

**THE DEPARTMENT OF MOTOR VEHICLES  
FY2009 BUDGET HEARING**



**Testimony of  
Lucinda Babers, Director  
Department of Motor Vehicles**

**Before the  
Committee on Public Works and the Environment  
Jim Graham, Chairperson**

**Monday, April 21, 2008  
10:00 am – Room 500  
The Wilson Building  
Washington, DC**

Good Morning, Chairperson Graham, members of the Committee and Council, and your staffs. My name is Lucinda Babers, and I am the Director of the District's Department of Motor Vehicles. Today I am here to share information related to the Mayor's FY09 proposed budget for the Department of Motor Vehicles. I am joined by DMV's Agency Fiscal Officer, Kimberly Holloway.

Prior to all of my hearings, I like to extend a special thanks to the men and women in the department whose dedication and efforts make it possible for us to service the customers of the District. I say, as I always say, I am truly humbled to be able to call such dedicated individuals my "co-workers" and thank them for allowing me to be a part of Team DMV.

The FY09 proposed budget continues to support our Department's mission to provide excellent customer service and to promote public safety by ensuring the safe operation of motor vehicles. DMV provides service to approximately 440,000 licensed drivers/identification card holders and 270,000 registered vehicles at four service centers. We conduct the adjudication services and collect ticket payments for more than 2.4 million tickets each year. We also conduct over 219,000 annual vehicle inspections.

DMV has nine programs comprising our FY09 proposed budget of \$47.4M. This represents a 0.9% decrease over the FY08 budget. The FY09 proposed budget also reflects a 21% decrease in FTEs for a total of 290.5. The DMV's proposed FY09 \$47.4M budget is composed of the following fund amounts: \$31.2M in local funds which include 222 FTEs, \$13.3M in special purpose revenue funds which include 68.5 FTEs and \$2.8M in Intra-District funds. Let's take a look at the DMV programs for which we have proposed the greatest budgetary and FTE changes.

In adjudication services, the program that provides ticket processing, hearings and hearing support services, the FY09 proposed budget represents a 4.3% increase over the FY08 budget. The additional \$1.2 million is necessary to reflect a change in

accounting rules on how the District pays for the processing fees incurred when customers pay ticket fines by credit card. There is no net change in the District's budget. There is also a decrease of 12 FTEs.

In driver services, the program that provides driver licenses, identification cards and driver certification, the FY09 proposed budget represents an 11.3% decrease as compared to the FY08 budget. This decrease reflects the elimination of 24 vacant FTEs.

In customer contact services, the program that provides community outreach and correspondence support, the FY09 proposed budget represents a 73.4% decrease as compared to the FY08 budget. This decrease reflects the transfer of 18 FTEs from the DMV Call Center to the Office of Unified Communications.

In agency management, the program that provides administrative support such as training, human resources and support services, the FY09 proposed budget represents a 16.2% decrease as compared to the FY08 budget. This decrease reflects a \$745,684 decrease in fixed costs and the elimination of 9 vacant FTEs.

Overall, the agency's proposed budget includes the elimination of 66.5 vacant FTEs. To accommodate this elimination, DMV will implement several initiatives to harness the power of technology and streamline operations. These enhancements in efficiency include: limiting the number of times customers can take the knowledge test during a one year period; encouraging increased use of online services by creating an online temporary driver's license/identification card and registration for customers who renew online close to the expiration period; encouraging increased use of online services by e-mailing driver's license/identification card and registration renewal notices and prompting customers to renew online; offering inspection appointments to redirect customers to the inspection station during off-peak hours; implementing an electronic insurance program to streamline insurance verifications; co-locating the Driver Improvement Office in the Penn Branch Service Center,

changing the commercial fleet program by adopting a model similar to that used in San Francisco wherein participants agree to waive adjudication, and allowing customers to check the status of adjudication requests online. Finally, we will implement automated kiosks at several locations throughout the District. This will allow customers to handle some basic transactions without visiting DMV.

The FY09 proposed budget includes two policy initiatives. The first initiative represents a proposed budget increase of \$680,000 to fund the integration of the Washington Metropolitan Area Transit Authority's SmarTrip chip into District licenses and identification cards. This optional feature will provide District residents with another incentive to use public transportation. The second initiative allows for the transfer of the DMV Destiny computer system funding of \$1.68M and six FTEs from the Office of the Chief Technology Officer (OCTO) to DMV's budget. This transfer meets OCTO's requirement to have all agency specific applications reside in the agency.

The FY09 proposed Budget Support Act also includes two subtitles related to DMV. The DMV incentive exemption for leased vehicles clarifies the excise tax exemption for rental vehicles and long-term leased vehicles to ensure there is not double taxation since these vehicles require the payment of the sales use tax. There is still a requirement for customers who lease vehicles to pay an excise tax at the end of the lease period if the person chooses to purchase the vehicle. The DMV incentive exemption for low emission vehicles creates a new qualification for low-emissions vehicles. The current low-emission excise tax exemption and reduced registration fee is applicable to all vehicles eligible for the IRS tax credit, regardless of whether the vehicle has a significant impact on emission standards in a city setting. The proposed subtitle would limit the exemption to low-emission vehicles that achieve 40 mpg for city driving or equivalent.

The second DMV related subtitle extends the expiration period for the license/identification card and the inspection of new vehicles. The current expiration of

District license/identification cards is five years. However, to support REAL ID and prevent significant lines at service centers, we are proposing to increase the expiration period to eight years. Although the fee for the identification card would remain \$20 to ensure all residents can obtain cost-effective identification, the license fee would change from \$39 to \$44 to account for the extended period of the license. Currently, new vehicles, i.e., those which have never been titled in a jurisdiction, are exempt from inspection for two years because of the emission safeguards on newer vehicles. Therefore, we recommend the exemption from inspection of these new vehicles for a period of four years after initial purchase. This recommendation is supported by an analysis by the Environmental Protection Agency which determined that new vehicles inspected four years after purchase do not have a significant emission failure rate. We are also proposing an increase of \$10 for the inspection fee, from \$25 to \$35, to meet the cost of operating the Inspection Station.

We appreciate the support we've received from the Council and look forward to continuing our efforts to effectively and efficiently utilize the taxpayer's money to improve the quality of service to the District of Columbia. We're glad to respond to any questions you may have.

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