
This inaugural Annual Report describes the initial steps that have been taken to improve an agency whose problems were documented in the November 2002 Fix DMV Commission’s Final Report entitled, “An Agency In Crisis.”

The structural overhaul to the method of governance and funding that has commenced within the last few months with the creation of this Commission and the adoption of adequate and consistent funding mechanisms will produce meaningful change, and impact on the ultimate beneficiaries of motor vehicle services, the citizens of New Jersey.

Respectfully,

Diane Legreide
Chair and Chief Administrator

C: Donna M. Phelps
Secretary of the Senate
The State House
125 West State Street
Trenton, NJ 08625

Christine Riebe
Clerk of the General Assembly
The State House
125 West State Street
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A Message from the Chief Administrator

For the next several years, the New Jersey Motor Vehicle Commission will be engaged in unprecedented reform.

This necessity became increasingly apparent as the problems of identity theft and fraud, and an unacceptable level of customer service, pervaded our organization.

As you know, our agencies issue the state’s driver license, a document that in today’s world is many adults’ primary proof of identity. To make this document more reliable, we are remaking it into a model of modern security.

We are, at the same time, replacing our model of customer service.

Our goal is to strike an acceptable balance between these two ideas - increased security and increased customer service - that often are at odds.

This goal, like all others you will read about in the following pages, will be met.

We have provided initial customer service and fraud training to our employees and already have instituted practical new procedures, implemented new, more secure policies, and installed technology that will make our agencies safer, and our interactions with motorists more efficient.

Each of these steps is one more taken toward MVC providing a secure, comfortable environment in which motorists transact business with us.

In time, MVC will become the model other state motor vehicle agencies look to for better service and security for their customers, the motoring public.

Diane Legreide
Chief Administrator, MVC
Annual Report & Service Assessment

Statutory Responsibility
State law requires the Motor Vehicle Commission (MVC) to compile two reports each year, assessing the quality of the services it provides and outlining budget data for the past, present and next fiscal years.

These reports will be submitted on September 30th to the Office of the Governor and to the Presiding Officers of each House of the Legislature; and, again each March 30th.

The September 30th report will contain both financial and service assessment data, and is considered MVC’s Annual Report.

The March 30th report will contain an assessment of MVC services for the previous six-month period.

This, MVC’s initial report, will assess the organization’s progress in service delivery since September 2002, and outline financial data for the past, most recent and present fiscal years.

Brief History
The Motor Vehicle Security and Customer Service Act (the Act) provides a mandate of reform to MVC, one that requires MVC to remake itself while continuing day-to-day service. Key to the successful implementation of this mandate are provisions granting the organization both short- and long-term statutory funding.

A properly funded motor vehicle agency has not been the case for nearly two decades.

During that period, budget reductions were common and human resources were cut back. At the same time, more than 100 legislative mandates adding duties and responsibilities were approved.

Agencies became known as an easy target for criminals, who exploited policy and procedural loopholes and weaknesses.

As technology became more sophisticated and criminals made use of it, the organization’s security infrastructure became obsolete. Internal and external audits, the cornerstone of oversight, were insufficient. Customer service suffered.

This is the condition in which the current Administration found the Division of Motor Vehicles (DMV) in early 2002.

It was this crisis that prompted Governor James E. McGreevey to convene a Fix DMV Commission, which was given the authority to undertake an exhaustive investigation and audit of the entire organization.
During that investigation, the Fix DMV Commission discovered deteriorating employee morale, a dangerous lack of security, virtually no central oversight and the potential for widespread fraud.

The Fix DMV Commission publicized these discoveries and held a public hearing on July 15, 2002 to incorporate into its final report the views and experiences of the public, and those of business partners, such as driving schools and emission repair facilities. It solicited written correspondence, and included dozens of contributions in the November 2002 final report to Governor McGreevey.

In January 2003, Governor McGreevey signed the Motor Vehicle Security and Customer Service Act into law.

Soon afterward, 18 MVC Action Plan Teams (APTs) were formed to facilitate the implementation of reforms outlined in the Act.

The Governor appointed four members of the public to serve as Commission Members, each of whose public service and professional experience met the standards outlined in the Act.

On June 3, 2003, Governor McGreevey swore in the Commission Members of the Motor Vehicle Commission, an organization in, but not of, the Department of Transportation (DOT). On that day, DMV was officially abolished, and the first public meeting was called to order.
Our Vision, Our Mission and Our Values

MVC has refocused its thinking to transform the organization to one guided by Vision, Mission and Values.

MVC VISION
To provide the best in motor vehicle services

MVC MISSION STATEMENT
To promote motor vehicle safety for our citizens by delivering secure, effective and professional motor vehicle services, and to achieve public trust and confidence in the quality and integrity of those services

MVC VALUES

<table>
<thead>
<tr>
<th>Values</th>
<th>Description</th>
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<tbody>
<tr>
<td>CUSTOMER FOCUSED</td>
<td>We work to meet or exceed our customers’ expectations. We recognize that in addition to our traditional customers, each of us has internal customers that must be served in an effective, efficient and timely manner.</td>
</tr>
<tr>
<td>INTEGRITY</td>
<td>We work with the highest standard of integrity and honesty. Our products and services require us to deliver secure and valid documents all the time.</td>
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<tr>
<td>RESPECT FOR EMPLOYEES</td>
<td>Our most important asset is our people. We will provide an environment that promotes teamwork, encourages career development and recognizes the contributions of all individuals.</td>
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<tr>
<td>CREATIVITY</td>
<td>Our environment is constantly changing, so we must be creative in our solutions and our approaches. We make meaningful change to improve our services and create value for those we serve.</td>
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Commission Member Biographies

The Act established an eight-member Commission to oversee all reform and the development of a strategic plan. Three of the Commission Members are such by virtue of their Cabinet-level positions – the DOT Commissioner, the Attorney General, and the State Treasurer.

MVC’s Chief Administrator is a non-voting member, and the Chair of the Commission.

The remaining four Commission Members are Public Members appointed by the Governor.
The three Cabinet-level Commission Members:

John F. Lettiere has been DOT Commissioner since November 2002, and has worked at DOT for 28 years. Lettiere was appointed Deputy Commissioner in February 2002, and served previously as Assistant Commissioner for Capital Investment, managing a $2.6 billion Capital Program since 1993. Lettiere has a master’s degree in Business Administration from Rider University, and graduated from the General Motors Institute of Technology.

Peter C. Harvey, the Attorney General since January 2003, served one year as First Assistant Attorney General and Director of the Division of Criminal Justice. Harvey was previously a partner at the law firm of Riker, Danzig, Scherer, Hyland and Perretti LLP, and has been a mediator for the United States District Court in New Jersey, and for the New Jersey Superior Court. Harvey was the principal drafter of New Jersey’s assault firearms law. From 1986-1989, he worked as the Assistant United States Attorney for the District of New Jersey. Harvey is a graduate of the Columbia University School of Law.

John E. McCormac, a Certified Public Accountant, was appointed State Treasurer in January 2002, having worked previously as the acting Business Administrator for Woodbridge Township. He has been manager of Governmental Auditing and Consulting for Arthur Young & Co. McCormac is a Certified Municipal Finance Officer, a Certified Management Accountant, a registered Municipal Accountant, a Certified Financial Planner, a Licensed Public School Accountant, and a Certified Government Financial Manager. McCormac received his M.B.A. in Finance from St. John’s University in 1984 and has taught at Rutgers University.

The Chair of the Commission:

Diane Legreide was appointed DMV Director in April 2002. She subsequently became MVC Chief Administrator when DMV was abolished and MVC was created. Legreide was previously a Commissioner of the Casino Control Commission (CCC). Prior to that appointment, she served as Deputy Executive Director of the New Jersey Senate. Legreide has served as Executive Director of L.E.G.A.L., an organization representing New Jersey attorneys. She served three terms as Commissioner of the Ocean County Board of Elections, was a trustee for the Point Pleasant Beach Education Foundation and a board member of the Atlantic City Historical Waterfront Foundation, Atlantic County Women’s Hall of Fame, and LPGA Urban Youth Golf Program.

The four public Commission Members:

Craig W. Yates is President of FMS Financial Corporation and Farmers & Mechanics Bank of Burlington, a community bank with 39 branches and 500 employees. Yates was a former Chairman of Yates Industries, Inc., an electronics supplier. He has served as mayor of Edgewater Park, where he lives. In 1977, Yates was appointed to the Governor’s Pinelands Review Committee. In 1979, Governor Byrne appointed Yates as Commissioner of the Delaware River Port Authority. He served in that capacity for five years. Yates was graduated from Rutgers Law School in 1967 and is a retired member of the New Jersey Bar.
Steve Scaturro has been President and CEO of Triple “S” Limousines, Inc., since 1976. He is currently the legislative aide and liaison to the business community for state Senator Andrew Ciesla. Scaturro is director and a former president of the Chamber of Commerce and Rotary International in Brick Township, where he resides. Scaturro served in the U.S. Army and is a retired U.S. Air Force Security Police Supervisor. Scaturro served 16 years with the Brick Township Police Department.

Pamela S. Fischer is vice president of Public Affairs for AAA New Jersey Automobile Club, and serves as the organization’s primary spokesperson. She is a member of the Governor’s Highway Safety Task Force, Highway Traffic Safety Policy Advisory Committee, and Driver Education Commission. Fischer is affiliated with numerous New Jersey business groups and volunteers for a variety of statewide and Morris County non-profit and charitable organizations. She lives in Long Valley.

Grissele Camacho-Pagan is an attorney with the law firm of Baer, Arbeiter, Ploshnick, Tanenbaum & Weiss LLC, and has been practicing family, civil and real estate and bankruptcy law for more than 25 years. She is a former Assistant County Counsel for the Office of the Essex County Counsel, and worked for the Seton Hall University School of Law-Essex Newark Legal Services as Clinical Supervisor and Senior Attorney. Camacho-Pagan, a Plainsboro resident, earned a bachelor of arts in psychology at the University of Puerto Rico and graduated from the University of Pennsylvania School of Law in 1977.
For the purposes of this report, which has been divided into an Annual Report and a Service Assessment section, MVC and the organization shall mean the New Jersey Motor Vehicle Commission; DMV shall mean MVC’s predecessor; the Commission shall mean the eight-member commission of MVC; and, the Act shall mean The Motor Vehicle Security and Customer Service Act of 2003.

Section One details MVC’s operational, capital and financial plan, as required by state law. It provides MVC’s table of organization and staffing plan for the current year, and a proposed operational, capital and financial plan for the next fiscal year, 2005. In this report, MVC is not proposing any fee or service charge revisions. MVC, in subsequent Annual Reports, will provide its most recent audited annual financial statement.

Section Two details each tangible step taken to improve overall MVC security, provides data recounting the totals and types of transactions completed, and estimates the number of arrests of MVC customers and MVC employees for document fraud and other charges, among other related matters. This section is essentially an assessment of MVC services, as well as a forecast of security and other internal improvements expected in the next six months.
Section 1 - Annual Report

**Section 1**

### Annual Report

**September 30 each year***

**ANNUAL REPORT**

Annual operational, capital and financial data

**Prior Year**
- Operational, capital and financial expenditures

**Current Year**
- Operational, capital and financial plan
- Table of organization and staffing plan

**Next Year**
- Proposed operational, capital and financial plan

Based on the above, the report may include recommendations for revisions to fees or service charges which MVC deems appropriate.

* Future reports will include financial audit

**September 30 and March 30 each year**

**SERVICE ASSESSMENT**

Assessment of quality of services and update on key initiatives

**Prior 6 Months / Current 6 Months**
- Security Improvements

**Transaction Totals**
- Number of transactions annually performed at each MVC agency or facility

**Average Wait Times**
- Average wait time to process a transaction

**Number of criminal complaints filed**
- Criminal complaints filed against any MVC employee or any other person
NEW JERSEY
MOTOR VEHICLE COMMISSION

Table of Organization

Chief Administrator
D. Legreide

Deputy Chief Administrator
S. Sheekey

Office of the Chief of Staff
D. Rivell

Task Force Coordinator
L. Pereira

Division of Financial Management

Division of Administration
M. Gallagher Director

Division of Strategic Planning

Division of Security, Investigations & Internal Audit
C. Huertas Director

Division of Legal & Regulatory Affairs
S. Robertson Director

Office of Communications
G. Deal Director

Division of Intergovernmental Relations

Division of Driver Mgt & Regulatory Affairs
D. Borowski Director

Division of Operations Support
D. Gerard Director

Division of Information Technology
A. Ebeid Director

Division of Driver & Vehicle Testing
T. Wright Director

Division of Agency Operations
D. Sullivan Director

Office of the Chief Operating Officer

Program Coordination
**Staffing Plan**

MVC has developed a staffing plan that will help to dramatically improve customer service. At the same time, this plan addresses the human-resource side of MVC’s security and technology needs. Each position that has been, or will be, created through this plan is essential to MVC’s long-term success.

This organization lost more than 2,100 employees between FY 1989 and FY 2002, the result of hiring freezes, privatization, mergers, early retirement programs and attrition.

This plan will fill staffing gaps, and will help to reverse years of a negative public perception.

For instance, MVC’s Contact Center (formerly known as the Telephone Center), received 1.7 million calls in FY 2003. The Fix DMV Commission discovered an average wait time for incoming callers of more than five minutes, up from just over 20 seconds in 1990. Currently, each caller is waiting an average of 2.5 minutes for General Information, and less than 5 minutes for information regarding license suspensions and restorations. These times will improve even more, and an estimated 70-percent busy signal rate will significantly decrease, when MVC adds 40 employees to increase customer service.

MVC’s driver testing section is example of increased customer service. Some motorists in the past had waited three months to take a road test after scheduling it. MVC has created 20 positions in this area, and opened previously closed facilities. Backlogs are disappearing. Currently, an applicant can take a road test within 12 days. For Commercial Driver License (CDL) applicants, the wait is 17 days.

To improve customers’ experience at MVC facilities, aesthetic renovations and furniture acquisitions are necessary. To facilitate consistently clean, bright and customer-oriented agencies, MVC will hire additional employees who will work with agency landlords and with the Department of the Treasury (Treasury) to provide comfortable places of business.

The deprivatization of MVC’s 45 motor vehicle agencies was among MVC’s first completed initiatives. This massive project brought nearly 600 employees to State service, and to increased oversight and accountability, all of which will promote a customer-oriented environment.

With the rollout of several new programs at MVC, including 6 Point ID Verification and Digitized Driver License (DDL), at least 90 employees will be trained and added to agency staff. MVC agencies will be properly staffed for the first time in years, helping to decrease wait times.

The importance of gathering and examining customer feedback cannot be overstated. To this end, MVC is establishing an Office of Customer Advocacy. This unit will continually collect, evaluate and act on customer feedback. MVC will adjust its customer-service efforts in direct response to customer needs.

Employees will be hired to support continuous customer service training and employee development. MVC’s training unit will work with the Department of Personnel’s Human Resource Development Institute (HRDI) to bring the best and most innovative ideas in customer service to the organization.

Security is a priority. The new position of Director of Security, Investigations & Internal Audit is dedicated to a robust security plan. Twenty-eight additional staff, working under the Director, will
perform effective audits of internal controls, and vulnerability assessments of systems and operations, while improving MVC’s investigative processes.

MVC, in conjunction with local police departments and the State Police, will provide a full-time, uniformed police presence at each agency and Regional Service Center (RSC) beginning in December 2003.

The computer systems within MVC are essentially obsolete, have an immense maintenance cost and often fail. To manage a rebuilt computer system, MVC will hire additional staff who will oversee the re-engineered Comprehensive Licensing System, the modernization of over-the-counter service delivery, and the continual improvement of e-MVC initiatives. Additionally, these employees will support the DDL system.

The Office of Financial Management prepares MVC’s annual financial, capital, and operating needs. It tracks capital projects. Additional positions are being added to support the Revenue, Contract Administration, Budget, and Accounting and Procurement side of MVC.

MVC is beginning a long-range strategic planning process to support the organization’s new, customer-oriented business model. Three positions currently support the planning process within MVC. Additional positions for this area will be created.

This staffing plan has one goal in mind: To change public perception of MVC with real, sustained and adaptable customer service and security.
Program Areas

When MVC was established, it replaced DMV and was given a mandate to dramatically improve security and customer service without an interruption in the organization’s delivery of service.

Like its predecessor, MVC’s main purpose is identifying and regulating drivers and motor vehicles, and identifying and correcting vehicle defects through an inspection process that conforms to federal and state emissions and safety standards.

The following are descriptions of MVC program areas, or what MVC does.

Executive

MVC’s Chief Administrator is Governor-appointed and Senate-confirmed. As such, the Chief Administrator develops policies and programs that are consistent with Administration priorities, and that best serve the interests of New Jersey’s motoring public and the entire state.

As MVC Chair, the Chief Administrator communicates policy objectives and directives, and ideas and trends to the members of the Commission, which votes on major policy and monetary issues in a public forum.

The Chief Administrator serves as the organization’s primary spokesperson to the media.

Assisting the Chief Administrator in all aspects is a Deputy Chief Administrator.

The Commission Secretary organizes and plans the agenda and activities of the Commission, including scheduling meetings of the Commission. The Commission Secretary provides support to MVC’s five advisory councils, as well as to the Motor Vehicles Affordability and Fairness Task Force established in the Act.

Chief of Staff

The Office of the Chief of Staff (COS) oversees MVC Administration, Financial Management and Strategic Planning.

Administration duties include oversight of the acquisition of safe and secure facilities in which MVC conducts millions of transactions each year; contract management; forms and inventory control; mail and courier services; and, employee training.

COS ensures that Agency revenue projections and service charges – Financial Management – will sufficiently fund MVC in the short- and long-term, while managing and planning the use of those funds in a manner consistent with MVC and Administration mandates, goals and missions.

COS is developing a multi-year strategic business plan with the recently formed Office of Strategic Planning, through which MVC will adopt best practices, improve customer service, and make MVC data, documents and transactions more secure for the citizens of New Jersey.
Security, Investigations & Internal Audit

The position of Director of Security, Investigations & Internal Audit (SIIA) was created by the Act to bring to MVC a high level of professional oversight in matters of security. In the absence of this oversight, policies were ignored, procedures deteriorated, documents were treated carelessly, and the public lost confidence in the organization.

To fulfill the mandate of providing secure MVC agencies and procedures, SIIA is required to implement more effective investigative processes.

SIIA’s investigations are of two types: criminal and administrative.

Violations of the state’s criminal code and Title 39, the motor vehicle statutes, comprise MVC’s Criminal investigations. A majority of these violations involve the submission of fraudulent documents to MVC by customers renewing or applying for a driver license.

Administrative investigations are internal, and relate to employee misconduct or incompetence, and include the loss or theft of MVC revenue or property, and other employee violations of MVC policies.

SIIA is overhauling MVC’s internal controls and investigative procedures through the implementation of continual document fraud training for all employees who handle title documents. More than 216 employees at 37 agencies have received this training. Training for employees at MVC’s remaining agencies will be completed by October 1, 2003.

Legal & Regulatory Affairs

Legal & Regulatory Affairs (LRA) directs MVC’s legislative agenda by seeking the enactment of laws promoting safe roadways, good driving behavior, and secure business practices and processes.

LRA responds to legislative inquiries from all State offices and reviews legislation, recommends amendments, and monitors the progress of each bill through the Legislature. In FY 2003, LRA reviewed more than 420 pieces of legislation.

Moreover, LRA drafts potential MVC regulations and prepares notices of adoption.

Other LRA duties include: reviewing Initial Decisions issued by Administrative Law Judges in applicable cases, responding to subpoenas, and transmitting notices of tort claims and notices of appeal to the Division of Law.

Chief Operating Officer

The Chief Operating Officer (COO) reports to the Chief Administrator and oversees the daily operations of MVC while developing management policies, programs and plans.

The five operating divisions of MVC – Driver Management & Regulatory Affairs, Information Technology, Operations Support, Agency Operations, and Driver & Vehicle Testing – fall under the purview of the COO.
Office of Communications

Communications is responsible for MVC’s internal and external communications, and is overseen by a Director of Communications, a position created and filled in July 2003.

Internal communications refer to MVC contact within State government. This includes ensuring that changes and updates to MVC policies and procedures are communicated to the State Police, the Administrative Office of the Courts (AOC), the 45 MVC agencies and four RSCs, and each state-operated inspection station.

External communications refer to media inquiries, of which there are dozens each month. The office is responsible for researching and responding to these inquiries, which come from local, state and national media outlets. Responses include researching information for reporters’ stories, or arranging a newspaper, radio or television interview with the Chief Administrator. The office notifies the media of upcoming press events and sends press releases to the media. It may also direct reporters to the correct information source if more information is needed.

Driver Management & Regulatory Affairs

Driver Management & Regulatory Affairs (DMRA) manages driver information and oversees license renewal, suspension, restoration and other regulated activities. These records are reflected in each motorist’s driver history file. There are approximately 5.9 million licensed drivers in the state.

DMRA plays a critical role in highway safety. It focuses on driver behavior through MVC’s point system. This system identifies, and through it MVC attempts to correct, poor driving. Preventative and corrective measures include requiring new and experienced drivers to attend driver improvement programs. DMRA oversees the licensing and regulation of all commercial New Jersey drivers who operate trucks, buses and limousines in and out of the state.

The Office of the Director manages division resources by setting priorities and supporting policy implementation for the Chief Administrator within the operation of its five distinct areas.

Driver Management is the largest area within DMRA, and has four sections: Driver Education and Improvement, Driver Mail & Correspondence, Driver Conference Prescreening & Scheduling, and Uninsured Motorist.

The state’s program for problem drivers is rehabilitative. The Driver Education and Improvement section administers the Probationary Driver Program for new drivers and the Driver Improvement Program for experienced drivers. The unit educates 20,000 drivers each year, and annually collects approximately $2 million in fees.

The Driver Mail & Correspondence section each year receives more than 375,000 pieces of mail regarding all facets of MVC business. When warranted, a correspondent receives an individual response, and any necessary change is made to the driver’s file.
The Driver Conference Prescreening & Scheduling section facilitates MVC compliance with due process protections for motorists under the law, as well as: receiving hearing requests, scheduling and moving pre-hearing conference case files to proper destinations.

The Uninsured Motorist section supports the Uninsured Motorist Identification and Notification System, a joint effort between MVC and the insurance industry, which processes all new and cancelled auto insurance policies to identify uninsured, but registered, vehicles. Approximately 26,000 driver license suspensions are issued annually to motorists who fail to maintain compulsory auto insurance coverage.

Additionally, two service areas exist within DMRA: Business License Services and Motor Carriers Services.

Business License Services licenses and audits each of the following applicants and facilities: auto body and emission repair facilities, junkyards, auto leasing companies, driving schools, auto window tint installers, driving school and secondary driving school instructors, and vehicle emission inspectors. It also issues emergency-light permits to fire, first aid and rescue squad volunteers. More than 15,000 businesses were licensed and 16,000 emergency-light permits were issued in FY 2003. Business License Services works with, among other state agencies, the Department of Community Affairs to ensure consumer and public protection.

Motor Carrier Services provides operating and fuel tax credentials (registrations, license plates and decals) for interstate commercial vehicles under the International Fuel Tax Agreement Act (IFTA) and the International Registration Plan (IRP). MVC works with the Federal Motor Carrier Safety Administration and supports national homeland security efforts.

IFTA is an inter-jurisdictional agreement whose members include the 48 contiguous states and 11 Canadian provinces. This agreement ensures payment of qualifying motor carrier fuel taxes and is apportioned according to miles driven in each jurisdiction. More than 60,000 vehicles and approximately 12,000 carriers are registered in this program, which generates nearly $18 million in revenue annually for New Jersey.

IRP ensures that payment of qualifying motor carrier registration fees is apportioned according to miles driven in each jurisdiction. Approximately 10,000 initial registration and 50,000 renewal documents are issued annually, generating $70 million annually in revenues.
DMRA’s **Insurance Surcharge Section** determines and collects surcharge fees that apply to drivers who have accumulated six or more points for violating various motor vehicle laws, a responsibility that requires coordination with Treasury.

More than **500,000 drivers** are currently enrolled in the Surcharge Program. That group has accumulated outstanding surcharge fees of **$1.2 billion**. In concert with Treasury, a 60-day Surcharge Amnesty program began on September 2, 2003. Interest on certain surcharges will be waived under the program if an individual’s principal is paid in full. *Motorists with DUI and regulatory surcharges are excluded from the program.* It is anticipated that this program will generate approximately **$21 million**. MVC has hired 20 additional employees to coordinate collection of these outstanding judgments. These employees will remain with MVC after the amnesty program concludes in order to correct past staffing reductions.

**Driver Review Bureau** consists of five regulatory units: Fatal Accident, Medical Review, Bus Driver Application, Re-examination, and the Commercial Driving Unit.

Driver Review undertakes reviews of individual drivers, medical fitness disqualifications, and New Jersey fatal accidents. It also schedules re-examinations of drivers when MVC receives driver safety information from courts, law enforcement, family and physicians. Conferences are scheduled and conducted daily for the following sections:

- **The Medical Review Unit** reviews approximately **4,000 new cases annually** and reviews individual drivers for medical fitness based on referrals from physicians, courts, law enforcement and other groups. Through June 2003, this section initiated **3,060 cases**, resulting in the suspension or revocation of **1,328 driver licenses**.

- **The Fatal Accident Review Unit** keeps records on fatal accidents. This is one way in which MVC identifies unsafe drivers who may adversely affect New Jersey highway safety. In FY 2003, more than **500 cases were reviewed**, many of which resulted in an administrative conference and driver license suspension.

- **The Bus Application Unit** reviews all applications for bus driver endorsements for the Commercial Driver License Program, verifying that each applicant has been fingerprinted and his or her record reviewed, and that all required medical forms have been received. More than **5,700 new applications** and **15,000 renewal applications** are processed annually. Staff administers bus driver-related suspensions and restorations, collects fees, updates driver history information, and prepares contested suspension cases for administrative hearings.

Under the provisions of a recent federal rule change, licensed commercial drivers and applicants for commercial licenses cannot hold what is known as a **hazardous material** (Hazmat) **tank truck endorsement** if convicted of certain criminal offenses. Applications from Hazmat drivers are now sent to the new federal Transportation Safety Administration (TSA) for review, not directly to MVC. This rule change will affect approximately **60,000 commercial driver license holders** in New Jersey. They will be fingerprinted in November 2003, but an extension to provide time for fingerprinting and background checks may be granted. Endorsements will not be renewed, or issued, until TSA gives MVC approval for individual drivers.
Customer Operations Support

Customer Operations Support provides technical and informational support throughout MVC, and to business partners and the motoring public. It is comprised of four parts: Information Update and Retrieval, Management Operations Support, the Contact Center (formerly known as the Telephone Center), and the Imaging Systems Center.

The Office of the Director of Customer Operations Support processes requests under the Open Public Records Act (OPRA), records Access DMV statistics for Web-based registration renewals, oversees access to MVC’s Data Base (including requests for special programs, access by outside vendors and government offices), coordinates license plate inventories, and communicates with business partners.

Information Update and Retrieval has two components: Data Entry and Data Output. The manager of this area is MVC’s Official Custodian of Records, who responds to all Open Public Records Act (OPRA) requests. Record sales in FY 2003 to insurance companies and local, state and national law enforcement agencies, and other entities entitled to the records under the Driver Privacy and Protection Act, generated nearly $59.5 million.

Data Entry enters, corrects and adjusts violations and suspensions to the driver history database as required. The information used by Data Entry is supplied by New Jersey courts and by Driver Compact member states through the Automated Traffic System. (The compact is an agreement between a majority of states to share moving violation information.) Entering data from the New Jersey court systems into MVC’s Comprehensive System is a largely automated process. However, approximately 7%, or 894,500 documents each fiscal year require manual processing.

Data Output maintains microfilm records for driver license and vehicle ownership, and documents pertaining to driver history. It is divided into five units: License and Registration, Violations Unit, Title Records, Certified Information, and Driver Abstract Unit.

- The License and Registration unit maintains, on microfilm, original application records for driver license and registration activity.

- The Violations unit provides violation information internally and responds to inquiries from law enforcement, as well as to requests from RSCs.
- The Title Record unit maintains title records on microfilm and fulfills title requests from other MVC units.

- The Certified Information unit maintains original driver license and registration applications in certified form, and maintains certified copies of the Comprehensive System printouts. The Restricted Access Telephone function operates within this unit, allowing certain authorized entities to communicate with MVC regarding the above-mentioned records.

- The Driver Abstract unit issues five-year or complete driver abstracts (a driver’s history) and certified documents to law enforcement. Approximately 4 million abstract requests are processed annually.

The other section of Operations Support is Management Operations Support, which consists of two units: Database Corrections and Special Services.

Database Corrections processes records referred from MVC’s Contact Center operators and outside agencies, and from out-of-state change-of-address requests.

Special Services oversees mail-in and walk-in transactions, including the processing of salvage, foreign, duplicate, abandoned vehicle, and repossession titles. There are more than 50,000 walk-in customers each year. This unit issues all special license plates.

MVC provides to the public a Contact Center, which received approximately 1.7 million calls in FY 2003. Technology enhancements currently underway, including PCs for each customer service representative, will make this section, and its Agency Helpline for MVC agencies and driver testing centers, more efficient.

The Imaging Systems Center converts hardcopy documents to indexed microfilm and facilitates retrieval of microfilm through administration of the Index Management System (IMS). In fiscal year 2003, approximately 18 million documents were microfilmed and nearly 8.3 million documents were indexed.

Driver & Vehicle Testing

Driver & Vehicle Testing is overseen by the Office of the Director, and is comprised of the Bureau of Operations, Regional Service Center Administration, Driver Testing, Enhanced Motor Vehicle Inspection and Maintenance/Audit.

The Bureau of Operations is comprised of five units: School Bus Inspections and Investigations, Heavy-Duty Diesel Inspections, Emissions Inspector Testing and Training, Specialty Inspection Facilities, and accounting functions.

- The School Bus Inspection unit performs more than 74,000 safety and emission tests each year on all school buses, school vehicles and other livery that transport children to or from any school-related activity. This unit conducts school bus driver investigations. Mechanical, safety and emission inspections are performed biannually at over 1,300 terminals. This unit and the State Police direct the activities of the Governor’s School Bus Safety Task Force.
- The Heavy Duty Diesel Inspection unit conducts roadside emission testing of diesel vehicles whose gross vehicle weight rating exceeds 17,999 pounds. In FY 2003, this unit inspected nearly 71,000 diesel-powered vehicles on New Jersey roads.

- The Enhanced Inspector Testing and Training Unit tested 4,122 inspectors in FY 2003. In addition, 43 emission inspector training schools were licensed.

- Specialty Inspection Operations, at three sites, performed over 9,800 inspections in FY 2003.

- The Accounting Unit processed more than $1.9 million in cash receipts in FY 2003 and suspended the registration privileges, or scheduled the suspension, of 576 companies for nonpayment of inspection fees in FY 2003.

Regional Service Center Administration oversees the four RSCs – Wayne, West Deptford, Eatontown and Trenton. The Regional Service Center Support Group provides technical assistance. More than 1.3 million transactions took place at these sites in FY 2003. Transactions include driver license restorations, payment of surcharge fees, Temporary Visa Restriction Driver License permit authorizations, and assisting victims of identity theft. Additionally, these sites, in FY 2003, issued more than 57,000 licenses to foreign nationals legally in this country on a temporary visa issued by the federal Bureau of Citizenship and Immigration Service (BCIS, formerly federal bureau of Immigration and Naturalization Services). The centers collected approximately $31.8 million through various surcharge, restoration and other fees in FY 2003.

The Bureau of Driver Testing plays a crucial role in MVC’s identification verification process, and administers a variety of tests in 41 locations around the State. More than 523,000 knowledge and vision tests, and 229,000 road tests were administered in FY 2003. All knowledge exams are available in 16 languages.
The Enhanced Motor Vehicle Inspection Program is mandated and governed by state and federal laws, and has three components: Enhanced Inspection, the Heavy Duty Diesel Auditing Unit (HDDAU), and the Commercial Bus Unit (CBU).

Enhanced Inspection oversees the New Jersey Enhanced Inspection/Maintenance Program (NJEIMP), which ensures that the State’s 32 centralized inspection facilities (CIF) run by Parsons Infrastructure, and the nearly 1,400 private inspection facilities (PIFs), follow rules and regulations mandated by state and federal laws. This unit performs more than 24,700 covert and overt audits, and 6,800 roadside vehicle checks, annually. Each year, approximately 2.5 million vehicles are inspected.

<table>
<thead>
<tr>
<th>INSPECTION Lanes</th>
<th>REGION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jersey City</td>
<td>N</td>
<td>57,364</td>
</tr>
<tr>
<td>Lodi</td>
<td>N</td>
<td>105,770</td>
</tr>
<tr>
<td>Newark</td>
<td>N</td>
<td>100,889</td>
</tr>
<tr>
<td>Newton</td>
<td>N</td>
<td>54,188</td>
</tr>
<tr>
<td>Paramus</td>
<td>N</td>
<td>109,907</td>
</tr>
<tr>
<td>Randolph</td>
<td>N</td>
<td>136,634</td>
</tr>
<tr>
<td>Ridgewood</td>
<td>N</td>
<td>42,172</td>
</tr>
<tr>
<td>Secaucus</td>
<td>N</td>
<td>64,016</td>
</tr>
<tr>
<td>Washington</td>
<td>N</td>
<td>32,083</td>
</tr>
<tr>
<td>Wayne</td>
<td>N</td>
<td>146,019</td>
</tr>
<tr>
<td>Bakers Basin</td>
<td>C</td>
<td>122,084</td>
</tr>
<tr>
<td>Eatontown</td>
<td>C</td>
<td>125,922</td>
</tr>
<tr>
<td>Flemington</td>
<td>C</td>
<td>74,717</td>
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<tr>
<td>Freehold</td>
<td>C</td>
<td>87,007</td>
</tr>
<tr>
<td>Kilmer</td>
<td>C</td>
<td>98,302</td>
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<tr>
<td>Montclair</td>
<td>C</td>
<td>46,718</td>
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<tr>
<td>Plainfield</td>
<td>C</td>
<td>63,308</td>
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<tr>
<td>Rahway</td>
<td>C</td>
<td>98,340</td>
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<tr>
<td>South Brunswick</td>
<td>C</td>
<td>76,218</td>
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<tr>
<td>Westfield</td>
<td>C</td>
<td>53,229</td>
</tr>
<tr>
<td>Bridgeton</td>
<td>S</td>
<td>21,362</td>
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<tr>
<td>Cape May</td>
<td>S</td>
<td>29,588</td>
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<tr>
<td>Cherry Hill</td>
<td>S</td>
<td>118,762</td>
</tr>
<tr>
<td>Delanco</td>
<td>S</td>
<td>51,178</td>
</tr>
<tr>
<td>Deptford</td>
<td>S</td>
<td>93,344</td>
</tr>
<tr>
<td>Lakewood</td>
<td>S</td>
<td>128,924</td>
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<tr>
<td>Manahawkin</td>
<td>S</td>
<td>47,157</td>
</tr>
<tr>
<td>Mays Landing</td>
<td>S</td>
<td>69,780</td>
</tr>
<tr>
<td>Millville</td>
<td>S</td>
<td>50,748</td>
</tr>
<tr>
<td>Salem</td>
<td>S</td>
<td>24,759</td>
</tr>
<tr>
<td>Southampton</td>
<td>S</td>
<td>70,503</td>
</tr>
<tr>
<td>Winslow</td>
<td>S</td>
<td>51,294</td>
</tr>
</tbody>
</table>

| TOTAL CENTRALIZED | 2,452,286 |
| TOTAL PRIVATE INSPECTION | 697,784 |
| GRAND TOTAL        | 3,150,070 |
The Heavy Duty Diesel Auditing Unit conducts more than 3,700 covert and overt audits at 302 Diesel Emission Inspection Centers (DEIC) statewide. At these centers, nearly 81,500 smoke opacity tests are performed annually on diesel vehicles whose gross vehicle weight exceeds 17,999 pounds. HDDAU provides technical support to the DEICs, and collaborates with roadside diesel inspection teams on investigations.

The Commercial Bus Inspection and Investigation Unit performs biannual safety and emission testing on all commercial buses, and conducts surprise inspections under the federal Motor Carrier Safety Assistance Program. This unit investigates alleged illegal bus operators.

Agency Operations
Agency Operations ensures the integrity of MVC processes and transactions, and the validity and accuracy of all motor vehicle documents. It does so with the help of field monitors at its 45 agencies, where over-the-counter registration, license, title and other transactions are conducted. By statute, MVC is required to have at least one agency in each county, and for every 300,000 residents.

Program Management & Systems Development
Program Management and Systems Development maintains the privacy of all data, and coordinates and oversees all Information Technology projects at MVC, which may include: project tracking, risk and resource management, and the identification and resolution of strategic issues and risks encountered in new program planning and rollout.
Capital Planning

Background

The Fix DMV Report recommended a substantial capital funding increase for MVC, one that would enable technological modernization. Capital funding had dramatically decreased from $16 million to $200,000 between FY 1989 and FY 2002, illustrating the genesis of MVC’s current technological problems.

To repair this situation, the New Jersey Economic Development Authority (EDA) in June 2003 financed the cost of all MVC capital improvements by issuing nearly $160 million in bonds, secured by future MVC surcharge revenues. Of this amount, $10 million will be spent to enhance the Automated Traffic System - and other infrastructure - shared by AOC and MVC.
Modernization Initiatives

MVC has identified five categories for modernization:

**Infrastructure**
This includes: Upgrades to network switches and routers, replacement of “dumb” terminals with “smart” terminals, upgrades for agency printers, installation of surveillance systems, rewiring of 225 East State Street - MVC’s Administration Building – and, credit card payment options online and in agencies.

**New Systems & Applications**
This includes: DDL camera replacement, re-engineered comprehensive computer system, Commercial Driver License test upgrade, direct agency connections to Social Security and BCIS, Graduated Driver License Automation of enforcement functions, data warehouse for transaction auditing, fingerprint access for ADLT workstations, and insurance verification.

**e-MVC Activities**
This includes: New MVC Web site, improvements to driver history abstracts, road test scheduling, and pre-processing capabilities.

**Support for Technologies & Processes**
This includes: Overhaul of the Contact Center, improvements to the Imaging Center, and geographic information systems tools.

**Other**
This includes: Modernization of the mail room, roof replacements at various facilities, exhaust systems for inspection lanes, HVAC systems for computer rooms, booths for driver testing, paving, curbing sidewalks and striping at various facilities, renovation and expansion of facilities, and safes for agencies.
Financial

MVC’s predecessor was DMV, a division within DOT when FY 2003 began. A majority of the organization’s funding came directly from state appropriation. Some additional funding came through fee-generated revenue. Due to a budget crisis, the organization did not receive a $14 million capital projects request in FY 2003 through the Capital Planning Commission’s planning process. The total FY 2003 budget was $213.75 million.

In January 2003, the Legislature passed the Fix DMV legislation. It provided steady, statutory revenue to the organization in an effort to “fix” a high-contact, but neglected, public agency. The legislation remade the organization into a commission removed from DOT oversight and from its financial structure. It provided funding based entirely on fee-generated revenue. Additionally, the legislation provided nearly $160 million through bonds for a five-year capital plan.

The Fix DMV legislation gave the organization new life. It allowed MVC to plan its future finances and capital improvements, while providing an infusion of necessary funds for the present. The foresight of the Legislature and the Governor in signing this legislation into law will result in a more secure, customer-oriented MVC. It will result in a continually safer, more efficient New Jersey.

For FY 2004, MVC’s budget is approximately $354.8 million, with a base budget of $201.9 million, the result of existing motor vehicle fees, $42 million in new fees, $48.9 million in capital funds, and $23.4 million generated from self-funded programs. It includes, as well, $38.6 million in funds carried forward from the most recent fiscal year relating to capital projects that have been started, but have not yet been completed.

MVC bond proceeds generated the above-mentioned $48.9 million in capital resources, creating the largest increase to the organization’s FY 2004 budget. About 45 percent of these capital funds will be used to strengthen security and modernize an antiquated infrastructure at the 45 MVC agencies, and fund customer service projects such as providing the capability to accept credit card payments, the purchase and installation of surveillance systems, and replacing obsolete computer terminals with modern, point-of-sale computers.

A substantial revenue infusion for FY 2004 is generated by a $7 registration surcharge, and a $6 increase for the digitized photo fee. This will generate nearly $42 million, the bulk of which - nearly $23 million - will pay new MVC salaries, fringe benefits and indirect charges associated with the cost of adding staff in mainly customer service and security areas. The remaining $19 million will fund various programs, including the Law Enforcement Agency Security Enhancement (LEASE) program, which will allow MVC to place uniformed local and State police in agencies, perform a external annual audit required by law, begin Saturday hours at the agencies and RSCs, and fund maintenance costs for technology improvements, among other programs.

A year-end surplus of $11.3 million will ensure MVC’s fiscal integrity, cover any revenue shortfalls or unplanned expenses, and continue programs started in the current fiscal year, while meeting customer service and security mandates.
# MVC Annual Report

## Summary of Revenues and Expenditures

for Year Ending June 30, 2003

<table>
<thead>
<tr>
<th>Resources</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$124,656,000</td>
<td></td>
</tr>
<tr>
<td>New Fees</td>
<td>8,331,485</td>
<td></td>
</tr>
<tr>
<td>Commercial Vehicle Enforcement Fund</td>
<td>5,459,681</td>
<td></td>
</tr>
<tr>
<td>Security Responsibility</td>
<td>13,557,007</td>
<td></td>
</tr>
<tr>
<td>Bus Inspections - School and Commercial</td>
<td>1,953,472</td>
<td></td>
</tr>
<tr>
<td>Other Resources and Transfers</td>
<td>59,788,497</td>
<td></td>
</tr>
</tbody>
</table>

**Total Resources**

$213,746,142

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Fringe and Indirect</td>
<td>$(40,620,074)</td>
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</tr>
<tr>
<td>Materials and Supplies</td>
<td>$(2,680,804)</td>
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</tr>
<tr>
<td>Services Other Than Personal</td>
<td>$(16,149,729)</td>
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</tr>
<tr>
<td>Maintenance and Fixed Charges</td>
<td>$(684,446)</td>
<td></td>
</tr>
<tr>
<td><strong>Special Purpose:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Inspection Program</td>
<td>$(49,623,234)</td>
<td></td>
</tr>
<tr>
<td>Agency Operations</td>
<td>$(18,589,235)</td>
<td></td>
</tr>
<tr>
<td>Toll Free Telephone Service</td>
<td>$(750,000)</td>
<td></td>
</tr>
<tr>
<td>Debt Service for Equipment Purchases</td>
<td>$(1,650,493)</td>
<td></td>
</tr>
<tr>
<td>Photo Licensing Program</td>
<td>$(2,200,000)</td>
<td></td>
</tr>
<tr>
<td>Agency Modernization</td>
<td>$(4,229,869)</td>
<td></td>
</tr>
<tr>
<td>Digitized Driver's License</td>
<td>$(7,180,016)</td>
<td></td>
</tr>
<tr>
<td>Graduated Driver's License</td>
<td>$(1,231,209)</td>
<td></td>
</tr>
<tr>
<td>Reflectorized Plates</td>
<td>$(4,392,841)</td>
<td></td>
</tr>
<tr>
<td>On-Line Registrations</td>
<td>$(2,868,906)</td>
<td></td>
</tr>
<tr>
<td>Bus Inspections - School and Commercial</td>
<td>$(1,842,472)</td>
<td></td>
</tr>
<tr>
<td>Surcharge Administration</td>
<td>$(1,286,662)</td>
<td></td>
</tr>
<tr>
<td>Additions, Improvements, Equipment</td>
<td>$(137,464)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Operating Expenditures**

$(156,117,454)

<table>
<thead>
<tr>
<th>Other Fund Supported Expenditures</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Vehicle Enforcement Fund</td>
<td>$(5,459,681)</td>
<td></td>
</tr>
<tr>
<td>Security Responsibility Fund</td>
<td>$(13,557,007)</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Other Expenditures**

$(19,016,688)

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

**Total Resources**

$213,746,142

**Total Expenditures**

$(175,134,142)

**Surplus/(Deficit)**

$38,612,000
## MVC Annual Report

### Annual Budget for Year Ending June 30, 2004

**NEW JERSEY MOTOR VEHICLE COMMISSION**

**ANNUAL BUDGET**

**FOR FISCAL YEAR ENDING JUNE 30, 2004**

<table>
<thead>
<tr>
<th>Resources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY03 Reappropriation</td>
<td>$38,612,000</td>
</tr>
<tr>
<td>MVC Base Budget</td>
<td>201,885,000</td>
</tr>
<tr>
<td>New Fees</td>
<td>42,000,000</td>
</tr>
<tr>
<td>MVC Trust Fund Eligible Capital Proceeds</td>
<td>48,890,680</td>
</tr>
<tr>
<td>Commercial Vehicle Enforcement Fund</td>
<td>6,300,000</td>
</tr>
<tr>
<td>Security Responsibility</td>
<td>15,071,000</td>
</tr>
<tr>
<td>Bus Inspections - School and Commercial</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$354,758,680</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Fringe and Indirect</td>
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<tr>
<td>Materials and Supplies</td>
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<tr>
<td>Services Other Than Personal</td>
<td>($22,105,000)</td>
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<tr>
<td>Maintenance and Fixed Charges</td>
<td>($1,200,000)</td>
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<tr>
<td><strong>Special Purpose:</strong></td>
<td></td>
</tr>
<tr>
<td>Vehicle Inspection Program</td>
<td>($75,000,000)</td>
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<tr>
<td>Agency Modernization</td>
<td>($10,850,000)</td>
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<tr>
<td>Digitized Driver's License</td>
<td>($5,940,000)</td>
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<tr>
<td>Graduated Driver's License</td>
<td>($3,900,000)</td>
</tr>
<tr>
<td>Reflectorized Plates</td>
<td>($4,500,000)</td>
</tr>
<tr>
<td>On-Line Registrations</td>
<td>($3,191,000)</td>
</tr>
<tr>
<td>Bus Inspections - School and Commercial</td>
<td>($2,885,000)</td>
</tr>
<tr>
<td>Surcharge Administration</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td>Additions, Improvements, Equipment</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td><strong>($256,671,000)</strong></td>
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</table>

<table>
<thead>
<tr>
<th>MVC Trust Fund Capital Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>($21,704,608)</td>
</tr>
<tr>
<td>Systems and Applications</td>
<td>($15,100,000)</td>
</tr>
<tr>
<td>e-MVC</td>
<td>($2,250,000)</td>
</tr>
<tr>
<td>Supporting Technologies and Process</td>
<td>($4,750,000)</td>
</tr>
<tr>
<td>Other</td>
<td>($5,086,000)</td>
</tr>
<tr>
<td><strong>Subtotal MVC Trust Fund Capital Projects</strong></td>
<td><strong>($48,890,608)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-MVC Trust Fund Capital Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>($10,534,000)</td>
</tr>
<tr>
<td>Facilities Renovation</td>
<td>($6,000,000)</td>
</tr>
<tr>
<td><strong>Subtotal Non-MVC Trust Fund Capital Projects</strong></td>
<td><strong>($16,534,000)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Fund Supported Expenditures</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Vehicle Enforcement Fund</td>
<td>($6,300,000)</td>
</tr>
<tr>
<td>Security Responsibility Fund</td>
<td>($15,071,000)</td>
</tr>
<tr>
<td><strong>Subtotal Other Expenditures</strong></td>
<td><strong>($21,371,000)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>($343,466,608)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Resources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$354,758,680</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>($343,466,608)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Surplus/(Deficit)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$11,292,072</strong></td>
</tr>
</tbody>
</table>
### Projected Budget for Year Ending June 30, 2005

#### Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04 Reappropriation</td>
<td>$11,292,072</td>
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<tr>
<td>MVC Base Budget</td>
<td>$202,000,000</td>
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<tr>
<td>New Fees</td>
<td>$48,402,142</td>
</tr>
<tr>
<td>MVC Trust Fund Eligible Capital Proceeds</td>
<td>$42,722,736</td>
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<td>Security Responsibility</td>
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<tr>
<td>Bus Inspections - School and Commercial</td>
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**Total Resources** $328,741,500

#### Operating Expenditures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Salaries, Fringe and Indirect</td>
<td>($127,150,000)</td>
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<tr>
<td>Materials and Supplies</td>
<td>($4,100,000)</td>
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<tr>
<td>Services Other Than Personal</td>
<td>($20,105,000)</td>
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<tr>
<td>Maintenance and Fixed Charges</td>
<td>($1,200,000)</td>
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<tr>
<td>Special Purpose:</td>
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<tr>
<td>Vehicle Inspection Program</td>
<td>($77,250,000)</td>
</tr>
<tr>
<td>Agency Modernization</td>
<td>($7,700,000)</td>
</tr>
<tr>
<td>Digitized Driver's License</td>
<td>($4,000,000)</td>
</tr>
<tr>
<td>Graduated Driver's License</td>
<td>($1,250,000)</td>
</tr>
<tr>
<td>Reflectorized Plates</td>
<td>($4,500,000)</td>
</tr>
<tr>
<td>On-Line Registrations</td>
<td>($3,500,000)</td>
</tr>
<tr>
<td>Bus Inspections - School and Commercial</td>
<td>($2,885,000)</td>
</tr>
<tr>
<td>Surcharge Administration</td>
<td>($1,500,000)</td>
</tr>
<tr>
<td>Additions, Improvements, Equipment</td>
<td>($1,500,000)</td>
</tr>
</tbody>
</table>

**Total Operating Expenditures** ($256,640,000)

#### MVC Trust Fund Capital Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>($1,142,736)</td>
</tr>
<tr>
<td>Systems and Applications</td>
<td>($24,500,000)</td>
</tr>
<tr>
<td>e-MVC</td>
<td>($2,750,000)</td>
</tr>
<tr>
<td>Supporting Technologies and Process</td>
<td>($3,750,000)</td>
</tr>
<tr>
<td>Other</td>
<td>($10,580,000)</td>
</tr>
</tbody>
</table>

**Subtotal MVC Trust Fund Capital Projects** ($42,722,736)

#### Non-MVC Trust Fund Capital Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>($1,169,000)</td>
</tr>
</tbody>
</table>

**Subtotal Non-MVC Trust Fund Capital Projects** ($1,169,000)

#### Other Fund Supported Expenditures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Vehicle Enforcement Fund</td>
<td>($6,500,000)</td>
</tr>
<tr>
<td>Security Responsibility Fund</td>
<td>($15,824,550)</td>
</tr>
</tbody>
</table>

**Subtotal Other Expenditures** ($22,324,550)

#### Total Expenditures

**Total Expenditures** ($322,856,286)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$322,856,286</td>
</tr>
</tbody>
</table>

#### Surplus/(Deficit)

**Surplus/(Deficit)** $5,885,214
Section 2 - Service Assessment

September 30 each year*

**ANNUAL REPORT**
Annual operational, capital and financial data

**Prior Year**
- Operational, capital and financial expenditures

**Current Year**
- Operational, capital and financial plan
- Table of organization and staffing plan

**Next Year**
- Proposed operational, capital and financial plan

Based on the above, the report may include recommendations for revisions to fees or service charges which MVC deems appropriate.

* Future reports will include financial audit

September 30 and March 30 each year

**SERVICE ASSESSMENT**
Assessment of quality of services and update on key initiatives

**Prior 6 Months / Current 6 Months**
- Security Improvements

**Transaction Totals**
- Number of transactions annually performed at each MVC agency or facility

**Average Wait Times**
- Average wait time to process a transaction

**Number of criminal complaints filed**
- Criminal complaints filed against any MVC employee or any other person
Update on Key Initiatives • Organizational

Overview

MVC’s Destination: Excellence

This service assessment, essentially a progress report on MVC’s reform effort since September 2002, illustrates each step MVC has taken on its Road To Excellence, and next steps toward a reformed organization.

Action Plan Teams

Eighteen Fix DMV Action Plan Teams (APTs), guided by Governor James E. McGreevey’s words in April 2002, were created to develop a secure, efficient and customer-oriented MVC.

More than 200 employees from MVC, other state agencies, and the private sector comprise the APT membership. They are planning the future of MVC.

These teams were asked to summarize their recommendations to the Chief Administrator, and to describe how and when these goals will be met. Several APTs have made their presentations.


The following are summary APT recommendations, which were presented to the Chief Administrator before September 30, 2003:

APT Recommendations

Communications APT
Increase the public knowledge of MVC programs and services through professional public awareness campaigns and materials, and improve the system-wide accuracy of information provided to the media, motorists and other customers by MVC employees.

Exceptional Customer Service APT
Measure customer satisfaction. Poll citizens through a continuing partnership with Rutgers University’s Eagleton Institute regarding MVC service quality. This should be done through additional forms of benchmarking that determine customer perceptions and complaints, to better understand customer expectations, and to build customer support. Create a clearinghouse for disseminating consistent policy and procedure information and changes throughout the organization. Develop a training curriculum and a training office.
Update on Key Initiatives • Organizational

Human Resources APT
Increase and maintain MVC’s operational efficiency and optimize employee selection, placement and promotion. Designate a human resources representative in the proposed Office of Strategic Planning. Develop efficiency Task Forces for continual personnel research.

Integrate MVC/AOC APT
Improve the timeliness and accuracy of the exchange of data between AOC and MVC. Update driving records in real-time.

Siting Study APT
Meet current and future population demands by evaluating agency locations for proper space, parking availability, customer and employee comfort, and accessibility. Determine locations for potential new facilities and the relocation, if necessary, of others. Consider agency expansions. A contract will be awarded before October 1, 2003, to a professional firm that will perform this study.

Strategic Planning and Performance Measurement APT
Identify a strategic planning framework and business plan model. Develop a systematic strategic planning and performance assessment structure. Follow through with benchmarking and process-management guidelines.

Training APT
Create an internal training office to develop, execute, and evaluate training programs that instill confidence, and promote peak performance and excellence. Develop methods to evaluate the effectiveness of training programs within the first year of completion. Continue MVC’s partnership with the NJ Human Resource Development Institute (HRDI). Consider similar relationships with the state’s community colleges. Formalize an annual training plan and secure an appropriate budget. (A Manager of the training unit was named on July 14, 2003.)

Update on Key Initiatives
This service assessment is a progress report on key reform initiatives in four areas:

- Organizational
- Security
- Customer Service
- Technology

Organizational
Organizational initiatives include: Strategic Planning, Governance, Dedicated and Consistent Funding, Legislative Mandates, Establishment of Five Advisory Councils, Reconciling Surcharges with Fairness and Affordability, Integrating MVC and AOC, and On-Board Diagnostics (OBD).
Strategic Planning

- Assess core business practices and redesign them for increased customer service, more effective use of resources, and greater security
- Develop a systematic planning process for MVC to achieve goals; Integrate the planning process with current operational activities, and with capital, budget, and technological enhancements
- Establish methods to measure performance
- Initiate a goals and objectives benchmarking plan

Background

DMV historically operated without a business plan. This became increasingly problematic for an agency that conducts more than 10 million agency transactions, and nearly 30 million other transactions a year at RSCs and the Central Administration Building in Trenton, producing revenue of more than $900 million each fiscal year.

Often, DMV’s energy and resources were spent reacting to changes and managing crises, when the organization and the state would have been better served through anticipating and preventing problems.

Organizational goals and objectives were not communicated effectively throughout the organization.

Leadership often did not address significant institutional obstacles.

Changes to process, governance, organizational culture and structure, gaps in staff skills, long range planning, incentives, and most importantly, understanding what the motoring public wants and needs, are necessary.

Strategic Planning Recommendations

1. Develop mission, vision, and core values statements. Communicate these statements to stakeholders and employees at all levels.
2. Develop a structure to assess core business activities.
4. Establish a mechanism for continual development, review and updating of annual business plans.
5. Establish a rigorous and flexible information technology plan to enhance customer service and overall security, and simplify business practices.

Destination: Excellence

MVC’s mission statement: “To promote motor vehicle safety for our citizens by delivering secure, effective and professional motor vehicle services, and to achieve public trust and confidence in the quality and integrity of those services”

The Office of Strategic Planning is being established. In the meantime, a Steering Committee is in place to oversee long-term planning efforts. A transitional plan is complete.

Preliminary Strength, Weakness, Opportunity, and Threat (SWOT) analysis was completed in July 2003. Vital core business processes have been identified, and are ready for improvement and benchmarking efforts.

Vision and Values statements have been completed, and will be communicated to the entire organization by January 2004.

MVC’s Vision: “To provide the best in motor vehicle services”

MVC’s Core Values, or what the organization must have to achieve its vision of being the best, are as follows: Customer-Focused, Integrity, Respect for Employees, and Creativity.

The next steps include the identification of critical Strategic Directions and the alignment of Key Performance Indicators (KPIs).

A feedback system will be developed and a report card will be published each month. Key business processes will then be linked to KPIs and benchmarking work will be established. Future status updates to the Governor and Legislature will include trend data, gaps, and benchmarking. The complete Strategic Planning model will be communicated to all employees.
**Update on Key Initiatives • Organizational**

**Governance**

- Create the New Jersey Motor Vehicle Commission
- Select the Commission Members and the required staffing for the Commission

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**Background**

Citizens’ perception of government effectiveness is based on their interaction with state agencies. DMV was often considered the barometer. If DMV service was efficient, the government was doing well. But, long lines, unreliable service, and slow processing were the DMV norm.

In November 2002, the Fix DMV Commission issued its final report, entitled, “An Agency in Crisis.”

It recommended a structural overhaul to the organization and its funding, both of which were critical and more than a “quick fix.”

This new form of governance should empower a new DMV to take responsibility for its programs, and for serious security breaches, by delivering new and modified programs.

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**Destination: Excellence**

The Act was signed into law in January 2003.

It is a system-wide mandate of reform that makes MVC more responsive to motorists’ concerns and outlines measures to stop fraud, corruption and identity theft within MVC.

MVC was officially created on May 20, 2003, and held its first meeting on June 3, 2003.

MVC’s eight-member Commission is comprised of four Governor-appointed members of the public, the DOT Commissioner, the Attorney General, and the state Treasurer. Additionally, the Chief Administrator is the Chair of the Commission, a non-voting position.

The Act established MVC as an independent agency whose monthly meeting minutes are subject to a gubernatorial veto.

The Chief Administrator retains each power previously assigned to the DMV director, and is empowered by the Act to hire MVC staff as appropriate.
Update on Key Initiatives • Organizational

Dedicated and Consistent Funding for MVC

- Dedicate fees to support MVC for continuing operations
- Develop a five-year capital plan for MVC for facilities, technology, and other improvements

Background

The organization collects approximately $900 million each year at agencies through fees, fines, surcharges, and motor taxes.

In FY 2003, the sum was $990 million.

Historically, DMV has been among the largest generators of revenue for the State.

Yet, DMV was appropriated a diminishing portion of that amount each year, with the balance supporting other programs and departments through the General Fund.

Some fees support programs at other State departments whose functions support DMV. This group includes the State Police, and the Departments of Environmental Protection, Health and Senior Services, Transportation, and Law & Public Safety.

DMV was never provided a direct statutory funding source by the Legislature.

Destination: Excellence

The Act provides a statutory funding source to MVC. Each year, the first $200 million collected each year through motor vehicle fees and surcharges are to be put toward agency operations, and customer service and security upgrades.

These fees include: registrations, licenses, non-passenger registrations, titles, certificates of ownership, and driver history abstracts.

An additional $74 million has been approved for MVC by the Legislature.

MVC is collecting a $7 security surcharge for each new and renewal registration. This new revenue will fund security enhancements.

Moreover, the New Jersey Economic Development Authority has issued nearly $160 million in bonds. These bonds will fund capital improvements, including $10 million dedicated to AOC for enhancements to the Automated Traffic System (ATS).

Of the $160 million, 50% is dedicated to technology, 29% to facilities, 15% to systems infrastructure, and 6% to the court systems.
Update on Key Initiatives • Organizational

Legislative Mandates

- Review all pending MVC-related legislation to determine how the function relates to the organization’s strategic planning effort
- Review all MVC functions to determine if they are appropriate or could be transferred to other State departments

Background

In the 17 years before Fix DMV initiatives began to revamp the organization, dozens of statutes passed by the Legislature added duties to the day-to-day activities of DMV.

These included: the Parking Offenses Adjudication Act, the Commercial Driver License Program, the Federal Motor Voter Law, the issuance of 14 different specialty plates, On-line Information Sales, IFTA and IRP, Federal Clean Air Act, School Bus Inspection Program, Commercial Bus Inspection, the Drivers’ Privacy and Protection Act, the Graduated Driver License Program, and the Ignition Interlock Program.

Additional funding did not come attached to any of these mandates.

The Fix DMV Commission recommended reviewing all legislation mandates as they pertain to MVC and the organization’s strategic planning effort.

Destination: Excellence

In the 2002-2003 Legislative Sessions, MVC reviewed approximately 420 pieces of legislation.

Fifteen percent of those bills related to special interest group license plates.

MVC is identifying functions that are outside its core mission. This review will be undertaken with MVC’s Strategic Planning Steering Committee.
Establishment of Five Advisory Councils

- Establish the five Advisory Councils outlined in the Act
- Designate appropriate representatives

Background

The Act called for the creation of five advisory councils within MVC, whose role will be to advise the eight-member Commission on policies, operating practices, regulations, and standards.

Additionally, these Councils were created to obtain expertise in certain areas, and to assist MVC in overcoming obstacles to efficiency and security.

MVC will designate the appropriate State and local government representatives, technical experts, and constituent representatives to serve on the Councils.

Each Council will have no more than five members, each of whom will serve a rotating term to provide stability and continuity. MVC’s Chair, or a designee, will serve on each Council.

Each Council will meet and report to Commission Members monthly.

Establish Five Advisory Councils to:

- Promote partnerships with other agencies and organizations
- Assist MVC in identifying technical, jurisdictional and political barriers
- Overcome any obstacles that would prevent MVC from achieving excellence

Destination: Excellence

The Advisory Councils will be formed by the end of 2003, and will prove invaluable in identifying solutions to technical, jurisdictional, and political barriers to reform.

These councils will empower MVC to excel in the following areas: customer service, safety, security and privacy, business, and technology.

The Customer Service Advisory Council will provide standards for customer service, and for external communications to ensure consistency in marketing and dissemination of information to the public.

The Safety Advisory Council will consider new initiatives and legislation that will enhance motor vehicle and traffic safety for the public.

The Security and Privacy Council will advise the Commission on securing its systems and business processes.

The Business Advisory Council will suggest improvements to business practices that affect MVC’s public and private partners, regulated entities, businesses, and constituents.

The Technology Advisory Council will determine which of the latest and best technological services and equipment will ensure MVC modernization.
Reconciling Surcharges with Fairness and Affordability

- Establish an Affordability and Fairness Task Force
- Establish a Surcharge Amnesty program

Background

More than 200,000 people in New Jersey have their driving privileges suspended at any given time for one or more of nearly 300 statutory violations.

About one-third of that group has been suspended for a building code violation or delinquent child support payment.

Another one-third is suspended for financial inability to pay surcharges, additional costs imposed on drivers who have violated the motor vehicle code.

In total, more than 50% of suspensions are for reasons other than how safely motorists operate a motor vehicle.

There has been a 44% increase in suspensions since 1989, primarily the result of increased Legislative focus on complex social and economic issues, rather than on safe driving.

In New Jersey, more than 23,000 people currently have surcharges in excess of $10,000.

The collection rate for surcharges and suspensions is about 53%. Many times, these surcharges prevent low-income motorists from recovering their driving privileges, which can potentially lead to the loss of a job, defeating most prospects the State has of collecting these fees.

Destination: Excellence

The Act created the Motor Vehicles Affordability and Fairness Task Force, which will study the current point system, and specifically, non-driving related suspensions.

This Task Force will study many issues regarding the fairness and impact of motor vehicle regulations on the state’s businesses and residents. It will be made up of 19 members - nine of which will be members of the public, the remaining seats will be filled by six Cabinet officers and four legislative appointees – who will review the impact of license suspensions on businesses and individuals, insurance surcharges on low-income motorists and other socioeconomic conditions.

The Transportation Policy Institute in the Bloustein School at Rutgers University will also study this area, and will recommend reforms to the current surcharge system in December 2004.

Currently, a surcharge amnesty has been created. This 60-day program began on September 2, 2003. Many of the associated costs, such as interest, have been waived. Motorists surcharged for DUI-related convictions are not eligible for the amnesty.

MVC has hired and trained 20 employees to staff a telephone hotline, and respond to written inquiries, relating to the Surcharge Amnesty program.
Update on Key Initiatives • Organizational

Integrate MVC and AOC

- Develop a network that facilitates the smooth exchange of information among the Judiciary, MVC, law enforcement, and other public or quasi-public agencies

Background
The efficient exchange of information between New Jersey’s law enforcement community, MVC and the Judiciary, is vital to promoting, improving and maintaining highway safety.

Annually, the Judiciary’s 536 municipal courts process and adjudicate more than six million traffic and parking violations. In the past 15 years, the Judiciary has fully automated municipal court operations, which has increased efficiency. As a result, case management and accounting records have been standardized throughout the State. Automation has promoted both public safety and highway traffic safety through the creation of a statewide electronic warrant system that is accessible to all law enforcement and other Executive Branch agencies. The electronic records of every municipal court are available for inquiry by MVC and other government agencies requiring access.

The law enforcement community and the courts are significant MVC customers who generate thousands of inquiries every year.

This requires MVC to perform searches of its manual and electronic records, to print results, to certify their accuracy, and to mail the search results, usually in the form of a combined prosecution package, to the appropriate person or agency. Since much of MVC’s record base is not electronically integrated and includes a great deal of manual data, the current process generally results in major procedural and processing delays. It can take three months to fulfill a request.

Destination: Excellence
The Act provided $10 million to AOC for improvements to the Automated Traffic System (ATS).

MVC established the Integrate DMV/AOC APT to develop integration strategies and timelines. The Judiciary will support MVC’s technology modernization in these ways:

Support self-service lookups by both law enforcement and the courts directly into MVC’s database;

Develop protocols, court rules, and other procedures necessary to accept electronic distribution of MVC records as part of evidence packages used in the prosecution of traffic violations;

Develop and implement a real-time exchange of automated information between the courts and MVC that ensures the timeliness, accuracy and consistency of driving and conviction records.

These actions will lay the foundation for the following customer service improvements:

Enable municipal courts and MVC service centers to directly exchange information to facilitate the restoration of revoked or suspended driving privileges;

Real-time interconnectivity will allow the payment of outstanding surcharges and settlement of outstanding traffic tickets;

Support the electronic issuance of traffic violations from police vehicles with electronic signature and real-time updating of court records.

These recommendations require extensive system program changes and work is scheduled to begin in fall 2003.
Update on Key Initiatives • Organizational

On-Board Diagnostics (OBD)

- Implement Clean Air Act of 1990 requirements by instituting OBD testing
- Develop programs to make the public aware of the new testing system

Background

The Federal Clean Air Act of 1990 requires inspection and maintenance programs to incorporate On-board Diagnostic (OBD) testing as part of the vehicle inspection program. The EPA considers this test more accurate in diagnosing problems before they cause emission failures in the newer model vehicles (1996 and newer.)

OBD is the final enhanced Inspection/Maintenance Program component required by the Clean Air Act.

OBD involves downloading information from a computer system “on board” the vehicle that monitors key engine sensors and other vehicle components related to emissions.

1996 and newer vehicles are OBD-equipped and comprise approximately 60% of all cars on the road. An indicator light on the dashboard alerts the motorist to potential problems with the vehicle. More detailed information is available to the inspector/technician when the on-board computer is linked to the testing computer and the information is downloaded. Thus, this test does not measure actual emissions but rather is designed to identify problems with the vehicle’s emission-related system before they result in increased emissions and equipment failure.

Destination: Excellence


During the first week of testing, 4.9% of the vehicles failed.

As of August 4, 2003, each of the 32 centralized inspection facilities (CIF) had been fully loaded with the latest OBD software. On August 19, 2003, 70% of the private inspection facilities (PIF) were upgraded with final version software.

Any PIF not receiving its OBD software upgrade will be permitted to continue tailpipe testing. It is expected that every PIF will be running OBD by October 2003.

Informational OBD postcards have been sent, and will continue to be sent, to all vehicle owners with vehicles due for inspection from August through December, as part of a multi-faceted public awareness campaign.

A tri-fold brochure was created, posters were distributed at all inspection facilities, large posters were posted on NJ Transit buses, and radio spots were broadcast when the program first began.
Update on Key Initiatives • Security

Security

MVC is committed to a high level of security at its 45 local agencies and four RSCs. While every MVC agency has not been inundated with fraudulent documents, or with the presence of corrupt employees, it is the goal at each facility where MVC issues licenses, titles, registrations and identification cards, to apprehend and prosecute every person – employee or customer – who seeks, through the use of fraudulent documents or any other illegal means, to acquire legitimate MVC documents to which they are not entitled.

Nearly 600 agency workers became state employees on July 1, 2003, after almost eight years of agency “privatization.” To prepare them and our agencies for the expectations they now face, MVC has undertaken an aggressive document fraud training regimen. By October 1, 2003, every employee at all 45 agencies and the four RSCs will have been trained in document fraud detection. These employees will be fully prepared to scrutinize the various documents a motorist may use for identity verification and other purposes in transacting MVC business. While the agencies were “privatized,” these employees were never provided training of this kind. During that time, no system was put in place to track arrests.

A program to partner with municipal police departments is in development and will be initiated in stages, beginning in December 2003. This program will place police officers within each of the 45 local agencies. These police officers will be given document fraud training by MVC. Once these officers are patrolling MVC agencies, the relationship with agency-hosting municipalities is expected to improve dramatically, and the reporting of customer arrests and of charges brought will become more exact. The success of this program will be contingent upon how it is embraced by the municipalities, and upon sufficient funding.

Other limitations have historically hindered MVC’s ability to track customer arrests, such as staffing shortages and software limitations. These are being addressed.

Since June 24, 2002, more than 300 customers have been arrested at MVC agencies throughout the state. The charges against these individuals have all dealt with the presentation of fraudulent documents. During this same period, 14 agency employees have been arrested and criminally charged for various license or title frauds. These cases have not yet been resolved.

To face the genuine threat to public safety that fraudulent documents pose, MVC is currently increasing its workforce. This will help the organization provide an acceptable level of customer service, while ensuring secure transactions and a safe environment for state residents. To date, MVC has hired more than 40 employees to enhance customer service at the agencies. Fifty more hires are imminent. These employees will fill important roles in customer service and in specialized security roles.

This workforce will be trained in using a new database, currently in development, to track and to report arrests, and subsequent charges, to Security, Investigations & Internal Audit. Exact numbers of arrests and charges will be available when MVC issues its March 30, 2004, Service Assessment.
MVC employees have shown a willingness to adapt to new policies and procedures that increase security. Most notably is MVC’s 6-Point ID Verification Program, which began on September 2, 2003. Since that time, 12 customers have been arrested and charged under New Jersey document fraud statutes after employees discovered phony documents.

These programs, and others in development, are making New Jersey a safer place to live and to work. MVC is focused on continuing this positive trend.
**Provide Secure MVC Facilities**

- Develop a comprehensive security plan, with the New Jersey State Police, for all MVC facilities, incorporating surveillance cameras and other means of safeguarding personnel and activities.
- Provide on-site police presence, reinforce doors and locks for storage areas, entrances and exits at MVC facilities.
- Install duress alarms and customer barriers to prevent customers from stealing documents or assaulting MVC employees.

<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th><strong>Destination: Excellence</strong></th>
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<tbody>
<tr>
<td>Motor vehicle agencies bring in approximately $300 million in transactions annually.</td>
<td>The State Police assessment provided a checklist of important security “fixes.”</td>
</tr>
<tr>
<td>These same agencies process vehicle titles and registrations, examination permits and driver licenses, all of which are valuable documents that have an enormous street value. They are the key component in identity theft and fraud.</td>
<td>Security locks have been installed at some agencies, and motion detectors and alarms for storage areas will be installed at other, high-risk agencies.</td>
</tr>
<tr>
<td>Current security protections and measures – alarm systems, panic buttons, surveillance cameras, safes, and armed and unarmed off-duty police – put in place years ago are obsolete.</td>
<td>Locations have been identified for duress alarms, and 20 have been installed in agencies where compatibility exists with the current system. Others will be installed before the end of the year.</td>
</tr>
<tr>
<td>State Police officials completed a security assessment in December 2002 of the East Brunswick agency and identified numerous security failures.</td>
<td>Enhanced perimeter and interior alarms have been installed at new sites, such as Mt. Holly.</td>
</tr>
<tr>
<td>Some of the problems included: easy access to valuable documents through open and unlocked doors, access to storage areas, improper storage of secure documents, substandard vaults, and non-existent alarms and video cameras.</td>
<td>MVC expects to announce a contract for surveillance cameras in October.</td>
</tr>
<tr>
<td>Wiring for all security enhancements at the facilities is in progress and is expected to be completed by the end of October.</td>
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</tr>
<tr>
<td>A safety orientation for more than 40 local police departments, in whose municipalities there is an MVC agency, was held September 10, 2003. Officers will patrol agencies beginning in December.</td>
<td>A safety orientation for more than 40 local police departments, in whose municipalities there is an MVC agency, was held September 10, 2003. Officers will patrol agencies beginning in December.</td>
</tr>
<tr>
<td>A comprehensive security plan will be finished by December 2003.</td>
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**Secure Controls & Procedures**

- Establish an Office of Security, Investigations & Internal Audit and hire a sufficient investigative staff
- Reposition the Internal Audit area and hire additional staff to detect fraud, theft and corruption; Perform random audits
- Perform background checks on all employees and cleaning staff
- Provide additional staff to the State Police MVC Auto Unit

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<tr>
<th>Background</th>
<th>Destination: Excellence</th>
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<tbody>
<tr>
<td>Funding to increase security through technology upgrades had become nonexistent. The Internal Audit and Investigative Unit for the former DMV had been depleted by budget cuts and neglect. A group of 29 DMV Investigators was cut to two full-time investigators “borrowed” from the DOT’s Office of Inspector General; and, a group of 14 internal auditors was cut to four. The DMV Auto Unit was in need of additional staff for reviewing digital video, transactions, document ledgers and accounting practices. And, the arrest of dozens of DMV employees in the agencies, including janitorial staff members, and overall security lapses, showed that DMV must do a better job screening employees during the hiring process.</td>
<td>A new division, Security, Investigations &amp; Internal Audit (SIIA), was created within MVC, and a director with extensive law enforcement background was appointed. Additionally, investigative staff from DOT’s Office of Inspector General, which works exclusively on MVC investigations, has been transferred to MVC’s payroll. MVC introduced a newer, safer vehicle title, with six security features that will curb counterfeiting and eradicate title washing from New Jersey in May 2003. 6 Point Identification Verification program, which requires more stringent ID and address verification of license and other ID applicants, commenced in September 2003. SIIA is in the process of supplementing that area by hiring between 26 and 30 additional investigators to combat fraud, theft and corruption. Moreover, Internal Audit has been transferred from MVC’s Administrative area and is now the purview of SIIA, allowing more effective investigative coordination. Eight additional employees will be hired this year. MVC will pay $600,000 towards the salaries of State Troopers who staff MVC’s Auto Unit. Finally, the fingerprinting of about 1,500 MVC employees was completed in September 2003, and a State Police background check for each was completed. Those fingerprints are being processed through FBI databases.</td>
</tr>
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Update on Key Initiatives • Security

Reduce Identity Fraud

- Enhance document security at all levels
- Institute specialized training for MVC employees in the detection of fraudulent documents
- Support legislation that increases the penalties for identity theft

Background

Identity theft is a growing national threat, one that results in the loss of billions of dollars each year, and the disruption of innocent citizens’ lives on a daily basis.

In 2001, police logged 2,575 cases of identity theft in New Jersey, the ninth highest total in the nation.

Estimates place the annual cost of identity theft to Americans at $3 billion. The Fix DMV Commission recommended amending the Criminal Code to strengthen existing protections, and add others, against the misuse of driver licenses and other identification documents that purport to have been issued by either foreign or domestic governmental agencies.

New Jersey has developed a national reputation as a title-washing state, where fraudulent titles are easily used to obtain a “clean” title that allows its holder to sell and insure the vehicle at prime market value.

New Jersey also has an easily duplicated driver license. These poor security systems throughout MVC jeopardize New Jersey’s and national security, and could affect road safety.

Destination: Excellence

In June 2003, both houses of the Legislature passed a bill stiffening penalties for identity theft and the selling, manufacturing, possessing or exhibiting of false government documents. This bill also provides victims of identity theft the right to initiate a civil action.

MVC will make the penalties for identity theft and fraud convictions clear at all of its licensing facilities through standard, easy-to-read signage.

MVC has adopted the American Association of Motor Vehicle Administrators (AAMVA) model on document fraud detection, and its training program. This training is being directed by in-house staff and supplemented by the expertise of outside professionals. MVC employees trained in document fraud detection already have undertaken a number of important duties, including the review of foreign titles to detect any fraudulent activities and the new 6-Point ID Verification program.

To date, 216 employees from 37 agencies and in-house staff have been trained in detecting this type of fraud. Training will be completed by October 1, 2003.
**Customer Service**

MVC has a new plan and new approach for customer service, one that meets customer expectations without compromising the ever-increasing need for safety and security.

MVC will be adding a Customer Service Advocate. This office will administer customer surveys and develop a report card format for results, develop processes to better manage and track complaints and routine inquiries, eliminate intra-agency “passing the buck” of citizen complaints or complex customer problems, analyze trends, and identify types of service failure that lead to complaints and create a model for customer service with measurable performance goals.

This new approach is grounded in employee training, measuring performance, listening to our customers, and setting goals for the future.

**More Recent Customers Have More Positive Impressions of Staff**

- **Knowledgeable**
- **Helpful**
- **Efficient**
- **Courteous**

**SOURCE:** Initial Results, August 12, 2003
MV Agency Customer Satisfaction Survey
Rutgers Eagleton Institute of Politics
**Motor Vehicle Agency Customer Satisfaction Survey**

Through a partnership with the Eagleton Institute at Rutgers University, a customer satisfaction survey was conducted in June 2003.

Respondents were asked questions by telephone regarding their perceptions of motor vehicle agency performance in areas such as MVC image, integrity, agency environment, screening, forms, waiting, and accessibility.

According to the results, overall satisfaction (measured on a scale of 0-10, with 10 as the highest level of satisfaction) of the general population is 6.4 and overall satisfaction of customers within the last 18 months is 6.9.

The table below summarizes the initial findings from 1209 total interviews (697 interviews with recent customers).

<table>
<thead>
<tr>
<th>WAIT TIME</th>
<th>ONE VISIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>94% of customers rate 30 minutes or less as an acceptable wait time</td>
<td>14% of customers could not complete business in one visit – 50% due to lack of required documents, 10% did not have enough time to wait – and report overall satisfaction of 4</td>
</tr>
<tr>
<td>Over 2/3 of customers find the current average wait time unacceptable</td>
<td>Customers completing business in one visit rate overall satisfaction as 7.4</td>
</tr>
<tr>
<td>Average wait time reported by customer:</td>
<td>Seniors are less likely to require more than one visit; only 7% Age 60-69, 8% Age 70+</td>
</tr>
<tr>
<td>- North, 41 mins.</td>
<td></td>
</tr>
<tr>
<td>- Central, 36 mins.</td>
<td></td>
</tr>
<tr>
<td>- South, 25 mins.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAFF</th>
<th>FACILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable opinions about MVC staff – knowledgeable, helpful, courteous, efficient – have increased during the first and second quarter of 2003</td>
<td>25% of customers are not at all comfortable (lowest rating) in MVC facilities</td>
</tr>
<tr>
<td>Opinions on staff are directly linked to overall satisfaction</td>
<td>65% say location is either somewhat or not at all clean</td>
</tr>
<tr>
<td>Seniors age 70+ give the highest rate of overall satisfaction, 8.4, and the lowest is age 30-39, 6.4</td>
<td>87% of customers rate agency offices as easy to find</td>
</tr>
<tr>
<td></td>
<td>65% say location is very convenient</td>
</tr>
</tbody>
</table>

**SOURCE:** Initial Results, August 12, 2003
MV Agency Customer Satisfaction Survey
Rutgers Eagleton Institute
Update on Key Initiatives • Customer Service

AGENCY TRANSACTIONS BY REGION

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>REGION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAYONNE</td>
<td>N</td>
<td>190,899</td>
</tr>
<tr>
<td>EAST ORANGE</td>
<td>N</td>
<td>172,544</td>
</tr>
<tr>
<td>ELIZABETH</td>
<td>N</td>
<td>255,675</td>
</tr>
<tr>
<td>ENGLEWOOD</td>
<td>N</td>
<td>210,695</td>
</tr>
<tr>
<td>IRVINGTON</td>
<td>N</td>
<td>149,775</td>
</tr>
<tr>
<td>JERSEY CITY</td>
<td>N</td>
<td>179,717</td>
</tr>
<tr>
<td>LODI</td>
<td>N</td>
<td>297,685</td>
</tr>
<tr>
<td>MORRISTOWN</td>
<td>N</td>
<td>239,047</td>
</tr>
<tr>
<td>NORTH BERGEN</td>
<td>N</td>
<td>231,559</td>
</tr>
<tr>
<td>NEWARK</td>
<td>N</td>
<td>179,554</td>
</tr>
<tr>
<td>NEWTON</td>
<td>N</td>
<td>158,402</td>
</tr>
<tr>
<td>OAKLAND</td>
<td>N</td>
<td>300,654</td>
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<tr>
<td>RAHWAY</td>
<td>N</td>
<td>263,196</td>
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<tr>
<td>RANDOLPH</td>
<td>N</td>
<td>243,731</td>
</tr>
<tr>
<td>SOUTH PLAINFLD</td>
<td>N</td>
<td>323,479</td>
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<tr>
<td>SPRINGFIELD</td>
<td>N</td>
<td>218,949</td>
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<tr>
<td>WALLINGTON</td>
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<td>179,328</td>
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<tr>
<td>WASHINGTON</td>
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<tr>
<td>WYCKOFF</td>
<td>N</td>
<td>256,675</td>
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<tr>
<td>BAKERS BASIN</td>
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<td>344,218</td>
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<tr>
<td>E. BRUNSWICK</td>
<td>C</td>
<td>208,657</td>
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<tr>
<td>EATONTOWN</td>
<td>C</td>
<td>340,050</td>
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<tr>
<td>EDISON</td>
<td>C</td>
<td>242,360</td>
</tr>
<tr>
<td>FLEMINGTON</td>
<td>C</td>
<td>133,891</td>
</tr>
<tr>
<td>FREEHOLD</td>
<td>C</td>
<td>203,620</td>
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<tr>
<td>MATAWAN</td>
<td>C</td>
<td>259,970</td>
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<tr>
<td>SOMERVILLE</td>
<td>C</td>
<td>209,049</td>
</tr>
<tr>
<td>TOMS RIVER</td>
<td>C</td>
<td>297,665</td>
</tr>
<tr>
<td>TRENTON</td>
<td>C</td>
<td>172,866</td>
</tr>
<tr>
<td>BRIDGETON</td>
<td>S</td>
<td>123,707</td>
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<tr>
<td>CAMDEN</td>
<td>S</td>
<td>145,379</td>
</tr>
<tr>
<td>CARDIFF</td>
<td>S</td>
<td>280,987</td>
</tr>
<tr>
<td>CHERRY HILL</td>
<td>S</td>
<td>183,197</td>
</tr>
<tr>
<td>HADDON HTS</td>
<td>S</td>
<td>259,415</td>
</tr>
<tr>
<td>LAKEWOOD</td>
<td>S</td>
<td>269,347</td>
</tr>
<tr>
<td>MANAHAWKIN</td>
<td>S</td>
<td>159,603</td>
</tr>
<tr>
<td>MEDFORD</td>
<td>S</td>
<td>297,311</td>
</tr>
<tr>
<td>MT. HOLLY</td>
<td>S</td>
<td>239,613</td>
</tr>
<tr>
<td>RIO GRANDE</td>
<td>S</td>
<td>165,488</td>
</tr>
<tr>
<td>SALEM</td>
<td>S</td>
<td>170,483</td>
</tr>
<tr>
<td>VINELAND</td>
<td>S</td>
<td>216,454</td>
</tr>
<tr>
<td>WEST DEPTFORD</td>
<td>S</td>
<td>234,182</td>
</tr>
<tr>
<td>WILLIAMSTOWN</td>
<td>S</td>
<td>307,192</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>10,170,954</td>
</tr>
</tbody>
</table>

Transactions Performed Annually

In Fiscal Year 2003, the 45 local motor vehicle agencies performed 10,170,954 transactions.

An additional 1,443,594 transactions were performed by authorized business partners; New Jersey Coalition of Automotive Retailers, CVR and Trivin (processed at dealerships, rental and leasing companies).

FY2003 TRANSACTION TOTALS

- SOUTH: 30%
- CENTRAL: 24%
- NORTH: 46%
Update on Key Initiatives • Customer Service

State-Operated Motor Vehicle Agencies

- Return the 45 “privatized” agencies to State government
- Provide customer service training to all employees returning to State service
- Determine compensation and benefits plan for all employees

Background

Forty-five motor vehicle agencies were privatized in 1995. In addition to a lack of central oversight, inconsistent policies and a lack of accountability, and poor communication among the head agents of the agencies, where nearly 40% of the transactions between motorists and DMV were made each year, resulted.

Poor customer service was a serious problem, and led to a negative public perception that was fueled by frustration.

High employee turnover rates contributed to poor customer service. Almost no employee training in customer service and document fraud was provided.

The contracts between individual agents and the State presented another problem: it prevented employees from being shifted during peak periods to other agencies. Long lines resulted.

And, because of a lack of communication, nothing prevented an employee who had been fired at one agency from being hired at another, regardless of the reason for the termination.

Finally, inconsistent wage levels and inadequate benefits compounded morale problems within the agencies.

Destination: Excellence

Deprivatization of the 45 motor vehicle agencies was an objective of the Fix DMV Commission. On July 1, 2003, it was accomplished, bringing approximately 600 employees and agents into the fold as State employees. Central oversight was established.

The Deprivatization APT reviewed each agency’s staff, creating more efficient schedules and proper salaries for each employee.

Transitional titles were created, allowing MVC to adjust the salaries of these employees over 12 months. The Communications Workers of America, the union that represents these employees, worked with MVC to facilitate this transfer.

The APT developed teams that went to each agency and helped new employees select their health benefits. Information regarding pension benefits, vacation allowances, and sick time was provided.

MVC paid health benefits for each employee during the 60-day probation period for new State employees.

Customer service training was provided to all of the employees within the agencies; document fraud training will be completed by October 1, 2003.
Update on Key Initiatives • Customer Service

Clean, Comfortable Offices in the Right Locations

- Initiate new lease arrangements to allow for full painting, cleaning, renovation and necessary repairs
- Evaluate each motor vehicle services facility for current and future population demands
- Use the evaluation to determine facility relocations, expansions and additional hours
- Replace sites without adequate customer comfort, parking, and services

Background

Motor vehicle agency facilities have become stark, institutionalized, and unfriendly. With few exceptions, these agencies are in need of physical repair. At some locations, daily maintenance is required. The Fix DMV Report outlined a need for a maintenance plan for these facilities that would schedule regular heavy cleaning, sanitary restrooms, repair and renovations, and painting and furniture replacement.

These necessities should be addressed in future leases.

Additionally, DMV facilities had not been evaluated in over 15 years.

Some customers travel long distances and endure protracted waits for services that are legally mandated.

Meanwhile, New Jersey’s population has experienced dramatic regional increases, making traveling and waiting even more of a problem at some MVC agencies.

At least one location has experienced an annual increase of over 300% in customer volume. Others have shown more than 100% growth, making motorists’ non-rush-hour commute to a regional service center more than one hour.

New Jersey’s mass transit system has expanded during this period, yet many of the regional service centers and agencies are not accessible by mass transit.

With the exception of the state law that requires at least one motor vehicle agency in each county, and for every 300,000 people, there is no other system in place to determine agency locations.

Destination: Excellence

MVC and Treasury are currently reviewing the leases for 38 MVC facilities.

A list of necessary repairs or replacement needs has been compiled. Treasury is in the process of initiating tenant service requests for the work to be facilitated through the landlord.

Treasury is also investigating the enforcement of existing janitorial contracts to immediately improve service for 38 facilities.

A Request for Proposal (RFP) is under review and will provide a new janitorial contract for the 45 facilities.

MVC has ordered new furniture, and is currently reviewing other needs, for agencies in Newark, Rahway, Lodi, Eatontown and West Deptford.

MVC is reviewing heating and ventilation systems and roof projects. Interior renovation will commence after roof repairs and heating and air conditioning problems have been resolved. Population growth, as noted in the New Jersey Economic Indicator, is expected to continue. MVC must be adequately prepared for it.

MVC is in the process of hiring a consulting firm for a Siting Study that will consider the accessibility of MVC agencies from mass transit stops, how MVC facilities meet the needs of specific areas of the State, and the locations of substandard or poorly located facilities. The firm is also considering parking, which has always been high among customer complaints, in its consideration of facility accessibility.

In addition to examining ways to increase convenience for MVC customers, the study, which will be completed within a year, will consider safety at MVC inspection facilities and how this is impacted by location.
Update on Key Initiatives • Customer Service

Eliminate Busy Signals

- Eliminate busy signals at the Contact Center
- Modernize the Contact Center with self-service capabilities, such as Interactive Voice Response
- Explore new software packages and applicability
- Integrate the Contact Center and the Internet

Background

MVC operates several telephone centers to assist external customers and agency employees. The two most visible centers – General Information, and Suspension and Restoration – are important services that play a large part in the public perception of MVC.

These two telephone centers received over 2 million calls in FY 2002, and the average wait time for General Information was just over 2 ½ minutes. Some waited more than 5 minutes.

Current average wait times for Suspension and Restoration calls are more than 5 minutes. Some wait times are more than 10 minutes.

The current system does not track busy signals. MVC estimates that 70% of callers to the Contact Center get a busy signal.

Increasing staffing levels and adding additional telephone lines will help solve the problem with busy signals and wait times, but these efforts need to be complemented with other fixes.

Destination: Excellence

MVC has changed the name of its Telephone Center to Contact Center, which will provide customers with courteous, high-quality service, eliminate busy signals, and provide shorter hold times while providing self-service options.

It will also incorporate e-mail, fax and Web-based solutions, such as real-time informational chat rooms, for customers.

A Request for Information was mailed in July 2003. Proposals recommend using the following:

- additional trunk lines to eliminate busy signals
- Interactive Voice Response (IVR) for “FAQs”
- direct connections to a skill-specific agent
- monitoring and recording of calls
- on-line surveys for customers

By December 2003, the Contact Center will move to a new floor within MVC headquarters. Rewiring for that location is underway. PCs will be installed in the new location that will accommodate increased staff. PCs will provide the following tools for Contact Center staff:

- on-line reference manuals
- fax direct software to send forms
- Internet access for Web-based support
- automatic mailings to customers

All agents in the Contact Center will receive PC training. MVC’s newly formed Training unit will begin this training in October 2003.

MVC Contact Center

- PCs for Call Agents
- Employee Training
- Automated Manuals
**Update on Key Initiatives • Customer Service**

---

**Improve Communications and Marketing**

- Establish a complete marketing and public information program
- Promote, inform, and educate customers regarding service enhancements and MVC accomplishments
- Disseminate accurate, consistent information by telephone, over-the-counter, on-line, and through public awareness materials

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<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th><strong>Destination: Excellence</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Over the last decade, public outreach through advertisement, public education sessions, and even revisions to publications, disappeared. There were no dedicated programs to promote public information and awareness. Specific information regarding MVC services needs to reach the public in a way that educates consumers. Motorists need accurate and timely information about MVC services and document requirements, the penalties for breaking these rules and laws, and the steps needed to return to compliance. The Fix DMV Commission recommended that MVC establish a robust marketing and public information program that promotes MVC service enhancements and accomplishments in an educational manner. This effort should be continual and use a variety of techniques and media strategies.</td>
<td>MVC is improving its public information and education programs. A public relations and marketing company, Bandujo Donker &amp; Brothers, of Summit, is currently developing a marketing campaign and strategy. Bandujo will establish a new, clear brand identity that will convey MVC’s reform message of exceptional customer service, of improving the security of its documents and facilities, and of the modernization of its technology, as well as the development of new services for strategic business partners. The firm will be primarily responsible for developing the creative advertising, marketing, and public relations material to inform New Jersey drivers and the general public about the DDL program and the 6 Point Identification program.</td>
</tr>
</tbody>
</table>

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Update on Key Initiatives • Customer Service

Listening To Our Customers

- Perform customer surveys and develop new ways to receive feedback
- Use market surveys and focus groups to determine whether businesses and citizens need new or different services and deliveries
- Aggressively respond to and manage public complaints and inquiries; develop a greater capacity to listen to customers

Background

DMV failed to gain feedback on how its services and information met customer expectations or needs.

Surveys of the millions of citizens conducting business or gaining information through the agencies, RSCs, telephone centers, and mail services were nonexistent.

DMV could not be effective in planning and implementing successful change because this information was not being gathered and analyzed.

Customer Survey Results

- Over 2/3 of MVC customers find the current average wait time unacceptable
- Longer waiting time reduces satisfaction
- Failure to complete business in one visit reduces satisfaction
- More recent customers have more positive impressions of MVC staff

Destination: Excellence

Within days of the first MVC meeting in June, 2003, the Eagleton Institute at Rutgers University, began the first motor vehicle-related customer survey in more than 20 years.

The Motor Vehicle Agency Customer Satisfaction Survey directly contacted 1,209 citizens and 502 businesses. The survey is the performance baseline against which future progress will be measured.

This survey has helped MVC to identify customer needs and expectations. A final analysis will be delivered by December 2003 and will have survey results presented in straightforward tables, graphs, charts, maps and diagrams with statistical analysis. All statistics and other representations of the data will be explained fully in the text of the report.

A second customer satisfaction survey, continuous polling through Eagleton’s New Jersey Omnibus Poll, focus groups, and customer comment cards in each agency for site-specific feedback, are planned for 2004.
Exceptional Customer Service

- Become more customer-friendly by having customer service representatives wear nametags in MVC agencies
- Provide customer-service training
- Establish a system through which MVC employees are made aware of operational and procedural changes

Background

The face of State government for the vast majority of citizens and businesses in New Jersey is MVC. In the past, DMV lacked a common vision for what customer service should be.

Individuals who delivered services to customers were not trained in proper techniques to help customers, nor given the tools to do their job well. Customers suffered through extended service waits and repeat trips.

Employees also experienced frustration and decreased job satisfaction because policy and procedure information was inefficiently disseminated.

FIX DMV Accomplishments

- All motor vehicle agency employees are wearing name tags
- All motor vehicle agency employees have received customer service training

Destination: Excellence

In January 2003, agency employees began wearing nametags, a policy shift that makes employees more approachable and accountable for the service they provide.

The first phase of on-going customer service training at the agencies is complete. “Motor Vehicle Agencies Customer Service: Phase 1” was completed by the end of 2002.

Professional trainers visited each agency. The course content included: Eight Attitude Adjustment Techniques, a systematic approach to defuse a difficult customer situation, application of new skills through role playing, and an employee-needs assessment.

Properly trained employees must be properly informed employees. The Communications APT identified a need for an Internal Communications office, one that specifically addresses the need to inform MVC employees. MVC currently issues a monthly newsletter to all employees.
Human Resources and Training

- Develop a Memorandum of Understanding with the Department of Personnel for Shared Services
- Create a Training Unit that provides consistent communication of policy and procedure information among all MVC employees

Background

DMV in the past was more reactive than proactive to crises and challenges. An organizational re-alignment that would allow for increased flexibility in financial and capital planning would benefit the organization.

The empowerment of employees to “own” their program’s problems and obstacles became essential.

With Treasury and DOT, a review of potential departmental overlaps determined that Shared Services would fit into the overall planning for the new form of governance.

Shared Services is a human resource partnership concept.

Destination: Excellence

MVC has entered into a Memorandum of Understanding with the Department of Personnel (DOP) to retain their Shared Services for personnel functions.

DOP is providing human resource services and Shared Services is processing all personnel transactions, certifying lists, preparing and maintaining payrolls, processing classification requests, administering a benefits program, and maintaining leave time.

DOT is performing MVC’s Labor Relations, Affirmative Action, Equal Employment Opportunity, and Ethics functions.

There are no redundant services.

Additionally, an MVC Training Unit has been established to promote customer service, and to provide and enhance technical and managerial skills that would facilitate MVC’s mission.

Under the Director of Administration, a manager for the Training Unit has been appointed.

Actual training, and the development and coordination of future training, is underway.

Training for in-house and agency staff in document fraud and 6 Point Identification is virtually complete. Training for MVC’s Social Security Number Verification program has been scheduled. Training for the DDL program is currently being developed.
Overhaul of the Driver Testing Program

- Implement a road test scheduling system
- Implement a secure driver testing system
- Hire additional staff for driver testing
- Open previously closed driver testing centers

**Background**

A complete overhaul of the driver testing operation, one that establishes a controlled environment, which minimizes the likelihood of fraud and corruption, and which restores customer satisfaction to the program, is essential.

Due to staffing shortages, a result of years of budget cutbacks and employee dismissals for improper activities, driver testing centers throughout the State have been closed, consolidated, and operated with reduced hours.

Employees are occasionally not available to give a written or vision test in a facility closest to where a motorist lives. Scheduling an appointment for a road skill test could take several months, when it should be done in less than one. Customer service in this area has fallen below an acceptable level.

The Road Testing Scheduling System needs to be upgraded. Currently, road tests are scheduled by computer. However, the system does not have the capability to “flag” duplicate scheduling at multiple facilities or even the same testing center.

At the test centers, the “no show” rate is approximately 25% for the basic license. For CDL, the rate is 50%, hampering staff efficiency.

The Fix DMV Report recommended a Web-based scheduling system for road test customers that would reduce scheduling delays and minimize the number of “no show” applicants. The scheduling system must be available via MVC’s Web site, and have a complementary component that can be used via a toll-free 800 number for those customers who do not have Internet access.

**Destination: Excellence**

In March 2003, MVC announced the installation of the Automated Driver License Testing (ADLT) system in 28 driver testing centers located throughout the State.

This system administers computerized knowledge tests to driver license applicants. The upgrade of this technology was essential for achieving both a secure and customer-oriented MVC.

Several non-automated driver testing centers were closed in July 2002 to address chronic and rampant driver license fraud, identity theft, and staffing shortages.

The Bridgeton driver testing center, among those closed in 2002, was recently re-opened. In July, the Southampton center began taking appointments for road tests. MVC has hired 20 additional employees to alleviate what had become a three- to six-month backlog. Road tests are now available within 12 days; CDL, 17 days.

In May 2003, MVC abolished the written test requirement for out-of-state drivers who possess a valid, non-provisional driver license issued by any of the 49 other states, or the District of Columbia. This policy applies to Commercial Driver License transfers into New Jersey and promotes a new level of convenience for nearly 100,000 drivers each year. A standard vision test, as well as identity verification, continues to be part of the licensing process.

An Internet-based road test scheduling system could be in place by the end of October. This will help alleviate the number of “no show” applicants and allow for the efficient deployment of driver testing staff.
Improved Mail Room Operations

- Provide a more secure area for mailroom functions
- Purchase new machinery for processing mail

Mailroom Support Services consists of the mail processing operations center and the mail sorting section.

The mail processing unit undertakes the processing and mailing of driver license renewal applications and registration renewal applications, the 21 types of violation and restoration notices, and all paid documents renewed through the mail, Internet, or the voice response system. Other functions include the processing of change-of-address labels and other special projects.

Mail operations process between 15 and 17 million pieces of mail per year - 8 million renewals, 5 million paid documents, 2 million violation notices, and 1.5 million metered pieces of mail.

Registration notices are processed three months in advance of expiration dates. Violation notices are verified manually and processed by machine.

The age of these machines – two are more than 30- years old – contributes to inefficiency, processing delays and increased costs. Maintenance costs are in excess of $126,000 annually. An estimated $572,000 in additional postal costs over the last three years can be attributed to aging or non-functioning equipment. The lack of proper equipment can affect employee morale, productivity, and cause safety hazards.

On average, MVC receives about 470 customer complaints per month for non-receipt of documents. Inadequate equipment is the chief cause.

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Destination: Excellence

A comprehensive analysis of the entire mail operation is currently underway. An assessment of operational processes, quantitative outputs, equipment inefficiencies, and fiscal implications is included in the analysis.

Security issues in both units have been identified and are currently being addressed.
Technology

In February 2003, MVC began focusing on four “pillars” necessary to create a new, stronger technology foundation: Agency Technology Infrastructure, Technology Contracts, Rebuilding MVC’s Web site, and New Processes and Procedures to Improve the customer experience.

A redesigned MVC Web site was introduced in March 2003, making it much easier and more convenient to find answers online, bringing more self-service options to the public. Since March 2003, 37 additional forms have been made available on the Web site for customers to download. Many of the forms are Business License Compliance related, ranging from applications for various light permits to Diesel Emission Repair Facility applications. Medical Emergency Reporting and Driver Examination forms have been added. Additionally, Medical Evaluation Request forms are available on the Web site for downloading by physicians who have received an MVC username and password. Additional forms will be made available soon and will make MVC’s Web site even more customer-service oriented.

More than a dozen initiatives comprise the DDL project, the biggest technological challenge now facing MVC. Some initiatives focus on improving MVC business processes, which will set the stage for the efficient issuance of DDLs this year. Other initiatives focus on developing security features that will create a best-in-class driver license and ID document. Orchestrating the DDL initiative under a tight implementation time line requires constant communications with the State Police, Counter Terrorism, Information Technology, DOT, Revenue, Purchase Bureau, Construction and Building Management, and Law & Public Safety.


**USING TECHNOLOGY TO SECURE CRITICAL ASSETS, ERODE FRAUD FROM BUSINESS PROCESSES, AND IMPROVE CUSTOMER SERVICE**

- Provide on-line verification of an individual’s Social Security number
- Implement the DDL program
- Install remote-access surveillance cameras at every MVC location
- Implement more stringent methods, such as biometrics logon, for employees’ access to critical systems and information
- Replace dumb terminals with networked PCs to maximize employees’ ability to provide single-point-of-service transactions
- Accept credit cards and other forms of payments
- Install a robust network infrastructure at each MVC location to allow for future upgrades and modifications
- Implement a new MVC Web site to facilitate future “self-service” features and provide MVC forms online for download by customers
- Re-engineer the Comprehensive System
- Upgrade the Contact Center’s technology infrastructure

**Background**

Recommendations for technology improvements are directly related to improving business practices, business operations, and employee morale.

Security issues have been amplified by new realities: counterfeit documents, identity theft, and vulnerable links between MVC and other government agencies.

Every state is wrestling with technology issues and accelerating plans to improve processes and implement more stringent security measures.

MVC’s main computer, Comprehensive Licensing System, has been in use for nearly 20 years. The patchwork approach to updating this system has wrought a fragile, inflexible and antiquated computer system.

Field agency computer systems are close to 20 years old, and are built on technology that is financially burdensome to the State. Every programming change is cumbersome and requires hard-to-find programming skills.

Agency wiring is poor, and in some agencies, high volume transactions are impossible. The telecommunications network connecting the 45 agencies, four RSCs and MVC headquarters, and the State’s main data processing center, are in dire need of an upgrade.
Destination: Excellence

Strengthening the Agencies’ Technology Infrastructure

Wiring is being upgraded and a new technology network is being rolled out at each field agency. These improvements will be in place by December 2003. Employees and customers will benefit from a stable technology environment that keeps system malfunctions to a minimum. Upgrading the infrastructure will reduce wait times. MVC is recruiting a systems architect who will rebuild the Comprehensive System.

Awarding Key Technology Contracts

Digimarc Corporation was awarded a three-year, $4.5 million contract to implement DDL. Five other contracts are in the final stages of award. These contracts will assist MVC in implementing Internet pre-processing for DDL, installing a video camera surveillance and monitoring system at each MVC location, establishing a credit card clearinghouse, and replacing aging terminals with Point of Sale machines.

Rebuilding MVC’s Web Site

In March 2003, MVC inaugurated its first Web site. The average number of visits to the Web site each month is now 500,000, a dramatic increase. These visits are for downloading forms, reading the latest news, renewing registrations, and locating an MVC agency. To sustain that type of success, MVC plans to introduce a newer rendition of its Web site during March and September of each year. Each rendition will be based on feedback MVC has received from its customers and employees. The latest rendition included three “self service” features: scheduling a road test, requesting a driver history abstract, and enrolling in a “my MVC” portal to receive customized information. MVC has been making many of its paper forms available online for customers to download and complete off-line prior to visiting a MVC agency.

New Processes & Procedures to Secure Key Assets and Improve the Customer’s Experience

MVC will create DDL-specific “Express Lanes” in the agencies for customers who have completed pre-processing online. Customers will receive a confirmation number once they verify their personal information and pay for their renewals on-line. Along with this program, regulations have been approved to require each applicant to prove his or her identity through a prescribed combination of documents. The 6 Point ID Verification program assigns a point value to documents. Motorists must reach six points to verify who they are and that they are legally in this country. Agency employees will soon have the ability to verify a driver’s Social Security number through a direct connection to the Social Security Administration. A similar network connection will allow employees to gather immigration information from the Bureau of Citizenship and Immigration Services.
About This Report

Without the support and foresight of the Legislature and the Governor, the reform and planning outlined in this Annual Report and Service Assessment would be impossible. Credit must also be given to the Fix “DMV” Commission, whose hard work and service can be found in every successful MVC initiative.

Finally, the dedication and determination of all MVC employees is the foundation of this unprecedented reform.

MVC is the face of State government to thousands of people at dozens of locations across New Jersey every business day.

Each of these customers is getting a more secure, customer-oriented experience.