

**Fiscal Year 2009 – 2010 Budget Plans and Addendum
Transmittal Form**

Agency Name: South Carolina Department of Motor Vehicles

Date of Submission: August 29, 2008

Agency Director: Marcia S. Adams

Agency Contact Person: Steven W. Lake

Agency Contact's Telephone Number: 896-3851

August 29, 2008

The Honorable Mark Sanford
Office of the Governor
P.O. Box 11829
Columbia, SC 29211

Dear Governor Sanford,

The Department of Motor Vehicles will not be requesting any new operating or capital funding or additional FTEs in its FY 2009 – 2010 budget submission.

Per your request, we have identified the top five percent and the bottom five percent of our spending based on our Activity Inventory for FY 2008 – 2009. In some cases, we were not able to eliminate an entire activity, but rather identified functions within that activity that we believe were not beneficial to the citizens of the state or were outside the core mission of the DMV.

If you should have any questions or need additional information, please do not hesitate to call me. Thank you for your continued support of the Department of Motor Vehicles.

Sincerely,

Marcia S. Adams
Executive Director

I. EXECUTIVE SUMMARY

- A. Agency Section/Code/Name:** Section 66/R40/Department of Motor Vehicles
- B. Statewide Mission:** DMV's mission is to support the Governor's efforts to promote economic growth, deliver cost effective and efficient services, enhance quality of life, and increase educational opportunity for the citizens of South Carolina.
DMV accomplishes this mission by administering South Carolina's motor vehicle laws in an efficient, effective and professional manner in order to deliver accuracy and security in all transaction documents and to provide the highest levels of customer service to the citizens of South Carolina.
- C. Summary Description of Strategic or Long-Term Goals:**
Strategy 1. Improve DMV products and services by exploring alternative methods of service delivery
Strategy 2. Ensure customers receive timely, accurate and consistent service in a professional manner
Strategy 3. Invest in employee development and accountability
Strategy 4. Raise awareness of DMV organization, policies and services externally
Strategy 5. Improve communications among employees
Strategy 6. Maintain the integrity and validity of DMV's products, services and records to foster a program for continuous improvement
Strategy 7. Maintain safe, professional and functional working facilities
Strategy 8. Develop and maintain IT systems to support agency operations
- D. Agency Recurring Base Appropriations:**
- | | |
|-------------|----------------|
| Earmarked: | \$84,694,657 |
| Restricted: | 5,068,615 |
| Federal: | <u>742,970</u> |
| Total: | \$90,506,242 |
- E. Efficiency Measures:** Through a comprehensive strategic plan and monitoring of actual results, DMV is constantly striving to provide a quality service to the citizens of this state in an effective, efficient and professional manner. Our most recent results can be viewed at Section III, Category 7, Results of our FY 2006 - 2007 Accountability Report.
- F. Number of Proviso Changes:** None

G. Signature/Agency Contacts/Telephone Numbers:

Marcia S. Adams, Exec. Dir.

Date

Contacts:

Steven W. Lake
Deputy Director of Administration
803-896-3851

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Director of Finance
803-896-3844

**VI. ADDENDUM
ASSESSMENT OF ACTIVITIES**

Agency Section/Code/Name: Section 66 / R40 / SC Department of Motor Vehicles

PRIORITY SUMMARY

TOP 5% PRIORITIES									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	Customer Service Centers, less 5-year Eye Statement (see # 4 below)	1401					54,621,223	54,621,223	959.00
2								0	
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
TOTAL HIGHEST:			0	0	0	0	54,621,223	54,621,223	959.00

BOTTOM PRIORITIES: 5% PLUS BUDGET REQUESTS DOLLAR AMOUNT									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	Financial Responsibility (partial component only) - Certified Mail	1617					75,906	75,906	0.00
2	Driver Services (partial component only) - Certified Mail	1407					250,798	250,798	0.00
3	Titles and Registration (partial component only) - Golf Cart Permits	1891					68,908	68,908	2.12
4	Customer Service Centers (partial component only) - 5-year Eye Statement	1401					773,000	773,000	23.43
5	Driver Services (partial component only) - DUI Immobilization & Failure to Pay Child Support Suspension	1407					300,000	300,000	0.38
6	Vehicle Services - Dealer Licensing, Regulation and Enforcement	1410					1,366,841	1,366,841	24.00
7	Driver Improvement (partial component) - Licensing of CDL Driving Schools	1408					300,000	300,000	1.75
8	Commercial Driver License Regulation (partial component) - Licensing of CDL Driver Training Schools	1616					150,000	150,000	0.50
9	Vehicle Services - Motor Carrier Services - State Highway Fuel Tax Funding	1411					1,341,700	1,341,700	5.00
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
TOTAL LOWEST:			0	0	0	0	4,627,153	4,627,153	57.18

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DETAILS FOR LOWEST PRIORITIES

Activity Name: Financial Responsibility (partial component only) - Certified Mail					Activity #: 1617	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					0.00	0.00
Personal Service					0	0
Employer Contributions					0	0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					75,906	75,906
TOTAL LOWEST:	0	0	0	0	75,906	0

Reasoning for Lowest Priority Status:

The Agency is incurring unnecessary postage expenses by sending suspension notices by certified mail as opposed to regular mail. (DMV feels that Ranking #1 and #2 are tied for the lowest Priority Status, however, they are shown separately here because they were under different Activity Numbers).

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

FTEs for this activity would not be effected because the same number of letters would still have to be processed and mailed. However, the Agency would save funds by sending these insurance letters by regular mail instead of by certified mail as is now required by law. Instead of the Agency spending \$75,906 on this Activity, we would have spent \$5,472 - for a savings of \$70,434. Current statutes requiring certified mail for this activity are 56-10-520, 56-10-530 and 56-10-540. In order to eliminate this requirement, these statutes will need to be amended.

Activity Name: Driver Services (partial component only) - Certified Mail					Activity #: 1407	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					0.00	0.00
Personal Service					0	0
Employer Contributions					0	0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					250,798	250,798
TOTAL LOWEST:	0	0	0	0	250,798	0

Reasoning for Lowest Priority Status:

The Agency is incurring unnecessary postage expenses by sending suspension notices by certified mail as opposed to regular mail. (DMV feels that Ranking #1 and #2 are tied for the lowest Priority Status, however, they are shown separately here because they were under different Activity Numbers).

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

FTEs for this activity would not be effected because the same number of letters would still have to be processed and mailed. However, the Agency would save funds by sending these letters by regular mail instead of by certified mail as is now required by law. Instead of the Agency spending \$250,798 on this Activity, we would have spent \$18,079 - for a savings of \$232,719. Current statutes requiring certified mail for this activity are 56-1-465 and 56-1-810. In order to eliminate this requirement, these sections will need to be amended.

Activity Name: Titles and Registration (partial component only) - Golf Cart Permits					Activity #: 1891	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					2.12	2.12
Personal Service					45,580	45,580
Employer Contributions					15,521	15,521
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					7,807	7,807
TOTAL LOWEST:	0	0	0	0	68,908	0

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Reasoning for Lowest Priority Status:

Permits are not tied to the golf cart owner; therefore the permit can not be used to determine the validity of the driver. DMV would recommend amending the current statute to delete the permit and add the requirement that the operator of the golf cart must be a licensed driver at least 16 years of age.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

None.

Activity Name: Customer Service Centers (partial component) - 5-year Eye Statement					Activity #: 1401	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					23.43	23.43
Personal Service					503,724	503,724
Employer Contributions					171,277	171,277
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					98,000	98,000
TOTAL LOWEST:	0	0	0	0	773,000	0

Reasoning for Lowest Priority Status:

The objective of this law was to promote vision safety as it related to operating a motor vehicle. However, the only penalty for not complying with this law is at the end of the 10 years when the license expires, not at the 5-year interval. Therefore, DMV would recommend either making the driver's license valid for 5 years or eliminating the 5-year Eye Statement requirement. Section 56-1-220. DMV has not incurred this cost yet. However, we will budget for this cost in FY 2010. If this statute was amended or repealed, this cost could be avoided.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

None.

Activity Name: Driver Services (partial Component) - DUI Immobilization and Failure to Pay Child Supp					Activity #: 1407	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					0.38	0.38
Personal Service					9,865	9,865
Employer Contributions					3,450	3,450
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					286,685	286,685
TOTAL LOWEST:	0	0	0	0	300,000	0

Reasoning for Lowest Priority Status:

The suspension is not effective. Individuals can get their driving privileges back by either showing a need for the car by anyone in the household or applying for a Route Restricted driver's license.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

None.

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Activity Name: Driver Services - Dealer Licensing, Regulation and Enforcement					Activity #: 1410	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					24.00	24.00
Personal Service					809,282	809,282
Employer Contributions					275,156	275,156
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					282,403	282,403
TOTAL LOWEST:	0	0	0	0	1,366,841	0

Reasoning for Lowest Priority Status:

The function of licensing and regulating automobile dealers is a needed function. However, we believe it is outside the core mission of the DMV. We also believe that SC could possibly recognize economies of scale by allowing LLR to license these dealers as a part of their existing licensing functions.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

Some agency will need to license and regulate dealers. Otherwise, dealers could break laws and take advantage of customers. This function will impact another agency, if reassigned. While SC will not save 100% of the cost, it should be able to recognize some percentage of savings through economies of scale.

Activity Name: Driver Improvement (partial component only) - Licensing of Commercial Driving Schools					Activity #: 1408	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					1.75	1.75
Personal Service					55,375	55,375
Employer Contributions					19,380	19,380
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					225,245	225,245
TOTAL LOWEST:	0	0	0	0	300,000	0

Reasoning for Lowest Priority Status:

The function of licensing and regulating commercial driving schools is a needed function. However, we believe it is outside the core mission of the DMV. We also believe that SC could possibly recognize economies of scale by allowing LLR to license these schools as a part of their existing licensing functions.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

Some agency will need to license and regulate commercial driving schools. Otherwise, these schools could break laws and take advantage of customers. This function will impact another agency, if reassigned. While SC will not save 100% of the cost, it should be able to recognize some percentage of savings through economies of scale.

Activity Name: Commercial Driver License Regulation (partial component) - Licensing of CDL Driver Training					Activity #: 1616	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					1.50	1.50
Personal Service					44,750	44,750
Employer Contributions					15,663	15,663
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					89,587	89,587
TOTAL LOWEST:	0	0	0	0	150,000	0

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Reasoning for Lowest Priority Status:

The function of licensing and regulating CDL driver training schools is a needed function. However, we believe it is outside the core mission of the DMV. We also believe that SC could possibly recognize economies of scale by allowing LLR to license these schools as a part of their existing licensing functions.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

Some agency will need to license and regulate CDL driving training schools. Otherwise, these schools could break laws and take advantage of customers. This function will impact another agency, if reassigned. While SC will not save 100% of the cost, it should be able to recognize some percentage of savings through economies of scale.

Activity Name: Vehicle Services, Motor Carrier Services, State Highway Fuel Tax Funding					Activity #: 1411	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs					5.00	5.00
Personal Service					226,252	226,252
Employer Contributions					76,926	76,926
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses					1,038,522	1,038,522
TOTAL LOWEST:	0	0	0	0	1,341,700	0

Reasoning for Lowest Priority Status:

There is not a requirement to participate in IFTA by SC. DMV believes that this activity is outside its core mission. However, it would be a huge inconvenience to the trucking industry if SC elected not to participate in the program. It would require trucking companies to have a home office in another state that would allow them to file their quarterly tax returns through that state. Since the program is provided as a convenience to the trucking industry and is funded by DOT per statute, this may be program that SC should consider recouping the costs from the trucking industry.

Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

The primary impact to not providing this activity will be on the trucking industry. It would create an inconvenience to the trucking companies based in SC if they do not have locations in other participating states. It could also have an impact on SCDOT, who by law is required to fund any shortfalls in revenue (refunds) owed to other states on behalf of SC based trucking companies.

For additional Low Priority Details, place cursor in this yellow box and press "Ctrl" + "p". (You must start in this yellow box; otherwise, the programmed formatting will be altered.)