	72
Veterans Day	10	13.9%	62	86.1%	72
Thanksgiving	0	0.0%	72	100.0%	72
Day after Thanksgiving	8	11.1%	64	88.9%	72
Christmas Eve	19	26.4%	53	73.6%	72
Christmas	0	0.0%	72	100.0%	72
answered question					72



How many square feet is the public portion of your office?

Answer Options	Response Percent	Response Count
100 square feet or less	5.6%	4
101 to 300 square feet	34.7%	25
301 to 1000 square feet	36.1%	26
More than 1001 square feet	23.6%	17
answered question		72

5 of 10

Survey conducted April, 2011
Prepared by Virginia Department of Motor Vehicles

How many square feet is the work area (non-public) portion of your office that is dedicated to DMV Select work?

Answer Options	Response Percent	Response Count
100 square feet or less	16.7%	12
101 to 300 square feet	37.5%	27
301 to 1000 square feet	34.7%	25
More than 1001 square feet	11.1%	8
<i>answered question</i>		72

How many parking spaces are available for DMV Select customers?

Answer Options	Response Percent	Response Count
Less than 10	9.7%	7
10 to 24 spaces	27.8%	20
25 or more spaces	62.5%	45
<i>answered question</i>		72

How many parking spaces are designated handicapped?

Answer Options	Response Count	
Average	5.2	
Maximum	30	
Minimum	0	
<i>answered question</i>		72

Please estimate what percentage of your DMV Select business comes from each category?

Answer Options	Average Percent	Response Count
Automobile dealers	14.2%	72
Other business customers	11.8%	72
Citizens/public customers	73.9%	72
<i>answered question</i>		72

Does your facility have a restroom available for your customers/public?

Answer Options	Response Percent	Response Count
Yes	81.9%	59
No	18.1%	13
<i>answered question</i>		72

Does your facility meet requirements set by the Americans with Disabilities Act (ADA)?
(Note: If you have questions about ADA, please visit <http://www.ada.gov/> or contact your local building official for more information.)

Answer Options	Response Percent	Response Count
Yes	91.7%	66
No	5.6%	4
Don't know	2.8%	2
<i>answered question</i>		72

Over the past three fiscal years, what has been the average annual cost of operating your DMV Select? Please round to the nearest \$5,000.

Answer Options	Average Response	Maximum Response	Minimum Response	Response Count
Direct costs (salary and benefits, equipment, mortgage/rent, utilities, insurance)	\$66,538	\$406,243	\$0, \$100	72
Other costs (anything not included above)	\$6,367	\$180,000	\$0, \$70	72
<i>answered question</i>				72

If DMV changes from the current compensation system, which of these alternatives would you prefer? Please rank the following ideas from best to worst.

Answer Options	1st (BEST)	2nd	3rd	4th (WORST)	Response Count
A. Increase a charge statewide to fund DMV Selects (e.g. stop fees or title fees)	34 57.6%	15 25.4%	5 8.5%	5 8.5%	59
B. Keep the current compensation system based on the percent of transactions, but lower the compensation rate back to 3.5 percent	13 22.0%	19 32.2%	17 28.8%	10 16.9%	59
C. Add a service charge of up to \$5 per transaction done at a DMV Select (paid by the customer)	6 10.2%	8 13.6%	12 20.3%	33 55.9%	59
D. Allow DMV Selects to do unlimited dealer work and collect a \$10 charge per vehicle transaction (paid by the dealers) for compensation	6 10.2%	17 28.8%	25 42.4%	11 18.6%	59
<i>answered question</i>					59

Can you please share with us additional suggestions for compensation for DMV Selects that would make the program more financially sustainable for DMV while maintaining benefits to DMV Selects?

This was an open-ended item. The most common responses were:

- Charge a late fee for past due renewals
- Increase the stop fee from \$20 to \$25
- Raise other DMV fees
- Allow Selects to do online dealer work

How important do you think each factor is when considering a new DMV Select applicant?

Answer Options	Very important	Somewhat important	No opinion	Somewhat unimportant	Very unimportant	Response Count
A. Proximity to the nearest DMV service (CSC or Select)	26 44.1%	19 32.2%	2 3.4%	5 8.5%	7 11.9%	59
B. Financial stability of the DMV Select applicant	38 64.4%	13 22.0%	6 10.2%	2 3.4%	0 0.0%	59
C. Hours of operation of the DMV Select applicant	19 32.2%	33 55.9%	5 8.5%	2 3.4%	0 0.0%	59
D. Area near DMV Select applicant was previously served by a DMV Select that has been closed	15 25.4%	18 30.5%	14 23.7%	9 15.3%	3 5.1%	59
E. Applicant is a government entity	22 37.3%	12 20.3%	18 30.5%	2 3.4%	5 8.5%	59
F. Applicant is a private entity	4 6.8%	7 11.9%	35 59.3%	7 11.9%	6 10.2%	59
G. Population density of surrounding area	20 33.9%	34 57.6%	3 5.1%	1 1.7%	1 1.7%	59
<i>answered question</i>						59

What other factors do you think should be given weight when considering a new DMV Select applicant?

This was an open-ended item. The most common responses were:

Customer service quality (11)

Wait times at CSCs (10)

Location of applicant (6)

Would your facility be interested in having a DMV 2 Go (mobile unit) visit your location? DMV 2 Go is an RV equipped as a full service DMV office and staffed by DMV employees, able to process all DMV transactions. Customers would be able to have BOTH driver and vehicle transactions done at the DMV 2 Go.

Answer Options	Response Percent	Response Count
Definitely yes	18.6%	11
Maybe yes	40.7%	24
Maybe no	11.9%	7
Definitely no	28.8%	17
<i>answered question</i>		59

If you selected “Definitely yes” or “Maybe yes” in the previous question, how often would you like to have the DMV 2 Go visit your location?

Answer Options	Response Percent	Response Count
About every 2 weeks	15.8%	6
About once a month	34.2%	13
About once every 2 or 3 months	15.8%	6
About once or twice a year	0.0%	0
Other (please specify)	34.2%	13
<i>answered question</i>		38

The most common “other” responses were:
 Emergency/disaster situations only (3)
 Driver transactions only (2)

Other than the service cards provided by DMV, has your office conducted a formal customer satisfaction survey in the last 5 years?

Answer Options	Response Percent	Response Count
Yes	25.4%	15
No	67.8%	40
Don't know	6.8%	4
<i>answered question</i>		59

What do you see as the strengths of the DMV Select program?

This was an open-ended item. The most common responses were:
 Customer service and convenience for the public
 One stop shopping (customers can do things like pay PPT and have stops removed)
 Provides DMV access to people in rural areas

What do you see as the weakness or opportunities for improvement in the DMV Select program?

This was an open-ended item. The most common responses were:
 Could use more training and/or refresher information
 The DMV Select system is down a lot
 Allow Selects to do more transaction types

Is there anything else you would like to tell DMV?

This was an open-ended item. The most common responses were:
 Many respondents feel this is a great service to provide to the public
 Many respondents enjoy the work
 Majority focus on customer service

Appendix F

Technical Resource Panel Participants

Select Location	Type of Partnership	Representative
Abingdon	Treasurer	Fred Parker
Amherst	Private	Nelwyn Morris
Berryville	Private	Trip Hardesty
Cumberland	Commissioner of the Revenue	Julie Phillips – Representing Anita French
Fairfax City	Commissioner of the Revenue and Treasurer	Page Johnson
Hampton	Commissioner of the Revenue and Treasurer	Ross Mugler
King George	Private	Ashley Gray
Lynchburg	Commissioner of the Revenue and Director of Finance	Mitch Nuckles
Madison	Town	Barbara Roach
Mineral	Town	Willie Harper
Northumberland	Treasurer	Ellen Kirby
Oak Hall	Private	Steve Corazza
Pearisburg	Treasurer	Gerald Duncan
Poquoson	Commissioner of the Revenue	Graham Wilson
Remington	Town	Sharon Lee
Stafford	Treasurer	Laura Rudy
West Point	Town	TC Moore

Appendix G

Notes from Technical Resource Panel Meeting

TYPE OF MEETING	Technical Resource Panel																																		
FACILITATOR	Rick Holcomb																																		
MEETING DATE	May 16, 2011																																		
MEETING TIME	10:00 – 2:00																																		
MEETING LOCATION	DMV HQ, Richmond, Room 702																																		
NOTE TAKER	Aubrey Grant																																		
ATTENDEES	<p>DMV Staff: Rick Holcomb, Jeff Ryan, Robert Irving (part), Ellenmarie Hess (part), Janet Smoot, Nancy Nolde, Barry Browning, Matt Wells, Aubrey Grant</p> <p>DMV Selects:</p> <table> <tr> <td>Abingdon</td> <td>Fred Parker</td> </tr> <tr> <td>Amherst</td> <td>Nelwyn Morris</td> </tr> <tr> <td>Berryville</td> <td>Trip Hardesty</td> </tr> <tr> <td>Cumberland</td> <td>Julie Phillips – Representing Anita French</td> </tr> <tr> <td>Fairfax City</td> <td>Page Johnson</td> </tr> <tr> <td>Hampton</td> <td>Ross Mugler</td> </tr> <tr> <td>King George</td> <td>Ashley Gray</td> </tr> <tr> <td>Lynchburg</td> <td>Mitch Nuckles</td> </tr> <tr> <td>Madison</td> <td>Barbara Roach</td> </tr> <tr> <td>Mineral</td> <td>Willie Harper</td> </tr> <tr> <td>Northumberland</td> <td>Ellen Kirby</td> </tr> <tr> <td>Oak Hall</td> <td>Steve Corazza</td> </tr> <tr> <td>Pearisburg</td> <td>Gerald Duncan</td> </tr> <tr> <td>Poquoson</td> <td>Graham Wilson</td> </tr> <tr> <td>Remington</td> <td>Sharon Lee</td> </tr> <tr> <td>Stafford</td> <td>Laura Rudy</td> </tr> <tr> <td>West Point</td> <td>TC Moore</td> </tr> </table>	Abingdon	Fred Parker	Amherst	Nelwyn Morris	Berryville	Trip Hardesty	Cumberland	Julie Phillips – Representing Anita French	Fairfax City	Page Johnson	Hampton	Ross Mugler	King George	Ashley Gray	Lynchburg	Mitch Nuckles	Madison	Barbara Roach	Mineral	Willie Harper	Northumberland	Ellen Kirby	Oak Hall	Steve Corazza	Pearisburg	Gerald Duncan	Poquoson	Graham Wilson	Remington	Sharon Lee	Stafford	Laura Rudy	West Point	TC Moore
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Stafford	Laura Rudy																																		
West Point	TC Moore																																		

[AGENDA ITEM 1] Project Scope and Program History

DISCUSSION	Rick led a review of how this study came to be and the evolution of the DMV Select program (slides 1 – 12)
Rick reviewed some of the legislative proposals from the last session. At the end of the session, the result was a directive to DMV to conduct a study of the DMV Select program. The report is to be finished by November 1, 2011.	
Goal: The overall goal of the recommendations of this study will be to preserve the DMV Select Program by establishing a sustainable revenue model.	
<p>DMV has its own financial challenges, due to economic factors and the decision to switch to an 8-year license, and predicts to have a financial hole in the coming years. We are working on things to help ourselves out of that hole – like a \$5 fee for vehicle and driver renewals in CSCs if the customer is eligible for a preferred service. We are making suspension fees equitable (so customers pay \$5 per compliance action after the first action). The agency will be recommending some additional items in the 2012 session to help raise the required revenue.</p> <p>In addition to revenue enhancements, DMV is actively looking for ways to cut costs. We have implemented electronic notification for vehicle renewals and will do so for driver renewals. We have reduced our paper use by 10 percent.</p>	
There has been some lack of open communication surrounding the program in the past year and Rick takes some responsibility for that. He has visited 32 of the 57 Selects and has been very pleased overall.	
<p>DMV is going to make some enhancements to the Select program, some of which arose from suggestions from Select Agents. These enhancements include:</p> <ol style="list-style-type: none"> 1. Training – for new employees and refresher training for existing employees 2. Improved signage – replacing old “License Agent” signs and improving the trailblazer signs to emphasize the “DMV Select” brand 3. Improved web pages – a picture of each Select office on our website 4. Mobile units – we have one and are working on a second 5. IT enhancements – DMV does not have complete control over our IT, but the server for the Select program is going to be moved, which should improve reliability 6. Driver manuals – these will be shipped to Selects soon and will be a customer service enhancement 7. CSC buddy list – all Selects will be assigned a CSC and the CSC manager can be a point of contact for help and information sharing (a list of the “buddy” partnerings will be distributed to all Selects) 8. Annual meeting – this was cut last year because of the budget, but we will be holding a meeting in September in Richmond 	
In the last few years, Selects have been located in urban areas, which is helpful in congested areas.	
DMV has solicited partner input through Rick’s visits, the survey, and the Technical Resource Panel.	
DMV understands that some customers like going to a CSC or Select in order to get a personal interaction. However, some customers use face-to-face services because they do not have technology access. DMV is looking at ways to provide more technology access.	
Generally, the Selects support technology advances because customers demand it.	
The group briefly discussed address changes. DMV has recently purchased address verification software, which will be rolled out this summer. It will help with address changes and corrections, will cut down on invalid addresses, and reduce typing errors. We may need to look more at address transactions in the Selects.	

[AGENDA ITEM 2] Review of the Survey Results

DISCUSSION	Aubrey led a review of the survey summary results (slides 13 – 32)
The survey was designed because DMV needed and wanted input from the Select agents on how the program is run, what is good and bad about the program, and ideas on how to proceed.	
The survey was distributed to all contract agents – so Selects with dual agency received two surveys. The intent was that every person be represented.	
Most respondents were public entities, which closely mirrors program participants, indicating good survey representation. Most respondents were very customer service focused.	
A more detailed summary of the survey results was included in the folders (and will be emailed to all DMV Selects).	
In order to ensure that the data gathered from the survey was viable and detailed enough to generate accurate crosstabs, DMV elected to make some survey questions mandatory. Due to this, some respondents were not able to complete the survey. When mandatory items are not answered in Survey Monkey, the entire page of responses is discarded.	
Even so, 59 of 73 agents fully completed the survey. Anyone who is not sure if all of their responses were captured or wants to submit their responses to be sure they are included, may contact Barry Browning at Charles. Browning@dmv.virginia.gov.	

[AGENDA ITEM 2] Discussion of Future Program Options

DISCUSSION	Rick led a discussion of options for the program (slides 33 – 35)
<p><u>Off the table:</u> The following items are off the table for the purposes of the Study.</p> <ol style="list-style-type: none"> 1. Letting the program fail 2. Expansion to all localities 3. An inequitable fee structure 4. Removing DMV discretion for placement of DMV Selects in consideration of the business need 5. Driver/compliance and motor carrier transactions in Selects <p>There was a consensus among the participants on these items.</p>	
Many Select operators have expressed a desire to do driver transactions. To equip each Select with the necessary equipment for driver transactions would cost about \$12,000 each and Selects would only make \$1.60 per \$32 license. Additionally, it was noted that there are significant liability concerns associated with conducting road tests.	
Possible funding solutions were discussed. In order to make the Select program sustainable, we have to come up with a sustainable revenue stream of \$5 – \$6M a year. This would cover the current cost of the program and allow for potential growth in the future.	
<p>The four part proposal that DMV suggested included (all revenue figures are DMV’s best estimates):</p> <ol style="list-style-type: none"> 1. \$5 walk-in fee for decal renewal to generate an estimated \$1.8M 2. Increase fee to remove stops by \$5 (from \$20 to \$25) to generate \$1.6M or by \$10 to generate \$3.2M 3. Decrease by 1 percent the compensation given to constitutional offices, saving \$268K 4. Channel certain dealer work to Selects for a flat fee 	

The group discussed these options.
Item 1: Some agents present do not like item 1, noting that some customers go to Selects to avoid this fee at the CSCs. However, the majority appeared to agree it provides more uniformity to the fees. Some suggested that Selects might not be negatively impacted by this in the near term, but that once people figure out that they can renew by mail, internet, or touchtone without the fee, the Selects may see a drop in this transaction, and that law of diminishing returns may be a factor. After discussion, there was general agreement to keep this item in the package.
Item 2: There was general agreement that this item should be included. It was noted that fee increases that only penalize "bad actors" tend to more readily receive support from the General Assembly. After some discussion, the \$5 option for this item was removed, leaving the \$10 increase.
Item 3: It was noted that a member of the GA has expressed an opinion that constitutional officers operating as DMV Selects should not get any compensation from DMV because they get some money from the Comp Board. Item 3 is DMV's attempt to work a compromise. Many of the Select agents present expressed concerns regarding this option and would like it removed from the package.
In discussing possible alternative funding suggestions, it was noted that there is a challenge that some customers come to DMV, particularly on Saturdays, to renew their vehicle and cannot because of a stop. When this happens on a Saturday, the customer does not have the option to get the stop removed (by going to the locality because they are closed) until Monday at the earliest. It forces DMV to turn people away. The suggestion (a new item) was made by Graham Wilson of Poquoson to allow customers to renew for a month at a \$10 charge. This would be allowed once only and would give the customer 30 days to get the stop removed by the locality.
DMV's financial officer quickly ran some figures and determined that suggestion would raise about \$300,000 a year. All agreed that this suggestion should take the place of DMV's item 3 suggestion. This one month registration renewal could be done any day of the week (as opposed to just Saturdays) to raise revenue and allow the customer more time to correct the issue that caused the stop. DMV removed item 3 from the compensation plan, noting that it will then be up to commissioners of the revenue and treasurers to defend their compensation from both DMV and the Comp Board. All agreed they prefer this new option over a reduction in the compensation rate. This would be done at CSCs and Selects.
Item 4: Rick noted his concern with the rate at which dealer transactions are processed at our CSCs, and that there might be an opportunity to use these transactions to generate business for Selects. So some or all DMV Selects might be helpful in this, although the particulars have not been worked out.
An agent present suggested DMV look into processing passports. DMV has looked into this but the federal government has shut down the idea. However, DMV will relook at the issue with the new focus that was suggested.
Many agents present suggested other fees such as a late fee for registration renewals, increases in fees including titles and decal reissue. Rick noted that DMV is looking into some fee increases but any revenue generated by those fees will go toward the DMV's financial hole, not specifically to the Select program. Many DMV transactions do not pay for themselves, especially driver transactions, and a significant portion of funds generated from a number of transactions are immediately transferred to other agencies. Additionally, DMV overhead increases every year. DMV cannot afford to give up a portion of any fee the agency currently receives, and will require funds generated from any general fee increases to go towards filling its projected budget gap.
DMV does not have plans to try to force Saturday hours and recognizes that Saturday hours may not be a possibility for many localities.

Appendix G

Following the discussion of the options, a consensus emerged to consider the following revenue proposal:

1. \$5 walk-in fee for decal renewal to generate an estimated \$1.8M
2. Increase fee to remove stops by \$10 (from \$20 to \$30) to generate \$3.2M
3. Charge \$10 for a one time, one month renewal when a customer has a stop on the record to generate \$300,000
4. Channel certain dealer work for a flat fee

No one present vocalized any opposition to this package, and although some agents present would prefer to not include item 1, there was a general consensus in the room in favor of it. DMV believes that a package supported by all parties stands a much greater chance of passing the General Assembly.

[AGENDA ITEM 2] Conclusion

DISCUSSION	Rick reviewed the summary and next steps
Regarding the expansion of the program, DMV agrees that there may be some areas where expansion might be helpful to citizens in the area. However, DMV's primary commitment is to the 57 Selects in existence now. Opening of new Selects will be driven by the business needs of the agency.	
There will be no changes to the contracts this year.	
DMV will share the materials presented here and the meeting summary with all 57 Selects.	
DMV asks that as Selects put together advertisements, to please remember that we are all partners and that the agency owns the DMV brand. Please do not comment negatively about the CSCs and we appreciate seeing your advertisements before they are released.	
DMV will continue collecting information for the report that is due November 1, 2011. We will put together a legislative package to go with the report. Our goal is to have the package approved in the 2012 General Assembly session and for the new compensation system to be in place on July 1, 2012. DMV does not intend to make any changes for at least 6 months after the new compensation plan has been put in place.	
DMV sees this funding package as a way to raise enough money to pay for the program. Under the proposal currently being considered, Selects will retain their current compensation rate regardless of whether the new funding package raises more or less than what is owed to the Selects.	
Please note that the Department of Taxation does all of DMV's official numbers (financial estimates) for legislation, so there might be some adjustment to the figures we discussed today since estimates presented today were done only by DMV. The differences will most likely not be significant.	
Rick asks that if you have concerns, questions, or problems, that Selects please call or email DMV directly.	
If a Select office moves, builds a new office, etc, and would like a groundbreaking ceremony or ribbon cutting, please let DMV know. Those events often help legislators better understand the value of the Select program.	
Thanks to all who attended today's meeting.	

Appendix H

Technical Resource Panel Notes Powerpoint Presentation (Incorporating Panel Suggestions)

Slide 1



Technical Resource Panel


Richard D. Holcomb
DMV Commissioner
May 16, 2011

Department of  Motor Vehicles

Slide 2

Scope of the Study


- Purpose of the DMV Select program
- Importance of partnerships
- Evolution of program operations and funding
- Role in DMV's service delivery model
- Future funding options for program sustainability
- Report completed by November 1

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Slide 3

Goal


Preserve the DMV Select Program by establishing a sustainable revenue model

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Slide 4

Enhancing the Partnership


- Ongoing training by DMV
- Improved signage
- Improved web pages
- Improved IT service

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Slide 5

Enhancing the Partnership


- Driver's Manuals
- CSC Buddies
- Partnering with *DMV 2 Go*
- Annual meetings

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Slide 6

Partner Input


- DMV Commissioner visits: 32 of 57 to-date
- Survey disseminated to all DMV Selects
 - 33 questions
 - 80.8 percent response rate
- Technical Resource Panel sessions
 - As needed, May through September
 - 17 representatives
 - Regional
 - Private and public

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Slide 7

Program History


- DMV Selects formerly called License Agents
- Originated in 1928 (Abingdon, Berryville, Bowling Green, Cape Charles, Chatham)
- Compensation rate 25 cents per license plate sold
- 1948 DMV had five customer service centers (CSC)

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Slide 8

Program History


- By 1970, 154 License Agents and 10 CSCs
- Compensation rate 50 cents per license plate sold
- CSC automation in 1973 led to DMV expansion and reduction in License Agents
- License Agents served as conduits
 - Collecting paperwork
 - Submitting to DMV for processing
 - Work handled twice
 - Managed by closest CSC

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Slide 9

Program History


- 1979 compensation is fixed percent of fiscal year gross collections (3.5 percent, less at higher amounts)
- By 1980, 49 CSCs
- As License Agents closed, many became DMV employees
- 1990, 73 CSCs and 35 License Agents
- Automation of License Agents began in 1994

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Slide 10

Program History

- 2002 state budget reductions closed 11 CSCs, 5 mobile offices, 11 percent fewer employees
- Anticipation of REAL ID
- DMV looked to alternative service options including more License Agents
- Program promoted as "DMV Select" since 2004
- Became web-based in 2005
- In 2007, compensation rate increased to 4.5 and 5 percent


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Slide 11

Program Growth

DMV Selects Percent Change FY 94 - 10


Category	Percent Change
# of Selects	147.8%
# Transactions	145.9%
\$ Collected by Selects	280.6%
Payments made to Selects	690.4%

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Slide 12

Today


- CSCs - 74
- *DMV 2 Go*
- Self service transactions exceed 50 percent of all transactions
- DMV Selects - 57
 - Conducted 988,371 transactions FY2010
 - Received \$4,301,379 compensation in FY2010

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Slide 13

Survey Results


- Who responded
 - 73.6 percent public sector
 - 26.4 percent private sector
- Majority provide other local government services, but no additional state services

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Slide 14

Survey Results


- Customer service
 - Majority participate for customer service/ convenience for the public
 - Majority have not conducted a customer satisfaction survey
- Staffing
 - Most popular response was 1 to 5 people working on DMV Select business
 - Average FTE is 2.9

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Slide 15

Survey Results


- Service time
 - 75 percent operating 10 years or less
 - 18 percent operating 20 years or more
- Open an average of 39.8 hours a week
- Closed on Saturdays: 91.7 percent
 - 56.9 percent unwilling to open on Saturdays
 - 40 percent would consider Saturday hours

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Slide 16

Survey Results

- Customer profile
 - 73.9 percent general public
 - 14.2 percent auto dealers
 - 11.8 other businesses

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Slide 17

Survey Results

New DMV Select considerations

- Proximity to nearest DMV Select or CSC

44.1 percent	Very important
32.2 percent	Somewhat important
3.4 percent	No opinion
8.5 percent	Somewhat unimportant
11.9 percent	Very unimportant

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Slide 18

Survey Results

New DMV Select considerations

- Financial stability of applicant

64.4 percent	Very important
22.0 percent	Somewhat important
10.2 percent	No opinion
3.4 percent	Somewhat unimportant
0.0 percent	Very unimportant

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Slide 19

Survey Results

New DMV Select considerations

- Applicant is a government entity

37.3 percent	Very important
20.3 percent	Somewhat important
30.5 percent	No opinion
3.4 percent	Somewhat unimportant
8.5 percent	Very unimportant

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Slide 20

Survey Results

New DMV Select considerations

- Applicant is a private entity

6.8 percent	Very important
11.9 percent	Somewhat important
59.3 percent	No opinion
11.9 percent	Somewhat unimportant
10.2 percent	Very unimportant

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Slide 21

Survey Results

New DMV Select considerations

- Hours of operation

32.2 percent	Very important
55.9 percent	Somewhat important
8.5 percent	No opinion
3.4 percent	Somewhat unimportant
0.0 percent	Very unimportant

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Slide 22

Survey Results

New DMV Select considerations

- Area near previous DMV Select

25.4 percent	Very important
30.5 percent	Somewhat important
23.7 percent	No opinion
15.3 percent	Somewhat unimportant
5.1 percent	Very unimportant

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Slide 23

Survey Results

New DMV Select considerations

- Population density in area


33.9 percent	Very important
57.6 percent	Somewhat important
5.1 percent	No opinion
1.7 percent	Somewhat unimportant
1.7 percent	Very unimportant

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Slide 24

Survey Results


- Other factors to consider about DMV Select applicants
 - Customer service quality
 - Wait times in CSCs
 - Location of the applicant

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Slide 25

Survey Results


- **Strengths of the program**
 - Customer service and convenience for public
 - One stop shopping
 - Provides DMV access for people in rural areas
- **Opportunities for improvement**
 - More training/refresher information
 - IT system stability
 - Permit more transaction types

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Slide 26

Survey Results

- **What else do you want to tell DMV?**
 - This program provides a great service to the public
 - Many enjoy the work
 - Majority focus on customer service


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Slide 27

Survey Results

Compensation alternative preferences

- Increase a statewide charge
- Lower compensation rate to 3.5 percent
- Unlimited dealer work with \$10 transaction charge
- Add service charge up to \$5 per transaction

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Slide 28

Survey Results

Compensation alternative preferences

- Increase a statewide charge

First choice	57.5 percent
Second choice	25.4 percent
Third choice	8.5 percent
Fourth choice	8.5 percent

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Slide 29

Survey Results

Compensation alternative preferences

- Lower compensation rate to 3.5 percent

First choice	22.0 percent
Second choice	32.2 percent
Third choice	28.8 percent
Fourth choice	16.9 percent

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Slide 30

Survey Results

Compensation alternative preferences

- Unlimited dealer work with \$10 transaction charge

First choice	10.2 percent
Second choice	28.8 percent
Third choice	42.4 percent
Fourth choice	18.6 percent

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Slide 31

Survey Results

Compensation alternative preferences

- Add service charge up to \$5 per transaction

First choice	10.2 percent
Second choice	13.6 percent
Third choice	20.3 percent
Fourth choice	55.9 percent


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Slide 32

Survey Results

Additional compensation suggestions


- Charge late fee for past due renewals
- Increase stop fee from \$20 to \$25
- Raise other DMV fees
- Allow DMV Selects to conduct online dealer work

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Slide 33

Off the Table


- Allowing program to fail
- Expansion of program to all localities
- Fee structure that establishes inequities in transaction charges between DMV Selects and CSCs (i.e. \$5 DMV Select surcharge)
- Removing DMV's discretion in contracting with partners (public or private)
- Driver/compliance and motor carrier transactions

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Slide 34

Possible Solutions


- \$5 walk-in fee for decal renewals would generate \$1.8M
- Increase fee to remove stops by \$5 (from \$20 to \$25) to generate \$1.6M or \$10 to generate \$3.2M
- Decrease by 1 percent compensation to constitutional officers, saving \$268K
- Channel certain dealer work for flat fee

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Slide 35

Next Steps

- Circulate meeting summary
- Solicit additional feedback
- Continue visiting your locations
- Continue compiling research

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Appendix I

DMV Select Buddy List Pairings

DMV Select Name	DMV Select Agent	CSC Buddy	CSC Manager
Abingdon	Fred Parker	Abingdon	Debbie Campbell
Amelia	Champe Holman	Chesterfield	Jackie Ellis
Amherst	Nelwyn Morris	Lynchburg	Elizabeth Jensen
Appomattox	Laura Guthrie	Altavista	Selinda Tolley
Arlington	Ingrid Morroy/Francis O'Leary	Arlington	Anthony Murphy
Berryville	Trip Hardesty	Front Royal	Mildred Chadwell
Blackstone	Philip Vannoorbeeck	South Hill	Virginia Hall
Brunswick	Wanda Beville/Alice Maitland	Emporia	Cindy Wrenn
Caroline	Sharon Carter/Elizabeth Currin	Fredericksburg	Kathleen Furr
Charlotte Courthouse	Naisha Pridgen	Farmville	Audrey Mayo
Chatham	Richard Allan Easley	Danville	Connie Belcher
Cheriton	Norwood James West	Onancock	Jill Combs
Chesapeake	Ray Conner	Chesapeake	Derek Grant
Chesterfield	Joseph Horbal/Richard Cordle	Chester	Sue Mathews
Cumberland	Anita French	Chesterfield	Jackie Ellis
Dillwyn	Garland Foster	Farmville	Audrey Mayo
Fairfax City	Page Johnson/Steve Maloney	Fair Oaks Mall	Julie Thomas
Falls Church	Tom Clinton	Arlington	Anthony Murphy
Goochland	Jean Bryant	West Henrico	Elizabeth Ramirez
Hampton	Ross Mugler/Robert Williams	Hampton	Sonya Jones
Hanover	Scott Harris/Scott Miller	North Henrico	Heather Jones-Marable
Highland	Darlene Crummet/Lois White	Staunton	Gwen Doyle
Hopewell	Debra Reason/Teresa Batton	Hopewell	Bernice Bynum
Independence	Kenneth Vaught	Galax	Patti Morehead
James City	Robert Middaugh	Williamsburg	Timmons Johnson
King George	Ashley Gray	Fredericksburg	Kathleen Furr
Leesburg	Robert Wertz Jr.	Leesburg	Lakisha May
Lorton	Dinny Li	Lorton	Tammie Lawson
Lovingston	Paula Collins	Lexington	Theresa Dudley
Luray	Audrey Campbell	Front Royal	Mildred Chadwell

DMV Select Buddy List Pairings (cont.)

DMV Select Name	DMV Select Agent	CSC Buddy	CSC Manager
Lynchburg	Mitch Nuckles	Lynchburg	Elizabeth Jensen
Madison	Barbara Roach	Culpeper	Judy Griffin
Mathews	Wendy Stewart/Ray Hunley	Gloucester	Barbara Sturm
Mineral	Willie Harper	Culpeper	Judy Griffin
Nathalie	Vickie Barker	South Boston	Janice Duffey
Newport News (CH)	Priscilla Bele/Marty Eubank	Hampton	Sonya Jones
Newport News (Denbigh)	Priscilla Bele/Marty Eubank	Newport News	Tracy Brumfield
Norfolk	Sharon McDonald	Norfolk-Widgeon Rd.	Pamela Autry
Northumberland	Ellen Kirby	Tappahannock	Sanya Towles
Oak Hall	Steve and Maureen Corazza	Onancock	Jill Combs
Orange	David Rutt	Charlottesville	Tamara Smith
Palmyra	Elizabeth Thomas	Charlottesville	Tamara Smith
Pearisburg	Gerald Duncan	Pulaski	Carolyn Perkins
Poquoson	Graham Wilson	Newport News	Tracy Brumfield
Portsmouth	Franklin Edmondson	Portsmouth	Jacqueline Smith
Purcellville	Mark McGregor	Leesburg	Lakisha May
Radford	Janet Jones	Christiansburg	R. Ann Crismond
Remington	Sharon Lee	Warrenton	Clara Frazier
Russell	Randy Williams	Abingdon	Debbie Campbell
Stafford	Laura Rudy	Stafford	Lisa Showers
Sterling	Robert Wertz Jr.	Sterling	Mona Riehn
Stuart	Tom Rose	Martinsville	Rita Layman
Victoria	Ken Patterson	South Hill	Virginia Hall
Vienna	Betty Ng	Tysons Corner	Nhanh Su
Virginia Beach	Philip Kellam	VB Buckner	Kathleen Fildes
Warm Springs	Mary Blankenship	Covington	Julie Downer
West Point	Bill Porter	Kilmarnock	Gail Turner

Appendix J

Budget Language Dealing with Selects

Item 441

- C. In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § 46.2-205, Code of Virginia. Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.
- D. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross collections for the first \$500,000 and 5.0 percent of all gross collections in excess of \$500,000 made by the entity during each fiscal year. The Commissioner shall supply the agents with all necessary agency forms to provide services to the public, and shall cause to be paid all freight and postage, but shall not be responsible for any extra clerk hire or other business-related expenses or business equipment expenses occasioned by their duties.
- E. Out of the amounts identified in this Item, \$297,052 the second year from the Commonwealth Transportation Fund shall be paid to the Washington Metropolitan Area Transit Commission.
- F. In order to ensure the both the cost-effectiveness and equitable availability of DMV services, the Commissioner shall review the locations and workloads of the existing DMV Customer Service Centers and DMV Select Offices. Prior to making any changes to the operations of the DMV Select program, the Commissioner shall consider: (i) the proximity of any DMV Select Office to a DMV Customer Service Center, (ii) the workloads and wait times at Customer Service Centers and DMV Select Offices in close proximity to one another, (iii) the length of time any existing DMV Select Agent has served in that capacity, and (iv) the ability of a DMV Select office to meet both the current and future business needs of the program as determined by the Commissioner. Upon completion of this review, the Commissioner shall transmit his findings to the Chairmen of the House and Senate Transportation Committees, and the Chairmen of the House Appropriations and Senate Finance Committees no less than 30 days prior to the implementation of any substantial policy changes.