

**THE DEPARTMENT OF MOTOR VEHICLES
FY2011 BUDGET HEARING**



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

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

**Wednesday, April 28, 2010
10:00 am – Room 412
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 FY11 proposed budget for the Department of Motor Vehicles. The major theme of our budget is maximizing efficiencies by doing more with less. I am joined today 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 am delighted to call such dedicated individuals my "co-workers" and thank them for allowing me to be a part of Team DMV.

The FY11 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 453,000 licensed drivers/identification card holders and 269,000 registered vehicles at four service centers. We conduct the adjudication services and collect ticket payments for more than 2.5 million tickets each year. We also conduct over 223,000 annual vehicle inspections. DMV interacts with DC residents and non-residents, with an average of 2,700 daily customer contacts, more than almost any other government agency.

DMV has seven divisions comprising our FY11 proposed budget of \$39.2M. This represents a 8.8% decrease from the FY10 budget. The FY11 proposed budget also reflects a 5.6% decrease in FTEs for a total of 238. The DMV's proposed FY11 \$39.2M budget is composed of the following fund amounts: \$24.2M in local funds which include 191 FTEs, \$12.3M in special purpose revenue funds which include 47 FTEs and \$2.7M in Intra-District funds.

In FY11, we are proposing to convert to division-based budgeting. The main change is the elimination of our Customer Contact division and redistributing the

correspondence function to the Agency Management division. This redistribution has no direct impact on this function; however, this realignment was an accounting change to reflect how we currently run operations.

In FY10, our budget and policy initiatives were extremely innovative and challenging. We eliminated safety inspections for passenger vehicles and reduced the weekly operational hours of the Inspection Station from 68 to 40. We eliminated in person registration vehicle renewals in order to accommodate the closure of our Brentwood Service Center. We also revamped the Fleet Adjudication Program for companies with ten or more fleet vehicles. Although our proposed FY11 budget does not contain major operational changes, it does reflect our ability to maximize efficiencies (i.e., doing more with less) while operating with a 8.8% budget decrease. This is especially critical as ticket issuance and adjudication increases and service center customer volume grows.

In FY11, due to gap closing measures, the elimination of special purpose funds and the desire of greater transparency, DMV is proposing to shift costs throughout various funds. For instance, DMV is proposing to shift \$1.5M in local personal savings to local non-personal for computer server operations and the ticket processing/ lockbox/collection contracts. Additionally, we are proposing to shift various IT maintenance and mainframe expenses, totaling \$748,000, from the local budget to the special purpose revenues budget. Finally, we are proposing to shift \$241,000 in Destiny computer operations funding from special purpose revenues to the local fund.

We are also streamlining operations by recommending several cost saving measures such as further reducing information technology, office supplies, printing and travel expenditures by \$627,000. An additional \$795,000 will be saved in overtime and night differential payments. Also, we are proposing to eliminate the funding for the Office of Finance and Treasury cashiers and perform the function in-house for a cost savings of approximately \$88,000. Further, we have streamlined contract and

maintenance costs in the areas of driver licensing and inspection station equipment to the tune of \$437,000. Finally, based on the results of passenger safety inspection elimination, we are proposing to abolish four inspection positions for a savings of \$131,000.

The FY11 proposed Budget Support Act also includes one subtitle related to DMV. We are proposing to increase over 70 traffic fines (i.e., for moving violations) that are currently not in line with surrounding jurisdictions such as Maryland and Virginia. These proposed fine increases are based on a traffic safety enhancement project conducted by the Metropolitan Police Department which indicates, that although DC is a recognized leader in traffic safety, more can be done in several areas, such as speeding, commercial vehicles and pedestrian safety. With 33 traffic fatalities in 2009, the lowest number in decades, there were still 33 fatalities too many for us to not consider changing driver behavior using fines as a deterrent.

DMV's FY11 proposed budget is crafted to delight the soul without emptying the pocketbook. It seeks to build upon third and fourth quarter FY10 initiatives aimed at improved customer service through elimination of customer visits, such as submission of online adjudication requests, online driver license reinstatement and first level review process for walk-in adjudication. It commits to more streamlined operations which allows for significant cost savings. It reiterates that safety is a primary goal of this Administration...a goal that will not be compromised. It mandates the need for increased management responsibility and accountability. Are we up for the challenge? Absolutely!

We appreciate the support we've received from the Council, and particularly from this Committee under your leadership. We look forward to continuing our efforts to maximize efficiencies 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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