

Department of Transportation

Motor Vehicle

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,649.0	1,665.0	1,672.0
Personal Services	44,544,600	49,026,300	49,206,500
Employee Related Expenditures	16,780,900	19,207,300	20,155,600
Professional and Outside Services	2,065,400	2,065,600	2,065,600
Travel - In State	238,400	382,000	382,600
Travel - Out of State	13,700	16,600	16,600
Other Operating Expenditures	16,690,400	17,842,700	16,784,500
Equipment	2,364,300	1,835,900	1,916,600
OPERATING SUBTOTAL	82,697,700	90,376,400	90,528,000
SPECIAL LINE ITEMS			
Abandoned Vehicle Administration	700,600	748,400	748,400
Attorney General Legal Services	137,700	140,200	0
Registration; Motor Vehicles; Nonresidents	0	36,000	0
PROGRAM TOTAL	83,536,000	91,301,000	91,276,400

FUND SOURCES

Other Appropriated Funds

Air Quality Fund	55,700	58,600	58,600
Highway User Revenue Fund	383,300	419,300	383,300
Motor Vehicle Liability Insurance Enforcement Fund	1,052,100	1,175,500	1,291,000
Safety Enforcement and Transportation Infrastructure Fund	907,000	2,174,500	2,144,500
State Highway Fund	80,224,900	86,323,200	85,975,400
Vehicle Inspection and Title Enforcement Fund	913,000	1,149,900	1,423,600
SUBTOTAL - Other Appropriated Funds	83,536,000	91,301,000	91,276,400
SUBTOTAL - Appropriated Funds	83,536,000	91,301,000	91,276,400
TOTAL - ALL SOURCES	83,536,000	91,301,000	91,276,400

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
Other Appropriated Funds	(24,600)	0.0%
Total Appropriated Funds	(24,600)	0.0%
Total - All Sources	(24,600)	0.0%

COST CENTER DESCRIPTION — Motor Vehicle regulates vehicular operations within the state through the issuance and control of various permits, registrations and licenses.

PERFORMANCE MEASURES	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• Average office wait time (minutes)	14.2	15.1	15 to 20	15.0
• % of office customers rating service "good" or "excellent" (NEW)	79.5	82	--	83
• Average telephone wait time (minutes)	NA	NA	3.5	--
• Average telephone wait time to speak to an MVD employee (minutes) (NEW)	NA	21.7	--	18.5
• % of business processed by third parties	NA	NA	31	--
• % of alternative vehicle registration renewal methods (mail, internet, third party)	69	71.8	72	74

Comments: The agency did not submit information for any measure labeled as “NA.” The average office wait time increased almost 1 minute to 15.1 minutes in FY 2004. The JLBC recommends a new customer satisfaction performance measure of the percent of office customers rating service “good” or “excellent”. The JLBC recommends a new performance measure of the average telephone wait time to speak to an MVD employee, which are calls referred for second level assistance after first being received by MVD call centers. This would replace the current performance measure of average telephone wait time for calls to be answered by MVD call centers, since ADOT does not report this as a performance measure. The alternative vehicle registration renewal methods (mail, internet, third party) increased 2.8% to 71.8% in FY 2004.

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$90,528,000 for the operating budget in FY 2006. This amount consists of:

	FY 2006
Air Quality Fund	\$ 58,600
Highway User Revenue Fund	383,300
Motor Vehicle Liability Insurance Enforcement Fund	1,291,000
Safety Enforcement and Transportation Infrastructure Fund	2,144,500
State Highway Fund	85,227,000
Vehicle Inspection and Title Enforcement Fund	1,423,600

These amounts include the following adjustments:

Vehicle Inspection OF 273,700

The JLBC recommends an increase of \$273,700 and 4 FTE Positions from the Vehicle Inspection and Title Enforcement Fund in FY 2006 for increased workload of level 2 and level 3 inspections of vehicle identification numbers. The department reports statewide inspections increased from 32,450 in FY 2001 to 37,023 in FY 2004. The recommended amount includes \$120,000 in one-time training and equipment.

Third Party Quality Assurance OF 140,500

The JLBC recommends an increase of \$140,500 and 3 FTE Positions from the Motor Vehicle Liability Insurance Enforcement Fund in FY 2006 for increased workload in third party quality assurance. Third parties handle transactions such as title, registration, and vehicle inspection. The third party quality assurance section reviews about 25% of third party transactions for accuracy. The department reports that they have had a moratorium on new third parties for title and registration services for 2 years due to a lack of staff, during which time they placed 63 applications on hold. A moratorium on new third parties for vehicle inspections was implemented at a later date. The recommended amount includes \$27,100 in one-time equipment.

The JLBC recommends a new footnote that the department report by September 1, 2005 to the JLBC for Committee

review on the status of third party quality assurance staffing, workload, backlog and the moratorium on accepting new third parties.

Motor Pool Rental Rate Technical Adjustment OF 24,300

The JLBC recommends an increase of \$24,300 from the State Highway Fund for the Motor Vehicle program for increased rental rates of new vehicles and heavy equipment by the ADOT motor pool. *(Please see Highways for more details.)*

One-Time Costs OF (55,000)

The JLBC recommends a decrease of \$(55,000) in FY 2006 for one-time computer programming and equipment. This amount consists of \$(30,000) from the Safety Enforcement and Transportation Infrastructure Fund and \$(25,000) from the Motor Vehicle Liability Insurance Enforcement Fund.

Commercial Motor Carriers; License; Regulation OF (20,500)

The JLBC recommends a decrease of \$(20,500) from the State Highway Fund in FY 2006 for one-time computer programming associated with the Commercial Motor Carrier program.

Laws 2004, Chapter 324 included \$168,500 from the State Highway Fund in FY 2005 for implementation costs and for notifying owners and lienholders when abandoned vehicles have been towed. This amount is exempt from lapsing. This amount includes \$20,500 for one-time computer programming costs. With the elimination of one-time costs, the operating budget will include \$148,000 on an ongoing basis for this activity.

License Plate to Owner; Refund OF (211,400)

The JLBC recommends a decrease of \$(211,400) from the State Highway Fund in FY 2006 for one-time computer programming and equipment associated with the License Plate to Owner Refund program.

Laws 2004, Chapter 333 provided \$322,000 and 3 FTE Positions from the State Highway Fund in FY 2005 for processing license plate credits and refunds. This amount includes \$211,400 for one-time costs, including \$185,000 for computer programming and \$26,400 for equipment. With the elimination of one-time costs, the operating

budget will include \$110,600 and 3 FTE Positions on an ongoing basis for this activity.

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Special Line Items

Abandoned Vehicle Administration

The JLBC recommends \$748,400 and 20 FTE Positions from the State Highway Fund for abandoned vehicle administration in FY 2006. This amount is unchanged from FY 2005.

Monies in this line item provide for administrative functions concerning abandoned vehicles including maintaining records, mailing notices, and paying towing fees for vehicles on public land.

Attorney General Legal Services

The JLBC recommends no funding from the State Highway Fund for Attorney General legal services in FY 2006. This amount would fund the following adjustments:

Transfer Attorney General

Legal Services OF (140,200)

The JLBC recommends a transfer-out of \$(140,200) from the State Highway Fund in FY 2006 to the Administration Program to combine the 2 Attorney General Legal Services special lines and streamline ADOT's accounting process.

The transferred monies would continue to allow the Attorney General to provide legal services to the program.

Registration; Motor Vehicles; Nonresidents

The JLBC recommends no funding from the Highway User Revenue Fund for the registration of certain vehicles by nonresidents in FY 2006. This amount would fund the following adjustments:

One-Time Costs OF (36,000)

The JLBC recommends a decrease of \$(36,000) from the Highway User Revenue Fund in FY 2006 for one-time computer programming.

Laws 2004, Chapter 296 included \$36,000 from the Highway User Revenue Fund in FY 2005 for one-time computer programming implementation costs for issuing special 30-day nonresident registration permits to nonresidents who intend to register the vehicle out-of-state.

JLBC RECOMMENDED FORMAT — Lump Sum by Program

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

It is the intent of the Legislature that all monies appropriated for the Motor Vehicle Division field offices and electronic services are combined resources designed to improve customer services and that the department should pursue increased efforts to further the utilization of electronic services (e-business transactions) to enhance customer services and create efficiencies, enhanced customer service and security issues.

New Footnotes

By September 1, 2005, the department shall submit a report to the Joint Legislative Budget Committee for review of the status of third party quality assurance staffing, workload, backlog and the moratorium on accepting new third parties. *(This would provide the Legislature with information regarding effectiveness of the third party quality assurance function.)*

The Game and Fish Department and the Department of Transportation shall conduct a joint study to examine the transfer of responsibility for processing watercraft registration from the Game and Fish Department to the Department of Transportation. This study shall be submitted to the Joint Legislative Budget Committee by December 30, 2005 and is to include an implementation plan with a proposed date for the transfer of watercraft registration and examine the overall impact to citizens, potential cost savings, and the number of full-time equivalent positions to be transferred from the Game and Fish Department to the Department of Transportation. *(This study would determine whether the transfer of watercraft licensing from the Game & Fish Department to the Department of Transportation would result in cost savings in the administration of the program.)*

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote requiring the department to report to the Joint Legislative Budget Committee by September 1, 2004 information on how the 12 new FTE Positions in FY 2005 were distributed among the ports of entry and certain performance data. *(This is a one-time report.)*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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