

DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION

A.R.S. § 28-101

Other Appropriated Funds	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
FTE Positions	1,362.0	1,357.0	1,564.0 ^{1/}	1,622.0 ^{1/}
Personal Services	33,135,400	36,739,600	40,986,700	42,980,400
Employee Related Expenditures	8,550,500	9,332,700	10,081,700	10,884,700
Professional and Outside Services	1,104,600	689,100	1,476,700	3,158,900
Travel - In State	458,800	461,500	492,000	492,000
Travel - Out of State	24,200	36,500	36,500	36,500
Other Operating Expenditures	12,821,100	12,062,900	12,978,900	13,080,400
Equipment	1,354,100	500,000	1,855,600	1,109,200
Operating Subtotal	57,448,700	59,822,300	67,908,100	71,742,100
Abandoned Vehicle Administration	446,800	405,600	422,700	431,700
Safety Enforcement and Infrastructure	688,000	767,200	1,020,600	1,098,900
License Plates and Tabs	1,262,200	1,275,300	2,295,300	2,295,300
Number Plate Replacement	990,000	1,020,000	0	0
Attorney General Legal Services	116,400	124,700	125,800 ^{2/}	127,900 ^{2/}
Special Projects	0	4,342,300	8,538,400 ^{3/}	8,538,400 ^{3/}
Desktop Computer Replacement	0	2,552,000	0	0
Public Information Services	0	0	200,000	200,000
Transfer to DPS	0	0	107,700	107,700
Total Appropriations	60,952,100	70,309,400	80,618,600^{3/4/5/}	84,542,000^{3/4/5/}
Fund Summary				
State Highway Fund	59,550,800	69,542,200	77,655,900	81,475,500
Abandoned Vehicle Administration Fund	446,800	0	0	0
Dealer Enforcement Fund	266,500	0	0	0
Safety Enforcement and Transportation Infrastructure Fund	688,000	767,200	1,020,600	1,098,900
Motor Vehicle Liability Insurance Enforcement Fund	0	0	986,800	997,700
Vehicle Inspection and Title Enforcement Fund	0	0	955,300	969,900
Total Appropriations	60,952,100	70,309,400	80,618,600	84,542,000

Program Description — *The Motor Vehicle Division (MVD) regulates vehicular operations within the state through the issuance and control of various permits, registrations and licenses.*

- ^{1/} Includes 68 FTE Positions and 70 FTE Positions funded from Special Line Items in FY 2000 and FY 2001, respectively. Included in these amounts are 36 FTE Positions that were approved specifically for use on Special Projects. The Governor line item vetoed the funding for the projects. (See *Special Projects for more information.*)
- ^{2/} Includes an adjustment for Office of the Attorney General legal services. (See the *Salary Adjustment table at the front of this report for more information.*)
- ^{3/} The Governor line item vetoed the footnotes associated with the Special Projects. As a lump sum budget, there was no specific line item for the Special Projects. The Governor believes that her exercise of the line item veto of the footnotes results in a decrease of \$(8,538,400) to the overall MVD lump sum appropriation for FY 2000 and FY 2001. (See *Special Projects for more information.*)
- ^{4/} General Appropriation Act funds are appropriated as a Lump Sum for the Program.
- ^{5/} All monies deposited in the Vehicle Inspection and Title Enforcement Program are available for expenditure. The current estimate of expenditures is \$955,300 in FY 2000 and \$969,900 in FY 2001. The Department of Transportation shall report the intended use of monies above \$955,300 in FY 2000 and \$969,900 in FY 2001 to the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for state employee pay increase)

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Customer Service Staffing Increases — The approved FY 2000 amount includes an increase of \$4,565,100 and 127 FTE Positions for additional staff related to customer service operations. Of this amount, \$493,200 is for one-time equipment purchases. The approved FY 2001 amount includes a further net increase of \$1,447,200 and 56 FTE Positions. This amount includes a reduction of \$(493,200) to remove one-time expenditures approved for FY 2000.

The additional funding is intended to reduce the statewide customer wait-time average in field offices to between 15 and 20 minutes, and is intended to improve mail and telephone customer response times. The added FTE Positions will be used for field office staffing, renew-by-mail staffing, and for communications center staffing.

Driver License Contract — The approved FY 2000 amount includes an increase of \$533,600 to accommodate an increase in the rate charged by the contracted vendor of digital driver licenses. The approved FY 2001 amount includes a further increase of \$1,608,000 to annualize the part year increase in FY 2000.

The department's current contract includes a rate per card of \$0.82. A survey of other states shows that revised rates have averaged \$2 per card. The approved amounts are based on this multi-state average.

Staff Training — The approved amount includes an increase of \$100,000 beginning in FY 2000 for an annual customer service staff training program. An aggressive training program, when combined with the approved increases in field office personnel, should assist with attaining the field office wait-time goal of 15 to 20 minutes.

3rd Party Funding — The approved FY 2000 amount includes an increase of \$119,300 and 6 FTE Positions to provide additional support for the 3rd Party Program. The approved FY 2001 amount includes a reduction of \$(95,500) to eliminate the associated one-time funding. No Personal Services dollars are associated with the increase in FTE Positions. It is intended that the division will utilize current budgeted monies to pay for the positions. The program is designed to outsource certain division functions to free resources for use on customer service improvements.

Equipment Funding — The approved FY 2000 amount includes an increase of \$422,300 for 12 security cameras and lighting at 12 field offices, and for Q-Matic machines at specified rural sites. The Q-Matic machines are used to tabulate customer wait times. The approved FY 2001 amount includes a reduction of \$(407,300) to eliminate the associated one-time funding.

Appropriation of Funds — The approved amounts include an increase of \$1,920,300 and 33 FTE Positions beginning in FY 2000 to reflect the appropriation of the Motor Vehicle Liability Insurance Enforcement Fund and the Vehicle Inspection and Title Enforcement Fund. Laws 1998, Chapter 241 converted these funds to appropriated status beginning in FY 2000.

Abandoned Vehicle Administration — The approved amounts provide funds for administrative functions concerning abandoned vehicles including maintaining records, mailing notices, and paying towing fees for vehicles on public land. This Special Line Item is funded by the State Highway Fund.

Safety Enforcement and Infrastructure — The approved FY 2000 amount includes an increase of \$246,100 and 5 FTE Positions to keep pace with a 9% annual growth in border trucking activity. The approved FY 2001 amount includes a further increase of \$133,400 and 2 FTE Positions, and includes a reduction of \$(65,500) to eliminate one-time funding from FY 2000. The funds will be used to enforce vehicle safety requirements at the Mexican border. This Special Line Item is funded by the Safety Enforcement and Transportation Infrastructure Fund.

License Plates and Tabs — The approved amounts provide for the purchase of license plates from Arizona Correctional Industries (Department of Corrections) and tabs from a private distributor. Beginning in FY 2000, this Special Line Item will be consolidated with the Number Plate Replacement Special Line Item since both line items are used to supply the license plate inventory. This Special Line Item is funded by the State Highway Fund.

Number Plate Replacement — Monies are appropriated to replace license plates that are no longer readable. Beginning in FY 2000, monies in this Special Line Item will be transferred to the License Plates and Tabs Special Line Item.

Attorney General Legal Services — The approved amounts provide funding for Office of the Attorney General services. This Special Line Item is funded by the State Highway Fund.

Special Projects — For FY 2000 and FY 2001, the Legislature approved 36 FTE Positions and funding in the amount of \$8,538,400 for various Special Projects as part of the overall MVD lump sum appropriation. However, the Governor vetoed the administrative footnotes that reference the projects. The Governor believes that her exercise of the line item veto results in a decrease of \$(8,538,400) to the overall MVD lump sum appropriation for FY 2000 and FY 2001.

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The following table displays the one-time costs associated with implementing the projects. Also displayed are the continued costs related to maintaining the projects in future years. The sum of these two amounts equals \$8,538,400.

expenditures above \$955,300 in FY 2000, and above \$969,900 in FY 2001.

<u>Vetoed FY 2000 Special Projects</u>		
<u>MVD Special Projects</u>	<u>One-Time \$</u>	<u>Continued \$</u>
1) Expanded One-Time Registration	\$689,000	\$60,000
2) Plate & Fee to Owner	883,000	252,000
3) Biennial Registration IV	64,500	30,000
4) Registration Compliance	262,000	1,310,000
5) Vehicle Valuation System	30,800	80,000
6) Internet Transactions	369,000	--
7) 3 rd Party Expansion	758,000	--
8) Tax & Revenue System	363,000	--
9) Integrated Cash Drawer in Drivers License	894,000	--
10) Integrated Cash Drawer in Title & Registration	849,000	--
11) Inventory System/Drivers License	568,500	--
12) Inventory System/Title & Registration	624,000	--
13) Fiscal 2000 Legislation	<u>451,600</u>	<u>--</u>
TOTAL	\$6,806,400	\$1,732,000

Desktop Computer Replacement — In FY 1999 monies were appropriated for desktop computer replacement. Beginning in FY 2000, these one-time monies will be removed.

Public Information Services — The approved amount in this new Special Line Item includes \$200,000 to be used to inform the public about alternative correspondence methods. This Special Line Item is funded by the State Highway Fund.

Transfer to DPS — The approved amounts provide funding for 2 FTE Positions in the Department of Public Safety to assist with the Vehicle Inspection and Title Enforcement Program. This Special Line Item is funded by the Vehicle Inspection and Title Enforcement Fund.

Additional Legislation: Omnibus Budget Reconciliation: Public Finances (Chapter 3, 1st Special Session) — This act includes a provision that allows the department to sell seized vehicles to recuperate costs related to investigations.

A related footnote in the General Appropriation Act allows the department to spend all monies deposited into the Vehicle Inspection and Title Enforcement Fund if revenues from seized vehicles exceed current estimates. The Joint Legislative Budget Committee must approve any