

SHARON A. HARRINGTON, MVC CHIEF ADMINISTRATOR

I would like to thank the Chairman for the opportunity to address the committee.

It has been four years since the enactment of the Motor Vehicle Security & Customer Service Act (The Act), which brought a marked improvement to motor vehicle services in New Jersey.

In a short period of time, the MVC has accomplished much in its effort to become **a model for excellence in motor vehicle services**.

We've gone from having one of the most easily duplicated driver licenses in the nation to one of the most secure with the establishment of a Digital Driver License (DDL).

We've worked to prevent identity theft through the implementation of a 6 Point ID Verification Program.

And we've become the only state agency to adopt a Master Plan to guide our efforts to improve statewide facilities in a fiscally responsible manner.

In January, I reconvened the Fix DMV Commission – the group given the responsibility of reviewing the state of the old DMV and issuing recommendations for reform.

It was an important step for the continued progress of the MVC.

During this roundtable discussion, we received important feedback on our efforts since 2003, reviewed current challenges and initiatives and highlighted plans for the future.

We are moving forward with the help and input of MVC Advisory Councils and various stakeholders.

The councils, which cover the areas of Technology, Customer Service, Security & Privacy and Safety and Business, are expected to present a number of new recommendations by this summer.

The recommendations will serve as the basis for future improvements, projects and initiatives.

While our accomplishments to date should be recognized, it is important to remember that motor vehicle services in New Jersey are far from fixed. There is still much more to do.

I would now like to share some of the latest projects and where the MVC continues to make great progress, as well as some efficiency that we have achieved within our organization.

The update of our nearly 30-year-old computer system through the installation of the Motor Vehicle Automated Transaction System or MATRX will move forward in a matter of days with the issuance of an RFP.

With 26 locations now accepting credit card payments, our successful rollout of a credit card program will wrap up by the end of the fiscal year.

I am truly pleased to note that we are the only state agency to have prepared a comprehensive Facility Master Plan.

The plan positions the MVC to wisely invest in and maintain its infrastructure, which consists of 79 facilities statewide.

Seeking a minimum 10 percent reduction across the board for leased facilities, the MVC will close four agencies, which are currently leased, and build four new agencies on state-owned land to replace them. As Assemblyman Cryan, the chairman of the State Leasing & Space Utilization Committee (SLUC), has directed, we are exploring what it will take to add other state agencies to these properties as well.

Each of these essential capital projects in FY08 are funded from the proceeds of the June 2003 bond issue from the Economic Development Authority.

On the topics of safety and security, the MVC and its partners are preparing comments on the Real ID Act, which calls for extensive

changes to the security and issuance of state driver licenses and identification cards.

If New Jersey chooses to become a Real ID-compliant state, the financial and operational impacts will require considerable investment. Estimated nationwide costs are now as high as \$23 billion.

Our proven security program, the Law Enforcement Agency Security Enhancement (LEASE) Program, which provides for a full-time, uniformed police officer at MVC agencies and regional service centers during business hours, continues to be a success.

This critical security program has expanded to 35 locations with new law enforcement agencies signing agreements in the last six months to cover locations in Hazlet, Jersey City and Wyckoff.

Our vehicle inspection programs are important to maintaining the safety of New Jersey motorists and roads.

A Draft RFP for the next generation Enhanced Inspection and Maintenance Program (I/M) was issued in March 2007. We intend to have a new contract in place for August 2008.

Until the new contract is in place, we have a 1-year contract extension (through August 6, 2008) that was negotiated by the Office of the Attorney General. It will result in approximately \$7 million in savings for the state.

In addition to Enhanced I/M inspections, we hold responsibility for the inspection of a number of other passenger transportation vehicles, including school buses, commercial buses, taxis, jitneys and commuter vans.

Along with vehicle safety, young driver safety remains a priority for the MVC.

A number of our efforts, including participation in Driver Education Forums, publishing of a Parent Guide for Teen Driving, improving coordination with the Administrative Office of the Courts and expanded outreach, have helped to better address young driver safety issues.

We look forward to working with the commission that will study teen driving issues in the coming months.

Mr. Chairman, in addition to all these worthwhile projects and initiatives, we have also achieved efficiency in a number of areas.

These contribute not only to the financial bottom line, but also to the effectiveness of our service.

The MVC's FTE was reduced from 2,875 to 2,749, allowing for a cost avoidance of approximately \$8.5 million. The FTE of 2,749 will continue in FY08. I also feel it is important to note that the MVC is unique in that we pay for our employees' fringe and indirect benefits at a cost of about \$35 million a year.

A \$1 million savings is projected from the January closing of the Ridgewood Inspection Station and upcoming April closing of the Englewood Agency. In both instances, the landlords forced the closures.

Reducing our vehicle fleet 22 percent over the last two fiscal years has allowed us to realize a \$100,000 savings following

Modifying our vehicle inspection program has also been a source of savings for our organization as well.

Through the elimination of non-required vehicle inspections and the implementation of Enhanced Inspection Advisories, the MVC will realize an approximate savings of \$4 million annually.

I reported to you last year on the removal of SNA lines from our inspection facilities. We had anticipated that the removal of the lines, which were no longer necessary for operations, would provide a savings of \$400,000. I am pleased to say we realized an additional \$100,000 on top of that initial estimate.

But regardless of the project or initiative, the goal remains the same—to effectively and efficiently serve the citizens of New Jersey.

As the public face of government about to close our centennial year, we are committed to building an organization that exemplifies excellent customer service and assures citizens that their tax dollars are wisely spent and carefully invested.

Today, I have distributed a more detailed testimony of our initiatives. In addition, I have also included our "Four Years of Progress Report," which serves as the blueprint for continuing our "to do" list.

You have demonstrated your support for our efforts in the past and this has helped us to make the great strides that we have.

I ask once again for your continued support so that, together, we may finally erase the negative memories of motor vehicle services of the past and replace them with a commission that serves their interests and looks to the future.