Fix DMV Commission

Final Report

To Governor James E. McGreevey

November 7, 2002
FIX DMV COMMISSION

FINAL REPORT

TO GOVERNOR JAMES E. MCGREEVEY

AN AGENCY IN CRISIS

November 7, 2002

Members of the FIX DMV Commission

James Davy     Chief of the Governor's Office of Management & Operations
James P. Fox   Commissioner, NJ Department of Transportation
John E. McCormac  Treasurer, State of New Jersey
Bradley M. Campbell  Commissioner, NJ Department of Environmental Protection
Holly C. Bakke   Commissioner, NJ Department of Banking & Insurance
Ida L. Castro   Commissioner, NJ Department of Personnel
Peter C. Harvey Director of Criminal Justice, NJ Department of Law & Public Safety
Sidney J. Casperson  Director, Office of Counter-Terrorism
W. Cary Edwards Partner, Edwards & Caldwell, former Attorney General
Stanley C. Van Ness  Partner, Herbert, Van Ness, Cayci & Goodell, former Public Advocate
John Degnan    President, Chubb Corporation, former Attorney General
Alan B. Handler Wilentz, Goldman and Spitzer, former Justice of the NJ Supreme Court
Contributors to the FIX DMV Commission

- Pam Fischer, Assistant Vice President, Public Relations and Governmental Affairs – Automobile Association of America (AAA)
- Peter D. Sauber, General Manager, National Auto Dealers Exchange (NADE)
- Rudy Decker, National Auto Dealers Exchange (NADE)
- Charles Bryant, Board of Directors, Alliance for Automotive Service Providers (AASP)
- Thomas L. Elder, President Alliance for Automotive Service Providers (AASP)
- Mary Mazzocchi, President, New Jersey School Bus Owners Association (NJSBOA)
- Gail Toth, Executive Director, New Jersey Motor Truck Association (NJMTA)
- Robert Fox, President, Driving School Association of New Jersey (DSANJ)
- James Hughes, Director, General Education, New Jersey State Safety Council (NJSSC)
- Kenneth H. Zimmerman, Executive Director, New Jersey Institute for Social Justice (NJISJ)
- Steven Carrellas, President, National Motorists Association
- Dom Facchini, Director, Customer Services, Public Service Electric and Gas Company (PSE&G)
- Jonathan Cottrel, Manager, Field Collection and Process Improvement, PSE&G
- Rosa Schmidt, Director of Human Resources, PSE&G
- James B. Appleton, President, New Jersey Coalition of Automotive Retailers (NJCAR)
- Laurie Gilman, Manager, L. L. Bean Customer Service and Call Center Operations
- Daniel DeLorenti, Manager, Corporate Security, MBNA, Newark, New Jersey
- Michael Ford, Regional Manager, MBNA
- Scott Gasparini, US Trust
- R. J. Blackstock, Executive Vice President, ADT
- Randy Dunn, Director, ADT Corporate Strategy
- Tim McLaughlin, Manager, Technical Services, ADT
- Store Vision
- Supreme Security Systems
- Biometric Systems
- DSFC Stephen Molnar, NJSP
- Steve Petrecca, Treasury, OPF and OMB
- Louis Gambaccini, former Commissioner, New Jersey Department of Transportation
- Vince Campanella, New Jersey Division of Property Management and Construction
- Frank Gatti, Deputy Director, Division of Revenue
- Rick Mariani, Sr. Director of News Services, NJ Transit
- Jan Gilhooly, Director, Newark Office, US Secret Service
- Richard Riskie, Special Agent, US Secret Service
- Albert Harberson, Council of State Governments
- Melvin Lehr, VP, Transportation Planning, DMJM
- Martin Robbins, Voorhees Transportation Center, Rutgers University
The efforts of individuals too numerous to mention within the following departments:

- New Jersey Department of Treasury;
- New Jersey Office of Information Technology;
- New Jersey Department of Personnel;
- New Jersey Department of Transportation;
- New Jersey Division of Motor Vehicles;
- New Jersey Department of Banking and Insurance;
- New Jersey Department of Law & Public Safety;
- Office of Legislative Services;
- State Colleges Governing Policy Association;
- Lottery Commission;
- Economic Development Authority;
- The Richard Stockton College of New Jersey;
- NJ TRANSIT.
EXECUTIVE SUMMARY

On April 25, 2002 Governor James E. McGreevey charged the FIX DMV Commission, by Executive Order, to comprehensively review the New Jersey Division of Motor Vehicles and make recommendations designed to transform the organization into a modern, forward thinking, service oriented one that effectively lives up to customer expectations while providing secure and valid documents. The Commission has sought out and received input through a Public Hearing held on July 15, 2002, and from ongoing communication from the public, DMV employees, and from other governmental agencies. The Commission believed circumstances to be of such heightened concern that an Interim Report dealing with Customer Service and Security was issued on August 7, 2002. This report was separately released to allow improvements to be initiated as expeditiously as possible.

The New Jersey Division of Motor Vehicles (DMV) is one of the most important agencies in State government. It generates nearly $900 million in revenue from the collection of motor vehicle fees, taxes, fines, and surcharges. DMV is one of the State’s principal customer service agencies with regular and direct contact with virtually every citizen. DMV serves an important role in ensuring public safety by providing driver licensing, auto related business licensing, vehicle titling and registration, and vehicle safety and emissions inspection functions. The integrity of its documents and transactions are critical to an effective homeland defense strategy.

Given the import of the agency’s charge and the recent national events which have propelled identification verification to the forefront, the Commission sees the urgent need for a new strategic vision of a DMV that:

Meets or exceeds customer satisfaction and expectations:

- by reducing wait times for products and services
- by expanding customer service options through Saturday hours, the Internet and the phone center
- by regular customer training and the use of name tags
- by improving the condition and accessibility of DMV facilities
- by increasing the public’s knowledge on DMV services.

Issues bonafide and secure documents:

- by improving fraud detection
- by creating a security czar to oversee implementation of the security plan
- by improving physical security operations and monitoring
- by ensuring the effectiveness of baseline driver testing
- by instituting effective investigative processes, auditing and internal control systems to expedite the investigation and prosecution of criminal activities
- by effectively integrating use of computer and information technologies to monitor compliance with laws, regulations, and policies
- by maintaining personnel policies that allow employees to identify perceived problems, errors and wrongdoing without fear of losing their jobs.
The recommendations set forth require legislative action and must be acted upon quickly and
decisively so that the fundamental shift in the way DMV conducts business and the resulting
public benefits can begin. That is why the Commission is recommending a complete overhaul of
the structure, governance and business practices. The status quo at DMV is dire and cannot be
fixed by a band-aid approach. DMV must be ripped up by its roots and replaced with a more
high profile, sophisticated and responsive agency. To accomplish this, the Commission
recommends the following:

• The creation of the New Jersey Motor Vehicle Commission (NJMVC) to strategically
steward operations that meet customer, safety and security expectations.

• A portion of fees generated by DMV services should go directly to the Commission
to be used for operational expenses and service and security.

• The creation of a new position, the Director of DMV Security, to oversee the
immediate implementation of security recommendations made by the State Police.
These include physical security upgrades at DMV agencies, the development of a
robust internal investigative and auditing capability, and the incorporation of software
security features into the DMV technology overhaul.

• The State should issue the RFP for the Digitized Driver License by the end of
November and award the contract in early 2004. It is unacceptable that New Jersey is
one of only four States without a digitized driver license. However, the Commission
notes that the RFP is only one part of the process and DMV is currently incapable of
implementing the DDL program without significant operational changes
recommended in this report.

• Remedy the woeful customer service through the following measures: institute
Saturday hours at selected DMV facilities, mandatory customer service training for
employees, modernize the phone center with new software to reduce wait times and
busy signals, increase services offered via the Internet, review the location of current
DMV facilities to see how they can be made more accessible (additional parking in
suburban areas and mass transit accessibility in urban areas), and improve the
physical appearance, cleanliness and comfort of DMV agencies.

• Undertake a total overhaul of the DMV computer system to provide better customer
service, more efficient business practices, and more secure transactions. The
technology should enable the Agencies to provide personalized “one stop shopping”
to customers through workflow and process re-engineering. When customers are
called to a window they will complete their entire transaction(s), from providing
required documentation and identification to receiving their license or registration and
making payment. Technology must also be instituted to enable transactions to be
monitored for security, to allow on-line verification of a customer’s social security,
immigration and insurance information, and biometric protections to ensure
transactional integrity.

• The ending of the privatization of DMV agencies.
• The creation of a $150 million DMV Technology and Capital Fund with $100 million dedicated to re-writing the entire computer software system and replacing terminals and other computer hardware and $50 million dedicated to overhauling the physical condition of DMV agencies.

• The funding of $50 million in immediate security and customer service operating improvements through an $8 vehicle registration security surcharge. Seniors would be exempt from this surcharge. This money should be statutorily dedicated to DMV and available on an annual basis to reverse the deleterious effect that years of budget cuts have had on DMV personnel resources.

• The implementation of a long range strategic business planning process that is continuous and linked through customer based performance measures, resulting in annual business plans that are integrated with financial resources and an IT strategic plan.

• Institute reforms of the surcharge suspension program that lead to greater socio-economic fairness, reduced insurance costs and increased collection of outstanding charges.

• Develop a program for customer interaction and feedback to determine what services are needed and measure how well DMV is providing service. In addition, DMV must engage in public outreach to educate the consumer regarding safety, document requirements, services offered and means of operation.
INTRODUCTION

On April 25, 2002, Governor James E. McGreevey charged the FIX DMV Commission through Executive Order Number 19 to conduct a comprehensive review of the New Jersey Division of Motor Vehicles (DMV). The Commission was charged to make recommendations on restructuring and reorganization, which will move the organization forward to a modern, citizen-oriented DMV that effectively and efficiently processes secure documents.

The Commission has found that the DMV is indeed an organization in crisis of critical proportion. The current state of affairs has resulted over the course of many years and under Republican and Democratic administrations. Despite the best efforts of its employees, DMV is incapable of effectuating basic customer service, securing its documents and meeting responsibilities imposed by the Legislature (such as the deadline to adopt a digitized driver license). With more public interaction than any other State agency, DMV is the face of State government. From minimal or even non-existent management, to low morale and poor customer service, to outright fraud, Motor Vehicle Services has been a model of government failure. If it were a private business, it would have gone bankrupt a decade ago.

The reasons for its failures are many. Over the past twenty years the DMV workforce has been cut from 3,500 to 1,400. During that time the budget has been cut by 25 percent and capital spending has been reduced to less than one percent of the budget. While funding and personnel have declined, the government has piled on mandate after mandate. DMV has been expected to enforce 103 new regulations since 1994. Local governments and courts rely on DMV to enforce their own municipal laws covering everything from beach passes to cat and dog licenses. In fact, over half of suspended New Jersey licenses are for non-driving reasons.

DMV has been moved between the Department of Law and Public Safety and the Department of Transportation. Neither has given it the leadership or attention it deserves.

DMV operates on a twenty year old computer system that frequently shuts down and causes service disruptions. The computers used by agency clerks originated during the Reagan Administration and are incapable of processing high volume transactions or using modern software security features. The reason customers must visit multiple DMV windows and lines is that the computers are not able to process multiple steps in a single transaction. Agency clerks cannot use their computers to verify proof of current insurance, or check the authenticity of Social Security numbers or immigration status.

The budget and personnel cuts of the past two decades have severely impacted DMV security. Since 1989 spending on enforcement and security has been cut by 35 percent. In human terms, this means that in the last twenty years the number of internal auditors for the 45 private agencies has been cut from fourteen to four and an elite staff of 29 auto fraud investigators has been reduced to two during that time period.

These cuts mean less State Police investigating fraud and less monitors and accountants visiting DMV offices to make sure policies are followed and honest books are maintained. In this era, rebuilding this capability is critical.
Budget and capital spending reductions have allowed DMV facilities to fall into disrepair. Facilities in urban areas are not accessible by mass transit. In the suburban locations, parking is non-existent or insufficient. The facilities themselves are embarrassingly inadequate. Some facilities do not have public restrooms. In others, the customer must be escorted through the work area to the employee restroom. One-third of the agencies operate on month-to-month leases that make it nearly impossible to improve even minor conditions. The presence of vended beverages and snacks is haphazard.

Seven of the agencies have less than half of the required 4,400 square feet. When people have to take a full day off of work to visit DMV, there is something very wrong. But unfortunately, people have to visit the DMV in person. The other options are worse or non-existent. You can buy a car on-line but the only on-line service DMV provides is re-registering your car. You can use a credit card for any transaction in America – except if you are at a DMV facility. 70 percent of people who call the DMV telephone center get a busy signal. Those with the fortitude to stay on the line face average waits up to 3 minutes. Sixteen hundred people a day hang up in frustration. At our busiest facility in Wayne, it is not uncommon to wait in line for six hours and then be told to come back the next day.

The Commission has found DMV to be devoid of any strategic business planning process. This void has created an organization unable to plan for the future and communicate to external and internal stakeholders a clear and logical message. The result is an agency that simply reacts to crisis and implements responsibilities with quick fixes. There is no integrated planning or forward thinking. This is a direct result of inconsistent and inadequate resources. These conditions have lead to a spiraling degradation of service, glaring security breaches and a loss of confidence on the part of the citizens and legislature. Not surprisingly, employee morale has also suffered dramatically.

DMV has been faced with shrinking and erratic resource levels pieced together from a multitude of sources. In the face of decreasing resource, the Division has also been saddled with increasing legislative mandates. Since 1989, the year the last major reform effort was at its peak and producing favorable public perception, DMV’s state resource levels stood at $157.8 million (unadjusted for inflation) and 3,470 total positions. Today, DMV resource levels stand at $135.6 million and 1,395 total positions. Service performance is unsatisfactory and ultimate program failures and/or severe delivery delays are the norm. During the intervening years, the Division has been forced to trade away its resources. Funds devoted to planning and public outreach were sacrificed in an attempt to maintain regulatory programs, incorporate mandated changes, and implement new programs. Prior to 1989 other reform efforts were undertaken. Each provided a temporary fix but all stopped short of recommending a means of assuring a governance and funding plan that would provide predictable resources and a responsive structural alignment. Both are items central to sustained success. The goal of this Commission is not simply to FIX DMV for the next few years but to put in place a structure that will enable the DMV to succeed over time in providing a quality and secure product.

The Commission believes that structural overhaul to the method of governance and funding is critical to ensuring that reform does not merely fix the problem in the immediate future. Privatization has not worked and appears to have exacerbated an already bad situation. Employees receive zero training and work under difficult working conditions with low pay and no benefits. It is not surprising that turnover is high and corruption flourishes. Bringing
workers into the State system is not a panacea but it will enable DMV to centralize anti-fraud policies, exert more oversight over the employees, improve morale and weaken the financial temptation to commit fraud.

Reversing privatization is only one step to a new form of governance. DMV cannot continue to operate as a mere subsidiary to the Department of Transportation. It is too important for this type of relationship. DMV must be structured in a manner that provides sufficient oversight and the authority to carry out its mission. This is best accomplished through its transformation to a Commission with a Board of Commissioners.

The third leg of governance is funding. DMV cannot be successful if it continues to rely on inadequate and inconsistent funding. DMV fees legitimately support a range of government services such as law enforcement and transportation. However, DMV funding must be overhauled to allow DMV to directly collect a service fee portion of the overall fee to use to implement its operations and strategic plan. This funding overhaul should also include the authority by the Commission to increase the service fee and charge a service fee to meet legislative mandates or for other services.

To deal with the issues outlined in this report, technology modernization needs to be undertaken. However, this modernization cannot be successfully completed independent of larger structural and organizational changes. No one doubts that DMV is technologically challenged, but significant institutional obstacles remain that must be addressed jointly by the highest levels of leadership through 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. There are numerous scenarios from other states and the private sector that can be cited to show that even the most technologically advanced solutions are likely to produce little return if a series of organizational obstacles are not overcome.

The diagram above describes the management process that maximizes technology’s chances of producing meaningful change and impact on the ultimate beneficiaries of DMV services -- New Jersey citizens. The diagram also clearly suggests that “technology” is the catalyst that helps bridge DMV’s business objectives with frontline staff responsible for delivering the services and interfacing with our customers on daily basis. As part of the FIX DMV process, a series of service enhancement goals has been established (see next page) that will serve to guide our technology modernization recommendations.
### Business Objectives

<table>
<thead>
<tr>
<th>Service Enhancement Goal</th>
<th>Implications for Service Improvement</th>
</tr>
</thead>
</table>
| Increase customer satisfaction | ▪ Expand customer self-service and “co-service” options  
▪ Reduce elapsed time for transaction completion  
▪ Simplify interactions with DMV  
▪ Provide differentiated service for “casual” versus “repeat” customers |
| Reduce cycle time | ▪ Simplify business processes  
▪ Provide support for pre-processing transactions which require in-person verification  
▪ Support pro-active notification regarding suspensions, license/vehicle registration expirations, etc.  
▪ Increase the use of “print to mail” for DMV communications  
▪ Eliminate non-value added processes and operations |
| Enable customers to complete a higher percentage of transactions without an office visit | ▪ Expand Customer self-service options, particularly for trading partners who regularly do business with DMV  
▪ Increase utilization of telephone and Internet technologies |
| Increase confidence in DMV documents and services | ▪ Improve control over document issuance, with the goal of eliminating fraud  
▪ Improve physical quality of DMV documents  
▪ Provide better control over DMV testing operations |
| Provide better support for trading partners, particularly those who actively contribute to DMV’s goal of increasing safety on the road, or who actively contribute to the State’s commercial vitality | ▪ Provide increased support for the insurance companies  
▪ Provide increased support for driver training schools  
▪ Provide increased support for the Administrative Office of the Courts  
▪ Provide increased support for state and local law enforcement agencies  
▪ Provide increased support for new and used vehicle dealers  
▪ Provide increased support for private inspection agencies  
▪ Provide increased support for other business partners who rely on DMV for operational support |
| Provide greater accessibility, clarity, and timeliness of information | ▪ Support timely dissemination of DMV rules and regulations, and make them available via multiple delivery channels |
| Increase collection of non-tax revenue | ▪ Expand DMV service offerings which address market needs for DMV data (consistent with privacy regulations)  
▪ Expand customer self-help options  
▪ Expand payment options for a wider range of transactions |

(1) Create the New Jersey Motor Vehicle Commission (NJMVC) in but not of the New Jersey Department of Transportation (DOT)

The New Jersey Division of Motor Vehicles (DMV) needs a new form of governance that empowers it to take responsibility for all its programs, to address both its serious security breaches, and to deliver new or modified programs.

Currently, the DMV Director is one of eight DOT Assistant Commissioners. The Director is hampered by an abundance of bureaucracy that prevents timely response to crises or new challenges and that blocks short-term deliverables. While DMV is charged with performing important regulatory and public safety functions, it experiences ineptitude and errors, and is at risk from misconduct and fraud, in these vital security and identity verification roles as it struggles to provide customer service without adequate financial or governmental resources. Its budget is rigid and inadequate, and there is little in the way of strategic planning and business analysis. DMV has become a reactive agency, struggling to keep up with the demands of newly legislated responsibilities, without the resources to prevent fraud and corruption at its front-line agencies, and unable to provide even adequate service to its six million customers. To effectively maintain its system and business processes for security and customer service, DMV needs an organizational alignment that eliminates such difficult decision labyrinths and fiscal rigidities. It is necessary to recognize now that in order to fulfill the mission of DMV that it be structured in a manner that permits it to flexibly address the multitude of functions assigned to it, while eliminating inefficiencies and the real risk of fraudulent and criminal activities that present threats to the State’s security.

The DMV is an agency that has been in decline for at least fifteen years. In 1995 DMV was transferred from the Department of Law & Public Safety (L&PS) to the Department of Transportation (DOT). Within Law & Public Safety, DMV had enjoyed some measure of autonomy, not unlike the State Police. The Commission considered whether DMV’s realignment with DOT had contributed to its decline, and spent much of its deliberations addressing the issue of where DMV belongs in State government. In many ways, DMV’s alignment with DOT is logical in that DMV shares with the rest of DOT a commitment to safe and orderly transportation. In about one-third of other states, the motor vehicle agency is aligned with the transportation department. In a similar number of states, DMV is aligned with the state law enforcement agency. In some states, DMV enjoys cabinet status, while in a few its functions are divided between two or more departments. The FIX DMV Commission has concluded that the alignment of DMV with one department or another is less important than the structure, powers and funding of the agency itself.

The merger of DMV and DOT is reminiscent of DOT’s association with New Jersey Transit (NJT) in 1979. The reorganization led to systemization of NJT’s haphazard patchwork of private and public railroad and bus companies. The similarities between DMV and NJT were noted by the FIX DMV Commission, as were some important differences. DMV with over 60,000 customer contacts each day would benefit from a
higher degree of autonomy. On the other hand, DMV is a regulatory agency with the power to suspend an individual’s driving privilege or revoke a business’s license to operate. In the Commission’s view, it would not be appropriate for a regulatory agency of this nature to be too independent of our elected government structure.

The FIX DMV Commission also looked to other examples of agencies that have balance between dynamic operational flexibility and citizen regulatory responsibility. The State Board of Medical Examiners and many other professional boards and commissions, NJT, and other quasi-independent agencies impose and keep their fees and derive their funding from those fees. The Election Law Enforcement Commission and the Casino Control Commission, among others, are examples of regulatory bodies that enjoy some degree of independence. None of these other structures is a perfect model for DMV, but they do point to a better DMV structure. The FIX DMV Commission has drawn upon various elements of these time-tested structures to provide both flexibility and responsibility in recommending creation of the new DMV structure.

The FIX DMV Commission identified the following characteristics that would best enable the agency to carry out its mission.

**Flexibility:** It is important to the mission of DMV that it be structured in a manner that permits it to flexibly address the multitude of functions assigned to it, while eliminating fraudulent and criminal activities that present threats to the State’s security.

**Authority:** The new DMV must have enough clout within state government to capture the attention of the legislature and other agencies when necessary.

**Strategic Plan:** The new DMV must be guided by a multi-year strategic plan that is constantly reviewed and updated. Moreover, the agency must be given the tools to renew itself, without the need for the cyclical reforms that have characterized its history.

**Board of Commissioners:** The new DMV should be administered by a Chairperson appointed by the Governor and overseen by an active Board of Commissioners representing the Cabinet as well as the private sector.

**Stable Funding:** The funding of DMV’s operations must be stabilized. Over the long run, the practice of instituting improvements at DMV, followed by their abandonment in lean budget years, has wasted state resources. The DMV serves the important function of collecting almost $900 million in revenues for the state each year, yet its own budget is barely one-fifth of that amount. When a customer transacts business, they believe fees go to DMV for bad service.

It is necessary to ensure that the Commission remains responsive to our elected government authority and functions within that structure in view of the regulatory roles and fee collection roles of DMV that are quintessential government functions. The organization and structure that best provide essential functional capacity while ensuring
sufficient oversight is a Commission in but not of the DOT. A Board of Directors appointed by the Governor and approved by the Senate would govern the Commission.

1) The new entity would be called the NJ Motor Vehicle Commission (NJMVC) in but not of DOT
2) NJMVC Chair and all staff receive existing civil service rights
3) A Board that will include a full time Chair appointed by the Governor, the Attorney General, the Commissioner of Transportation, the Treasurer and three public members who are private citizens and appointed by the Governor to staggered four year terms
4) NJMVC is subject to Gubernatorial veto authority
5) NJMVC will impose and keep certain fees by regulation to fund its operations
6) The Board would meet regularly (at least monthly) to decide upon critical issues with the assistance of advisory councils, each concerned with and providing input on, a different facet of motor vehicle issues, while not controlling the Board agenda items.
7) The creation of Advisory Councils to assist the Commission on safety, technology, security and customer service practices.

Again a concerned citizen has succinctly stated how critical greater independence is to DMV.

July 15, 2002

… My first and most important suggestion is that the DMV be allowed to stand on its own, that it be an agency unto itself and not under any other department. The first reason for this is to allow independent action by experienced people at the DMV. In the past eight years the DMV has been forced to endorse bad legislation because of political pressure exerted on the Commissioner of the DOT. Twice in the past four years there have been 180-degree shifts with regard to the DOT’s position on privatization and the DMV was forced into lock step agreement.

The FIX DMV Commission recommends that a New Jersey Motor Vehicle Commission be created, that it be led by a Board consisting of seven (7) Members: a full time Chair appointed by the Governor, the Attorney General, the Commissioner of Transportation, the Treasurer and three public members who are private citizens that reflect the diverse stakeholders, appointed by the Governor to staggered four year terms, and that it be subject to Gubernatorial veto authority.

(2) End the Failed Experiment of Agency Privatization

Nearly 40 percent of the customer transactions processed by DMV occur through its agencies located throughout the state. New Jersey residents and used car dealers pass through each of the 45 agencies to get vehicles registered and titled. First time drivers and new residents, who are licensed in other states, go to the agencies to take written driver exams, obtain their permits, and ultimately to receive a driver license. Residents with
photo licenses renew them at these facilities, and still others obtain non-driver photo identification cards at DMV Agencies.

The current agency system, offering these services to the public, is comprised of 45 different private non-bid contract service providers appointed by the Director. Over the years these Agencies have shifted from being solely publicly run, to being solely privately run, to a mix of publicly and privately run. At several of the Agency locations written and/or road tests are also offered. State employees conduct these services. Four of the contract Agencies are co-located within the Regional Service Centers. Public employees staff the Regional Service Centers. This condition has led to disjointed service delivery and confusion in the minds of New Jersey citizens. A citizen can go to a Regional Service Center, for example, to pay a license restoration fee. After waiting several hours, they pay the fee and are told by the “State” employee they must now go to any Agency, including the one in the same building, to get the actual license document. This individual now must wait in another line to turn in forms they have completed, wait for them to be processed, and finally get their actual driver license document.

Further compounding the frustration experienced by the public using the four Regional Service Centers/Agency facilities is the fact that employees cannot be moved between the Agency and Regional Service Center functions to augment staff during peak periods. Staff redirection cannot occur given the current private contract mechanism.

Additionally within recent months numerous Agency employees have been arrested for issuing fraudulent driver licenses to individuals with no legal right. In the wake of the September 11 terrorist attacks these occurrences take on new meaning. Greater control and oversight as well as technological improvements are needed.

Anecdotal horror stories of poor performance and the public’s displeasure with the disjointed service provision arising from false barriers abound. They are repeatedly voiced to members of the legislature, the Governor, to the Director of DMV, and to the media. Recent accounts include:

July 15, 2002 Public Hearing Testimony Senator Turner:

… We were promised when agencies were privatized that the problem was the state workers and that private contractors would do a better job for less money, and we see that has not been the case. That’s not what my constituents have seen…

July 14, 2002

… In my several visits recently, trying to help a classmate of my daughter’s obtain a driver license having moved here from Florida, I observed terrible treatment of the public (especially minorities). We spent many hours, in several offices, because of a mistake that an agent had made and was unable to get out of the system. We were shoved in, out, and around these offices by everyone blaming everyone else. It wasn’t until a woman in a supervisory
position in the Wayne Regional office was finally willing to listen to me that it was corrected.

July 15, 2002

… Some people who appear before you will espouse privatization as the only solution to the DMV’s problems. This is not the answer and recent history bears me out. All one has to do is look at what happened with Parsons, then E-ZPass, and now the replacement of independent agents and arrest of personnel. Advocating less control is akin to advocating less water to put out a fire. A driver’s license is the universally accepted form of identification within the United States. The DMV issues these licenses. To privatize any portion of that process is a grave mistake given events of the past year…

The poor customer service being experienced by the residents and businesses is inexcusable. The high level of turnover contributes heavily to this condition as new staff is brought in and trained on the job. Errors are made and service times are protracted. Undoubtedly the wages being paid and lack of adequate benefits contributes to this high rate of employee turnover. This leads to an environment ripe for criminal exploitation.

The current private agency structure also impacts negatively upon overall security. A transient and poorly paid work force is vulnerable to criminal exploitation. Because the agents are outside of the State system, individuals working there do not enjoy legal protection from the Attorney General’s office. If an agent has an employee or customer arrested, and that individual later sues, the DMV employee cannot be represented by the State. In today’s environment, it untenable to be asking individuals to be extra vigilant without offering the authority of the State to support them. The State cannot continue to ask these individuals to potentially expose themselves to personal liability in order to protect the security of the State.

The State Police have also cited as a security concern that lack of standard and consistent signage explaining documents necessary for certain transactions and penalties for fraud throughout DMV facilities. Because each agency is individually run, it has been difficult for the State to implement consistent customer service or security procedures.

The FIX DMV Commission recommends that DMV develop an orderly plan to bring the DMV Agencies back to publicly run entities, ending the poor, disjointed and confused service delivery being experienced. FIX DMV believes, additionally, that public control will not only enhance service but will reduce fraud and threats to national security.

(3) Consistent and Adequate Resources through direct deposit of DMV Service Fees to DMV.

In any organization, the adequacy and consistency of funding are essential elements in maintaining the organization’s viability. The Division’s funding level, when adjusted for inflation, shrank by over $69 million from Fiscal Year 1989 to 2002 (see Exhibit 1).
Exhibit 1 clearly outlines the dramatic decrease in real resources available to DMV in carrying out its charge. The total expenditures for Fiscal Year 1989 (adjusted for inflation) equal $200 million. Expenditures incurred in fiscal year 2002 totaled only $130.8 million while being applied to a greater number of mandated responsibilities and drastically more complex programs. This real decline in funding has forced alarming reductions in functional areas. The result is poor service turnaround times and significant security breaches.

It is acknowledged that in brief periods of austerity investment in capital infrastructure will be postponed. But over an extended period, neglecting the basic physical plant can be debilitating. Nowhere has this been more evident than with the Division’s computer system, which has been required to do more each year with little funding beyond the most basic maintenance. Spending devoted to Capital Improvements has been nearly eliminated, declining from $16 million in 1989 to a mere $0.2 million in 2002. In the
thirteen-year period from Fiscal 1990 through 2002, the Division devoted only 0.7 percent of its expenditures to capital improvements.

Like the reduction in spending on capital, the nearly 50 percent reduction in spending on Planning, Systems Development, Public Information, and Training may have gone unnoticed at first. Investments in Planning, Public Information and Training are vital to providing a long-term direction for the organization from which daily operations are guided. It is not surprising that the organization’s business practices so often seem archaic, or that its employees seem to lack a common vision. It is not surprising that the most common customer complaint is the lack of consistent, accurate information.

Reductions in the operational areas are most apparent to the public, which has seen spending at the Motor Vehicle Agencies decline by 34 percent, and a 35 percent drop in funds expended in the area of Enforcement & Security. Add to these reductions the diversion of resources to new programs, along with an increase in the number of customers and transactions, and it is easy to see why customer service has suffered and fraud has gone unchecked.

Along with the reduction in spending, DMV’s overall staffing levels dropped dramatically during this period as shown in Exhibit 2. Over 2,100 state employees were removed from the payroll, a reduction of 61 percent. In fiscal 1996, the DMV was merged with the DOT and the state claimed savings of $10 million. Approximately 200 positions were eliminated in the areas of human resources, training, fiscal management, investigations, audit, facilities engineering, strategic planning, public information, customer correspondence, and legislative liaison. In addition to these, another 1,200 positions have been lost over these years through hiring freezes, early retirement programs, and attrition.

As dramatic as these staff reductions appear, they tell only part of the story. In the critical area of enforcement and security existing staff resources have been stretched to cover newly legislated programs. Driver license suspensions have been used to discourage social behavior and enforce municipal laws. Suspensions increased by 335,000 per year since 1989. As a result, the dwindling DMV staff has been shifted from other security-related jobs.

The work of an elite staff of 29 Motor Vehicle Investigators, many recruited from the State Police, is now the responsibility of two full-time equivalents in DOT’s Office of the Inspector General. The work of 14 internal auditors has fallen to four auditors who devote all of their time to the 45 privately operated Agencies. This reduction in investigators has allowed fraud and corruption to infect the Division.
DMV’s funding is indeed complex and variable. The DMV draws its funding from a number of sources. The sources include the general fund, both Direct State Services and Capital Construction, federal funds, and “Other Related” appropriations. A few examples of “Other Related” sources are portions of the fees charged for the following: Commercial Vehicle Enforcement Fund, from the various Specialty Plates, Commercial Bus Inspections, In Terminal School Bus Inspections, Insurance Surcharge Funds, Automobile Insurance Guarantee Fund, etc. Exhibit 3 graphically illustrates the variety and number of major funding categories as well as their variability over time.

The Division’s activities directly generate these fees. In addition, the Division performs service delivery for the issuance of a host of permits, licenses, registrations, titles for vehicles, motorcycles, boats, trailers, and mobile homes, suspending and restoring licenses that are the basis for hundreds of millions of dollars of revenue being generated for use by the State.

As mentioned, in the face of declining real resource and staffing the DMV has been hit with major new mandated programs and has undergone legislated program modifications -- in many cases without any commensurate offsetting resource. Beginning in 1990 these initiatives include: the Parking Offense Adjudication Act, Commercial Driver Licensing, Federal Motor Voter Law, the issuance of 14 different cause specialty plates, Online Information Sales, International Fuel Tax Agreement, International Registration Plan, Federal Clean Air Act, School Bus Inspection Program, Commercial Bus Inspection...
Program, Driver Privacy Protection Act, Graduated Driver License Program, and Ignition Interlock Program.

Input received through the public hearing and correspondence confirms that the public recognizes the need for DMV to be provided a stable and secure source of funding if it is to provide higher quality service.

July 15, 2002

… The DMV generates between $400 and $450 million a year in revenues but is only given an operating budget of $159 million. Given these facts it is obvious that the DMV generates enough revenue to straighten out its own problems and still have enough to add over 200 million into general state coffers. Should it be deemed inappropriate to use these overages to provide adequate services then increase fees of permits and licenses to a level where acceptable service can be maintained. The population has risen but service is down and getting worse due to retirement and cost cutting. This agency is the face of the state so service should accommodate the increase in population. It is the state’s responsibility to provide service for the fees rendered.

July 15, 2002

… For the DMV to operate correctly it must have an adequate, dependable, long-term revenue source. As long as politicians can play with the money, there will be no permanent solution… What comes into the DMV must be spent by the DMV and fees must be adjusted up or down if revenue is too high or low after good service is assure…

Of the $890 million of revenue collected by DMV in the form of fees, fines, surcharges, and motor taxes, DMV is appropriated a small amount with the balance going to the general fund. Of the $890 million in motor vehicle revenues collected, some $145 million is dedicated to other programs and jurisdictions. DMV fees appropriately go to support programs at other State departments whose function supports DMV such as the State Police and the Departments of Health, Transportation, Law and Public Safety, and Environmental Protection. Specifically the New Jersey State Police and local police enforce regulations set forth by DMV through a variety of motor vehicle violations resulting in fines. The State Police work directly with motor vehicle staff on the Heavy Duty Diesel Emissions program. Motor Vehicle staff has the safety and emission testing expertise, while the State Police have legal authority to ticket/fine violators or immediately impound vehicles. Treasury taxation has the responsibility to record and audit the payment of motor fuel tax, and sales tax from new/used car sales. In total, DMV administers 33 separate fees that are dedicated to others.

DMV revenues also include $69 million in taxes and $140 million in fines that flow to the Treasury. These, too, should continue to flow to the General Fund uninterrupted.
However, DMV security and customer service will not improve unless DMV is provided consistent and adequate levels of funding. A dedicated and consistent source of funding with surplus funds going to a non-lapsing account is necessary to implement the reforms proposed by this Commission. The most appropriate way to accomplish this is through a dedication of a portion of the fees generated by DMV.

The FIX DMV Commission recommends that the new Motor Vehicle Commission retain fees already dedicated to DMV by statute and, in addition, that a portion of the remaining fees be designated as Service Charges to fund the NJMVC operations.

It is important that the funding plan preserves the ability of the Treasurer to propose and the Legislature to enact or adjust the fees, fines and taxes that flow to the Treasury and to other programs from DMV. However, the NJMVC Board should similarly be empowered to adjust its service charge portion by regulation, in accordance with the Administrative Procedures Act and consistent with its strategic plan. In addition, the NJMVC should be granted the authority to charge for services to implement legislative mandates or for services that may currently be performed without charge.

This proposal addresses the structural funding problems but it does not provide any new funding to begin the desperately needed improvements at DMV. It would be foolish to pretend that the neglect of the past 14 years can be reversed with anything less than an immediate infusion of much-needed funding. The FIX DMV Commission therefore recommends that new revenues be found to fund the budget increase required. In order to restore the motor vehicle budget to a level that provides adequate security and customer service, an additional $50 million is needed, exclusive of technology upgrades and capital improvements.

The FIX DMV Commission recommends the dedication of fees sufficient to allow for the Division to pay ongoing operating expenses and place in a non-lapsing reserve any excess receipts for participation in offsetting future system and other capital renovations as necessary. In addition, the NJMVC should be statutorily empowered to raise its service fee or impose fees for services that are currently without charge as well as to enter into public-private partnerships that can generate additional revenues for DMV (i.e. advertising in DMV offices).

(4) DMV Needs a Strategic Management Framework and Planning Process

FIX DMV found that DMV lacks many essential elements of a successful organization. For example, DMV does no strategic planning. Organizational goals and objectives are not communicated throughout the organization. DMV does not periodically evaluate its business practices and processes in an effort to adopt best practices and improve customer service. DMV operates without a business plan of any sort, but rather spends much of its energy and resource reacting to changes and managing crises instead of anticipating and preventing problems. DMV’s technology problems are in part due to its lack of an information technology plan, which anticipates technology and data system needs and coordinates these needs with the budget process. In successful organizations,
the use of strategic planning and development of a business plan, the evaluation of business processes and adoption of best practices, the improvement of technology and budgeting for these changes, are all integrated and coordinated. All of these efforts should incorporate the needs of customers, stakeholders and employees and result in a framework that will focus the entire organization on the same mission and goals.

DMV should be making a substantial investment in technology as a result of the FIX DMV recommendations. The system improvements should not only be an upgrade of hardware and software, but also include tools that support: managerial decision making, early detection of fraud and corruption, and better transaction auditing.

Even when the FIX DMV technology recommendations are implemented, it will not be a permanent improvement for DMV computer systems. DMV has to develop a plan to cope with technology obsolescence. One way to stay at a comfortable pace with changes in the technology marketplace is to commit to a replacement cycle that balances the realities of the budget process with the need to have the latest and greatest equipment. For example, most organizations rely on a three to four-year replacement cycle for PCs. This gives the organization better predictability of its operating expenses and allows the technology department to allocate resources more effectively and ensure a constant level of employee productivity.

**FIX DMV recommends that DMV begin a long-range strategic planning process to support the DMV’s enhanced operations. This should be a continuous and systematic process that will determine the future of DMV, develop the necessary means to achieve that future, and determine how success is to be measured. The planning process will result in the development of annual business plans for the operation of the agency. FIX DMV further recommends that DMV develop a master list of its technology assets and chose an appropriate replacement cycle that will balance the need for the latest technology, a consistent level of employee productivity, and budgetary constraints. Identification of the DMV mission and vision should be the first step of the strategic planning process. The DMV mission statement should set out the reason for the organization’s existence and identify major goals and performance objectives.**

(5) **Institute Agency Accountability and Measurable Performance Standards**

Assessment and re-engineering should be a comprehensive and continuing process. It should not be undertaken as a one-time event. DMV should use benchmarking to review the goals and objectives in the new DMV strategic plan; to identify core DMV business processes; and identify new customer and security needs. Benchmark data should be used to help identify customer service, technology, security standards and business practices that could have applicability to DMV operations. The benchmarking process could help DMV discover technologies that are newly developed or state-of-the-art and have had successful results in other DMVs. The type of information DMV will accumulate during a benchmarking effort will assist it in clarifying and shaping its vision of what DMV can be in the future. Knowing what are the best practices for DMVs can substantially increase the ability to be able to set realistic goals and objectives.
DMV needs to measure its actual performance against expectations and develop goals against which progress towards objectives can be measured. Performance measures are the most effective way to communicate to stakeholders about the improvements made in customer service, security and efficiency.

The Wisconsin and Pennsylvania DMVs each use a Customer Satisfaction Index to measure how well they are doing with customer service. Their goal is to exceed their customer’s expectations. They measure employee satisfaction increases with a biennial employee survey as part of measuring customer satisfaction. Their goal is to have all employees feel valued and contribute to satisfying DMV customers. To ensure their systems and processes are flexible and dynamic, they identify, review and improve two to four processes annually.

As DMV begins to strategically plan for the future, FIX DMV recommends DMV start an assessment of its core business processes and redesign them for better customer service, more effective use of resources and increased security. FIX DMV recommends DMV begin a process of benchmarking its practices and processes against peer State DMVs. DMV should study the operations of peer states such as Maryland, Arizona, Virginia and Pennsylvania. These states are ahead of New Jersey in making motor vehicle process and service improvements. Maryland for example, completely reengineered its DMV 10 years ago and keeps working to improve customer service. Waiting time at the Maryland DMV is a good benchmark for New Jersey to consider. For any transaction that can’t be completed via the Internet, the waiting time is usually under 30 minutes.

(6) Review Legislation Prior to Implementation of New Initiatives or Responsibilities

A need exists to codify Commissioner Fox’s May 21, 2002 letter to the Legislature seeking their “…cooperation in consulting with the Department prior to adding new responsibilities for DMV.” Commissioner Fox was specifically addressing DMV’s being so overburdened with mandates, including 100 new ones in the last 10 years, that it is struggling to effectively implement them.

To codify Commissioner Fox’s letter, FIX DMV recommends the enactment of legislation similar to 1991’s Pension Health Benefits Review Commission (PHBRC). The PHBRC is required to review proposed pension and health benefit laws and recommend rejection, modification or approval. A Motor Vehicle Statutes Review Commission (MVSRC) would perform the same service for motor vehicle bills.

The current DMV structure relies on OMB for strategic planning and advice, which a legislative review Commission could aid. For instance, the 300 pieces of legislation introduced that impact DMV and the nearly 30 enacted in each Legislative Session relate to new services that are largely unanalyzed by OMB and DMV, and in key circumstances, languish due to the inability to fund either them or a DMV analytical planning unit. The Digitized Driver License, the Roadside Insurance Verification System, and the ability to craft a system that addresses remedial courses for those who
receive excessive points within two years of starting in the Graduated Driver License program, are among the most recent examples of DMV struggling to meet new duties.

The MVSRC might also review existing law to determine whether all current functions are appropriate or should be removed from DMV, such as the Office of Regulatory Affair’s bus fare and route approval, or Violent Crimes Compensation Board non-payments. The NJMVC Executive Director and its Board would work with the MVSRC to find solutions to the problems identified by the Legislature that could avoid mandates for more NJMVC programs.

*FIX DMV recommends that a Motor Vehicle Statutes Review Commission be created.*

II. New Funding to implement the FIX DMV recommendations

(1) $150 million Technology and Security Capital Improvement Fund.

DMV surcharges (assessed on drivers who commit specified traffic violations) generate approximately $120 million a year. The surcharge revenue is used to pay the debt service on bonds previously issued to fund the Market Transition Facility ("MTF"), a defunct government sponsored high-risk driver insurance program. Funds beyond those needed for annual debt service go to the General Fund. The MTF was instituted in 1990 (pursuant to the Fair Automobile Insurance Reform Act of 1990) to provide auto insurance for drivers who did not qualify for private auto insurance. The MTF ceased to issue or renew automobile insurance policies in 1992 but continued to pay claims for a period of time thereafter. The bonds issued in 1994 and 2001 to fund these claims are still outstanding and will be paid off in fiscal 2011.

*FIX DMV recommends that DMV work with the Treasurer and Legislature to sufficiently securitize future DMV surcharge revenue (post 2011) to fund a $150 million technology and security capital fund specifically for use by DMV to implement its capital plan. The FIX DMV Commission estimates that the funding would be utilized in the following manner:*

- $50 million to re-engineer the comprehensive computer software system.
- $50 million to improve customer service and enhance security by upgrading the agency wiring, telecommunications lines, the clerk terminals, printing facilities, DMV Web site to allow self-service and the computer network connecting the forty-five field agencies to DMV headquarters.
- $10 million for physical security upgrades such as surveillance cameras, motion detectors, alarm system, reinforced doors and locks for entrances/exits and storage areas.
• $40 million to improve the physical condition and appearance of the facilities. This will start out with an assessment of current DMV sites in order to determine what locations should be kept (or expanded) and which facilities should be moved to more accessible locations. The funding will go to improvements at the facilities such as carpeting, furniture, lighting, improved waiting areas and parking, as well as possible expansion to new facilities or satellite offices.

(2) $8 Security surcharge on vehicle registrations in order to implement customer service and security operational improvements.

This report outlines significant operational changes (beyond the capital requirements) at DMV in order to improve customer service and security. The Commission feels compelled to be honest about the cost and the need to propose a funding mechanism for its recommendations. An $8 annual vehicle registration surcharge should generate the approximately $50 million necessary to implement the recommendations. Seniors would be exempt from this surcharge. This fee increase must be dedicated to DMV to implement the recommendations in this report including the following.

• Pilot Program to expand Saturday hours at 10 facilities.
• Improve customer service by hiring additional personnel in the phone center and driver testing units.
• Improve security by hiring additional investigators, auditors and field monitors.
• Additional personnel costs associated with reversing privatization.
• Credit card processing fees.
• Background checks on DMV employees.
• Police presence at DMV field agencies and regional offices.
• Performance-based contracts for DMV agents.

(3) Collect the previously authorized $6 fee for the Digitized Driver License immediately.

In 2001, the Legislature authorized a $6 fee increase for the Digitized Driver License. It is to take effect once DMV begins the actual issuance the Digitized Driver Licenses. However, it is clear to the Commission that absent operational changes DMV is incapable of implementing DDL. DMV must begin the process of operationally preparing for the implementation of DDL immediately. Accordingly, the FIX DMV reform legislation should clarify that the previously authorized $6 DDL fee can be implemented 30 days after enactment of the FIX DMV Act and dedicated to the ongoing efforts to prepare DMV for the implementation of this vital program and the accompanying operational and security changes that need to be made.

III. Confronting the Security Crisis: Physical and technological enhancement to secure DMV Facilities, Transactions, and Documents

Following the September 11th terrorist acts, Americans discovered just how easy it is to obtain ID credentials by fraudulent means from motor vehicles agencies across the country. Fraud, theft, corruption, mismanagement and a shortage of resources have all contributed to
the flourishing of a criminal enterprise of fraudulent driver licenses, registrations, titles, and identity theft. Criminals use fake IDs to obtain aliases, teens use fake IDs to purchase alcohol and con artists use fake IDs to take the identity of others.

DMV’s driver licenses, registrations, and titles are compromised by fraud, theft, corruption, mismanagement, identity theft, facility dilapidation, facility security breaches, weak document control, and lack of identity verification. These structural and operational failures are magnified by a poorly paid and transient work force vulnerable to criminal exploitation.

Security failures are not unique to the New Jersey DMV. One of the biggest loopholes in the United States’ national security system is States’ DMV document production. Efforts are needed to close these loopholes by making DMV documents more resistant to compromise, and improving the ability to verify an applicant's identity and driver history. An appropriate internal control system (with sufficient auditing and investigative capability) must be instituted, modern technology must be aggressively instituted into the security plan and DMV agency employees must be returned to direct control by the State.

As emphasized in the Interim Report, New Jersey has a national reputation as a title washing state, where one easily can take a flood damaged, salvaged or stolen vehicle and fraudulently obtain a “clean” or usable title that allows the holder to sell and insure the vehicle at prime market value. New Jersey also holds the notorious distinction of being one of the states with the driver license easiest to illegally duplicate. The lack of adequate security systems throughout DMV jeopardizes New Jersey’s economy, road safety, and our national security. DMV is an organization on the brink and must rebuild all of its security management and operations systems.

Within recent months 40 individuals, including DMV and Agency employees, have been arrested for fraudulently issuing driver licenses to individuals who had no legal right to the license. In a number of these cases the individual who took the written test for a learner’s permit was not the same individual who subsequently took the road proficiency test. New Jersey’s simple paper licenses are one of the least secure driver licenses in the nation. Stories abound within the law enforcement community of fraudulent licenses that have been produced on personal computers on college campuses to allow underage students to purchase liquor. In addition, identity theft is a growing national criminal threat causing billions in economic loss and wrecking havoc on the lives of innocent citizens. National media accounts have indicated that two of the September 11th terrorists utilized fraudulent New Jersey driver licenses.

Specific recommendations contained in the Interim Report dealing with security and fraud prevention included:

- Developing a comprehensive security plan for DMV agencies through the New Jersey State Police that incorporates the use of on-site police, surveillance cameras and other necessary means to safeguard facilities, documents and personnel.
- Instituting specialized training for employees on document fraud detection.
- Conducting background security checks by New Jersey State Police and the FBI on employees working at agencies.
• Improving the physical security attributes of the New Jersey driver license by making them more difficult to alter with or fraudulently copy.
• Instituting a protocol, through collaboration with the New Jersey State Police and the Office of Counter-Terrorism, to take all necessary steps to ensure that persons applying for licenses are in fact, the persons they claim to be.
• Hiring sufficient staff at Driver Testing Centers to increase operational checks reducing the opportunity for fraudulent behavior.

Since the Interim Report was issued, DMV has moved aggressively to strengthen security procedures. A fraud-training program has been developed and implemented for personnel in the private agencies. Background checks have been performed on the employees in the private agencies, additional investigators have been provided by the State Police and alarm codes and locks are being upgraded.

The State Police completed a security assessment and identified numerous security failures. Some of the problems identified include easy access to valuable documents through open and unlocked doors as well as non-secure storage areas. In addition, valuable documents could be found in non-secure office areas instead of secured storage areas. Vaults were often sub-standard and alarms and video cameras often non-existent. The agencies collect almost $300 million annually in fees and taxes, and the documents produced at agencies have a “street value” many times that amount. This level of security simply cannot continue.

DMV must immediately overhaul its internal controls and investigative procedures as well as undertake basic physical security upgrades. However, to truly address the magnitude of the threat must migrate to much more sophisticated security techniques such as surveillance cameras (with remote viewing capabilities), motion detectors, and biometric computer features if they are to effectively deter fraud, identity theft and other criminal behavior.

• Internal Controls and Investigative Procedures – Budget cuts and neglect have cannibalized DMV’s internal audit and investigative units. The work of an elite staff of 29 Motor Vehicle Investigators, many recruited from the State Police, is now the responsibility of two full-time equivalents in DOT’s Office of the Inspector General. The work of 14 internal auditors has fallen to four auditors who devote all of their time to the 45 privately operated Agencies. This reduction in investigators has allowed fraud and corruption to infect the Division. It is only a result of a dedicated and talented group that DMV is able at all to combat the growing criminal enterprises arrayed against it. There is a need to change procedures, and initiate procedures where none exist. Some of these internal controls are system-related and difficult to change without computer upgrades. This would include smart computer terminals embedded with biometric security features that will enable only certain individuals to log on. This is important to confirm which agents are performing fraudulent transactions. Smart terminals will also enable DMV to use specialized security software. These changes will be integrated into plans for computer and system modernization. But the issue is more than just instituting appropriate policies. Personnel are needed to monitor and audit DMV activities.
• **DMV Director of Security** – Remediating the DMV security lapses will require a three-prong approach combining physical security upgrades, internal control and investigative procedures, and new technologies. These responsibilities overlap different areas of responsibility within DMV. Tens of millions of dollars will be spent. In light of the magnitude of the undertaking, the financial resources that will be devoted, and the magnitude of the risk, it is necessary for there to be a senior-level individual “security czar” empowered to oversee and implement the security plan.

• **Add personnel to the successful DMV Auto Unit** – The auditing team represents a proactive force responsible for reviewing digital video, transactions, document ledgers and accounting practices. The unit could also review the physical security of each plant to ensure it is in working order and consistent with the master recommendations made by the State Police. They will also implement the internal control and document accountability portions outlined below.

• **Document Accountability** – The State Police cite document accountability as the greatest threat to DMV. DMV forms and products are not sequentially numbered so it is impossible to tell if anything is missing. There are no ledgers in place tracking the documents that have been used. Employees and maintenance personnel have easy access to the documents. Steps that must be taken include:

  (1) *Sequentially number forms in order to track them.* The forms must be cross-referenced on a ledger to track them from the time they enter until they are issued to a customer.

  (2) *Random audits* should be used to hold agencies accountable for the documents. This is an internal control that can only be implemented through advanced technology as well as additional auditors. Again, the fee increase would be dedicated here.

  (3) *Regular fraud and document requirement training* – This should include the latest in criminal techniques and trends, new document requirements and security and anti-crime techniques being practiced at other agencies.

• **Physical Security Upgrades**

  (1) Surveillance cameras, closed circuit television monitors and videophones

  (2) Reinforced doors and new locks for the storage areas and the entrances and exits

  (3) Duress alarms, and customer barriers to prevent customers reaching across the counter to grab documentation or assault an employee

  (4) Motion detectors and police presence at certain agencies

  (5) Standard signage regarding penalties for fraud

• **Technology Security Enhancements** - The technology overhaul will enhance security in several ways. A data warehouse will be created that will enable DMV to generate “what if” reports in order to detect patterns of fraudulent activities (e.g. if certain facilities issue a disproportionate number of replacement licenses or, if a technician completes an impossible number of road test exams in a certain amount of time).
Also, DMV will be able to do on-line verification of an individual’s insurance, Social Security number or immigration status. The current inability of the DMV computer system to communicate with other State, Federal and private databases is a serious security concern. This deficiency was evident in the case of the Washington, D.C. area sniper. In that case, the car was registered with insurance that turned out to be invalid. However, because this information could not be accurately verified, the car could be legally registered.

Another important technology/security weakness will be strengthened through enhancing the integrity of DMV transactions. For example, through smart terminals, the use of biometrics (finger/thumb print) could be required to logon to the network/terminal and access DMV’s primary systems. Employee access could be terminated by networks if the system does not detect activity for 10 minutes or more (normally an indication that an employee has stepped away from their workstation but has not logged off the system). Allow DMV managers to remotely monitor clerk’s transactions and activities while accessing “high value” documents and/or “sensitive” data.

- **National Crime Information Center Database (NCIC) Terminals at DMV** - The State Police strongly recommend DMV study the installation of NCIC terminals at each location. This was done in Connecticut and has resulted in several arrests a month for individuals wanted on outstanding arrest warrants. It could also be a powerful tool to use in conjunction with “watch lists” generated by various offices of counter terrorism.

- **Digitized Driver License** – New Jersey is currently one of only four States that do not have a digital license. The Commission was supportive of the decision to halt the original RFP in order to review it and enhance the security features. A new RFP has been completed and reviewed by an outside expert and should be issued by the end of November. However, DMV must undergo operational improvements before it will be ready to implement DDL. DDL will require every license holder to visit the DMV to get a digital license. It is recommended that additional staff be hired and DDL be phased in by County.

- **Title Washing** - New Jersey is known as the “title washing” state. “Title washing” involves the submittal of title documents with fraudulent information on them when obtaining a New Jersey title. One of the common complaints among agency personnel is that they cannot effectively examine title documents due to the time pressures in processing their customer workload. This is especially so in the many agencies where lengthy wait times and customer frustrations constitute a disincentive to conducting thorough title examinations. It is necessary for the DMV to work with the Department of Law & Public Safety to allow agency personnel to have access to NCIC to allow for up-front verification that a vehicle is not stolen. DMV should also study the feasibility of establishing on-line connectivity to the National Motor Vehicle Titling Information System to verify jurisdiction where a vehicle was last titled, as well as, allow for the exchange of information with other states.
• **Legislative Authority to perform background checks on State Employees** – The State currently only has the authority to perform the background checks on the employees in the private agencies.

• **Background checks and DMV Supervision for Cleaning Personnel** – Cleaning and maintenance crews have unsupervised access to DMV facilities at night. This, in conjunction with deficient alarms and locks, is a security vulnerability. The Commission recommends that background checks for cleaning crews be incorporated into cleaning contracts and that DMV add supervision while cleaning crews are present.

• **Increased Penalties for Identity Theft** – Identity theft is a growing problem. In 2001, there were 2,575 cases of identity theft in New Jersey, the ninth highest total in the nation. It is estimated that nationally identity theft costs America $3 billion. While the proposed technological upgrades will enable New Jersey's DMV to properly verify applicant identity and driver history online, other steps must be taken to deter criminals' propensity to take advantage of New Jersey DMV's reputation as a place to pass and get bogus identification. At the Assembly Transportation Committee hearing on October 31st, Assemblywoman Quigley raised the issue of increasing the current penalties for identity theft as a deterrent. After consultation with the Attorney General, it is clear that current penalties are inappropriate for the magnitude of the harm caused by this crime and that there is a need to strengthen existing penalties.

Accordingly, the FIX DMV Commission recommends developing legislation to amend the Criminal Code at NJSA 2C:21-2.1 and NJSA 2C:21-17 to strengthen the existing protections against the misuse of driver licenses and other identification documents that purport to have been issued by either foreign or domestic governmental agencies. This would require increasing the penalties applicable to fraud and forgery with respect to such documents and adding a provision to specifically address the use of a driver license or other government-issued identification document to commit identity theft.

Safeguarding our national security and economic well-being will not be found in one silver-bullet solution. It will be strengthened through a series of synergistic actions that culminates in greater security. Recommendations presented in other sections of this report reference the direct security benefits that will be realized once implemented. The technology deficiencies identified and recommended innovations alone are replete with building blocks, which bolster accuracy, anti-theft and anti-fraud in providing bonafide service.

*FIX DMV recommends that all steps necessary be taken to address the physical and operational deficiencies as outlined above. FIX DMV recommends that fees be raised immediately in the amount necessary to support the implementation of this security plan.*
IV. Better Customer Service

A recap of the FIX DMV Interim Report Customer Service recommendations includes:

- Establishing An E-DMV Commission to make recommendations for improving Web services offered.
- Implement ongoing Customer Service Training for all DMV employees who deal directly with the public.
- Staff the Information Desks at all DMV Agencies.
- Hire and train sufficient staff in DMV’s Telephone Center to enable DMV to bring its answer rate in line with acceptable industry norms.
- Hire sufficient staff to enable New Jersey to offer driver testing within 30 to 45 days of an appointment request.
- Establish uniform Guidelines for required documents across all DMV information mediums.
- Develop and implement new contracts with DMV Agents, designed to clearly outline their duties and hold them accountable for performance.

The Commission offers the following more detailed recommendations.

(1) The Right Services, at the Right Facilities During the Right Hours: Saturday hours and new locations.

New Jersey’s citizens should not be expected to travel great distances in order to gain service, nor should they be forced to endure protracted waits for services that are legally mandated. The locations at which our residents and business entities can gain motor vehicle services have not been re-evaluated in over fifteen (15) years. During this period, New Jersey’s population has grown by nearly 9 percent (over 600,000) with the coastal, central, and northwestern counties experiencing the most dramatic increases. At least one service location has experienced an increase of over 300 percent in customer volume while others have shown over 100 percent growth. Of the four Regional Service Centers one center, Wayne, does approximately 40 percent of all regional center customer business. In many cases commuting even during non-rush hour to a Regional Service Center takes close to an hour. Given the population increase and resultant increasing road congestion, what used to be a 20-minute trip now can be 25 – 30 minutes or more.

New Jersey’s mass transit system has expanded during this period. Many of DMV Regional Service Centers and Agencies are not accessible by mass transit. This is largely due to the fact that mass transit was not a factor that was heavily weighted in prior facility siting decisions. Population growth, as noted in New Jersey Economic Indicators, is expected to continue and DMV must be prepared for it.
It is not unusual to receive complaints noting a lack of service availability, lack of parking, inadequate hours of operation, and/or the lack of access to mass transit. The evaluation study should provide, planned service locations that, at a minimum, are based upon population growth/shifts, commuter origin and destinations, access to mass transit, and proximity to major highways in determining the appropriate number of conveniently located Agencies and Regional Service Centers.

The Commission recommends the DMV immediately undertake a full evaluation of Agency and Regional Service Center offered services to ensure adequate availability in meeting future and current population demands. FIX DMV further recommends the information gained be used in decision-making on future facility re-locations, expansions, or additions and hours of operation. Having Agencies and Regional Service Centers that are too few in number, in the wrong places, or open the wrong hours creates unbearable waits at some locations and disparate regional service levels.

Further, locations with inadequate space for operations, customer comfort, inclusive of parking should be replaced with those that are adequate, and are coordinated with the siting evaluation recommended within this report.

Once again, the users of our facilities put the issue in perspective:

July 8, 2002

… Build a DMV that is accessible via each train line (e.g. Raritan Valley Line, North East Corridor, etc …

July 9, 2002

… I think it is absurd that all of the locations to restore ones license are accessible only on highways and not easily by public transportation. Is it ridiculous to suggest that a Regional Office be put in, say, Newark – near the train station?

July 13, 2002

… If you don’t have a license how are you supposed to get to DMV --- buses don’t take you there …

(2) DMV Field Offices That Are Safe, Clean, and Comfortable

Undoubtedly some period of time will be spent in DMV facilities when transacting business. Any time spent by customers should be in an atmosphere that is safe, clean, and comfortable.
Current DMV facilities are on the whole, stark, institutionalized and unfriendly. With rare exception they are in need of physical repair and routine daily maintenance (restroom stocking, cleaning, furnishings). It is not uncommon at a number of locations that the space available for waiting is out stripped by the number of people waiting. Seven of the agencies have less than half of the 4400 square feet standard that has been established. Two of the facilities do not have public restrooms, while in others the customer must be escorted through the secure work area to use the restroom.

Fifteen of the forty-five Agency rented facilities are operating on a month-to-month lease basis and have been for extended periods. This situation has made it difficult to get even the most minor situations of disrepair corrected.

In practice there is inconsistency in the availability of beverages and vended snacks, and the allowance of such. These items may or may not be available depending on the location of the facility.

**FIX DMV recommends that appropriate lease arrangements be made sufficient to permit the full painting, cleaning, repair/renovation, and that plans and schedules be developed to carry out heavy cleaning, repair/renovation, painting and furniture replacement. In addition, DMV should explore public-private partnerships to enable the sale of convenience commodities at DMV agencies. This would improve the customer experience and generate additional revenue.**

(3) **Modernize the Phone Center to end endless busy signals and holding.**

Customers normally form their view of an organization, private or public, through their interaction with that organization’s telephone center. DMV operates several telephone centers to assist external customers, as well as, agency employees. The two most visible telephone centers – General Information and Suspension and Restoration – often stand out as the barometer for how our customers rate the quality of DMV service. In fiscal year 2002, the two telephone centers received close to 3 million calls. Current average wait times for General Information are just over 2½ minutes. The average longest wait time is just over 5 minutes. Current average wait times for Suspension and Restoration are just over 5 minutes and the average longest wait time is over 10 minutes. The system currently does not track busy signals but estimates from the telecommunications carrier, Verizon, indicate that 70 percent of the attempts dialing into the DMV telephone center are unable to get through. Increasing the staffing level for the telephone center and adding additional telephone lines will help solve the problems with busy signals and wait times. But, to complement those efforts, DMV needs to explore ways of routing routine calls to “self service” channels. For example, by publishing the most frequently asked questions on the new DMV website, and alerting callers to visit the website. This would ultimately reduce the number of “simple” calls coming into the telephone center, and free up operators to answer the more complex questions that normally require longer interaction time. At the same time, pointing agency employees and telephone operators to use the same source will ensure consistent answers being given to DMV customers and eliminate the need for some customers to “shop for answer.”

32
**FIX DMV recommends that DMV upgrade the technology used at its Telephone Center to allow for “self service” capabilities (i.e., Interactive Voice Response).** The DMV Telephone Center should be integrated with the Internet to increase service availability, reduce customer wait time, and increase citizen adoption of electronic services. **FIX DMV also recommends that DMV explore off-the-shelf Customer Relationship Management (CRM) software packages and its applicability in the DMV Telephone Center process.** DMV, within 60 days, must develop a corrective action plan that outlines the steps to be taken to improve the Telephone Center and reduce the volume of busy signals.

(4) **Name Tags for DMV Employees.**

Agency clerks are customer service representatives and should be wearing nametags identifying themselves and welcoming customers to DMV.

(5) **Let DMV customers pay with a credit card.**

DMV collects close to $900 million annually for the services it delivers to the motoring community. Today, use of credit cards is limited to surcharge payments and registration renewals over the Internet. DMV and the Department of Treasury should allow the use of credit cards for all DMV transactions; including in the field offices, over the Internet, via telephone or through the mail. Beyond the customer service benefits of this change, it will also improve security by reducing cash transactions.

**FIX DMV recommends that DMV work with Department of Treasury to allow customers to use major credit cards to pay for all transactions over the counter, over the Internet, by mail, or by telephone.** DMV must develop a plan, within 90 days, to outline the steps necessary to allow customers to pay with credit cards.

(6) **DMV is a customer service provider. Develop services to fit the actual needs and schedules of customers.**

The Division is failing in any meaningful way to gain feedback on how its services and information are meeting customer expectations or needs. Without this information being gathered and being adequately analyzed DMV is handicapped in more effectively planning and implementing successful change. DMV does, on an extremely limited and random basis, canvass customers. Customer feedback is consistently sought through ACCESS DMV when users of the phone/Internet registration renewal system are asked to complete a quick satisfaction survey when they finish their renewal entry.

Surveys of the millions of citizens conducting business or gaining information through the Agencies, Regional Service Centers, Telephone Center, mail services, or the Web are not done. In addition, DMV does not perform market surveys to determine whether businesses and citizens might prefer a new or different service, or a new or different means of getting that service.
(7) Provide the public accurate and timely information about DMV Services and document requirements

It is critically important that specific information relating to services offered by DMV get out to the public in a way that will educate the consumer. The citizens need to understand licensing requirements, rules and regulations that are essential to safe motor vehicle operation, the penalties for breaking these rules and laws, the steps needed to get back into compliance and more.

DMV is an organization with intensive customer dealings, yet has no dedicated program to promote public information and awareness. The Division’s last public information program, the “How Can We Help” campaign presented DMV as a customer-focused service organization and was regarded as a successful endeavor that helped improve DMV’s public image.

In addition, DMV has a responsibility to market its new services or means of getting these services in a way that gets public attention and brings a positive light to DMV by showing that the Division takes its responsibilities seriously in servicing, communicating, and continuously improving.

Unfortunately, over the last decade public outreach through advertisement, public education sessions, and even revisions to publications have eroded, and eroded significantly. The only “new” information being communicated has dealt with the emergent changes impacting the public, as witnessed in the inspection program. Only limited advertisement has occurred with the advent of ACCESS DMV and the Graduated Driver License Program.

Revisions to existing manuals are lagging. The current Driver Manual was last revised in 2001, while the Motorcycle and Moped Manuals were last revised in 2000, and the Spanish Driver Manual was last revised in 1999.

The Commission feels strongly that DMV must re-establish a robust marketing and public information program, which promotes, informs and educates public consumers to service enhancements and DMV accomplishments. This effort must be ongoing and utilize a variety of techniques/media sufficient to increase the likelihood of consumers gaining required services efficiently. Engaging in such an ongoing program affords new consumer based programs to reach the economic and social benefits promised and helps maintain the momentum of an organization that is a leader in the market.

(8) Disseminate Accurate and timely information to DMV Employees and Partners so they can provide better services to customers.

Unfortunately over time, DMV has stopped seeking the input of employees and bargaining groups about services and problems that are occurring or potential improvements. The Commission also has found that a bare skeleton framework exists in getting the word out to employees regarding policy direction and procedural processes that flow from such policy. Due to repeated cutbacks and with the advent of the early
retirement, the rudimentary framework that exists has suffered further damage. This state of affairs has lead to procedural manuals utilized by Agency employees and Telephone Center employees, as but two examples, to not being updated with changes as they are occurring. This condition has caused, and if not corrected, will continue to permit incorrect information being given to the public by the Telephone Center employees and Agency employees. Individuals calling the Telephone Center and dealing with the Agencies are all to frequently misled and may go to a closed facility, or find they do not have the necessary documentation with them to complete a transaction.

Customers are continually suffering the negative consequences through extended service waits, repeat trips and, in some cases, additional fees or penalties. Employees are experiencing increased frustration and a decreased sense of pride as they read daily in newspapers of changes that have not yet been communicated. Worse yet, employees are corrected by customers who have gained this new information from other sources.

Several DMV employees raised these deficiencies to the Commission during the July 22, 2002 Employee “Public Hearing.”

FIX DMV recognizes the importance of gaining and examining ongoing feedback on the level of satisfaction with services being provided. Additionally, gauging consumer expectations for future service they want and gauging the ability of proposed service changes in the market place are equally critical.

FIX DMV recommends that DMV take steps to put in place a systematic means of recording and disseminating operational policy and procedural changes to its employees, utilizing the appropriate technologies and communication methods, to ensure consistent and timely information and direction being available to employees providing services.

Lastly, FIX DMV recommends that DMV develop a greater capacity to “listen” to citizen input and more aggressively respond to and manage public complaints and inquiries.

V. Bring DMV into the 21st Century.

In our Interim FIX DMV Report, we made a number of short-term recommendations that would improve the operation of the DMV field offices. Our recommendations called for background checks for all Agency employees, improving security at the field offices, training the Agency employees, staffing the reception desks at all field locations, improving the Agent contract and holding the Agents accountable. These are just the first steps in a long-term effort to bring about the modernization of the DMV Agency program.

Modernization must extend beyond simply the Agency segment and pervade the way the entire organization conducts business.

The Commission’s recommendations for technology improvements are directly related to our recommendations for improving DMV’s business practices, business operations, and employee morale. DMV is an agency that directly affects virtually every adult and most
businesses in New Jersey. DMV is in the “Customer Service” business. Here’s how our citizens and employees perceive DMV as an agency:

- Unable to provide timely service to “retail” customers in DMV’s field locations
- Unable to provide documents in a secure manner, limited to persons or businesses authorized to have them
- Unable to provide fast turnaround to DMV’s “trading partners,” including the courts and state and local law enforcement agencies
- Unable to take advantage of the Internet and other electronic service channels to improve processing timeliness and the overall customer experience

These perceptions were not created overnight; instead, they are the result of longstanding organizational and operational flaws that are deep rooted in the culture of DMV, such as:

- Lack of strategic planning and clear direction
- Stop-and-go decision making process
- Orphan-like culture forged out of many years of neglect
- Antiquated and rigid technology infrastructure that is costly to maintain
- Outdated organizational practices that have outlived their usefulness
- Lack of consistent funding source to adequately respond to public demands and legislative mandates.

Exhibit B summarizes DMV’s current situation.
Lack of long range planning and a reactive management style, coupled with eleventh-hour legislative mandates and increasing customer demands forced DMV into...

...a "patch quilt" approach to building and maintaining its technology infrastructure...

...which, over time, created siloed, unsynchronized processes designed to serve the "system" and not the "customer."

Exhibit B - The Problems at a Glance

Technology Infrastructure
- Aging systems with high cost to maintain
- Point solutions versus integrated systems
- Fragile and inflexible
- Lack of end-to-end controls, security, and auditability measures
- Minimal use of "self-service" channels (Internet, kiosks, IVR)
- Older generation technologies that require highly specialized skills

Business Processes
- Paper-based with many hand-offs and delays
- Antiquated and labor intensive
- Lack of quality metrics resulting in service inconsistencies

People
- Lack of training and mentoring
- Mundane tasks resulting in no promotions, dead-end jobs, and low morale

Impact on the Customer
- High Cost to Serve and Long Delays
DMV Technology Problems at a Glance

Today, DMV is saddled with aging computer systems that offer limited functionality, require specialized skills to make simple changes, and are costly to maintain. Specifically,

- DMV’s main computer, Comprehensive Licensing System, has been in production for over 17 years. The patch quilt approach to evolving this system over the years has resulted in a computer system that is fragile and inflexible.
- DMV’s agency computer systems are close to 20 years old and are based on proprietary technology that burdens the State with high annual maintenance costs. Simple programming changes are cumbersome and require hard-to-find programming skills.
- DMV employees access both of these systems through 20 year-old “dumb” terminals. These terminals are constantly breaking down and limit staff’s ability to provide efficient customer service.
- The wiring at each DMV agency is sub-optimal. In some agencies, the wiring is not adequate enough to process high volume transactions. Other agencies experience constant power outages; and in many instance, those same agencies are not equipped with backup generators.
- The telecommunications network connecting the 45 agencies, 4 regional offices, DMV headquarters, and the State’s main data processing center is in dire need of an upgrade. It would be impossible to implement DDL unless these telecommunications circuits are upgraded to handle the increase in data transmission.
- DMV continues to rely on microfiche as a medium for record retention. This type of technology does not facilitate real time access.
- DMV lags behind all other states in leveraging the Internet to provide “self service” options to customers. Today, you can only renew a vehicle registration online. DMV is missing immense opportunities to limit the number of office visits by allowing routine transactions to be processed and paid for online.
- DMV does not have any automated way of auditing transactions to identify fraudulent activities. Audit reports must be requested and produced one at a time and often take as much as 1 year to produce.
- The Telephone Center does not have enough telephone trunks to handle the increase in call volume. It is estimated that up to 70 percent of the callers experience a busy signal when calling in the Telephone Center.
- DMV cameras used in capturing driver’s picture are not based on digital technology. The vendor who currently supplies the film for these cameras has filed for bankruptcy.
- Current scheduling system for a road test does not have a system check capability to prevent duplicate scheduling at multiple facilities or even the same testing center. Road tests at some locations (especially for CDL) may take up to six months to schedule.
- Lack of system integration and coordination over the years created vulnerable links between DMV systems and other government systems (i.e., AOC, State Police).
- Lack of document inventory controls, counterfeit documents and identify theft have increased in the past months.
- Lack of security controls for system access and transaction authorization have increased the level of fraudulent activities.
FIX DMV recommendations for technology improvements are directly related to our recommendations for improving DMV’s business practices and operations.

Millions of people and countless businesses interact with the Division of Motor Vehicles in one form or another. Satisfying those customers in a timely manner while providing high quality secure service would be impossible unless there is a greater reliance on the use of technology to reduce the time and cost to serve the customer while at the same time providing greater security services.

These technology solutions are not to be implemented as standalone solutions. They must parallel and support organization wide initiatives, such as: simplifying internal practices and procedures, building an agile technology infrastructure, eroding fraud from current processes, and advanced training for our front-line staff in customer service and fraud detection.

The technology recommendations are grouped under three key strategic directions:

**Strategic Direction 1 – Improve Customer Service Through the Innovative Use of Information Technology (IT) to Reduce Transaction Costs and Turnaround Time**

**Strategic Direction 2 – Improve Internal Processes, Practices and Procedures to Simplify Interactions Between DMV and Its Customers**

**Strategic Direction 3 – Build a Flexible Architecture and a Highly Cost-Effective Technology Infrastructure that Enhances Employee’s Productivity while Eroding Fraud from DMV’s Processes**

To implement this overhaul, FIX DMV recommends the creation of a $150 million Technology and Security Capital Improvement Fund. Within this fund, $100 million should be reserved to fund the technology program.

**Strategic Direction 1 – Improve Customer Service Through the Innovative Use of Information Technology (IT) to Reduce Transaction Costs and Turnaround Time**

1) DMV field and regional offices recorded more than 14.5 million visits in fiscal year 2002. A significant number of these visits were for routine transactions such as renewing a vehicle registration or renewing a driver license. Adopting a “self service” model for delivering routine services that don’t require in-person authentication will reduce the stress on DMV offices and free up resources to provide specialized, more complex services. The “self service” concept should not be limited to the use of the Internet, DMV needs to consider the use of kiosks and telephony for customers who don’t have access or choose not to use the Internet.

*FIX DMV recommends that DMV implement a new DMV Web site that allows citizens to transact (and pay for) all routine transactions that don’t require an in-person visit.*
DMV also recommends that DMV pilot the use of kiosks and advanced telephonic features to provide customers without Internet access other alternatives to complete their transactions.

2) DMV generates thousands of paper notices on monthly basis to notify customers about registration and/or license renewals. There is a high cost associated with these renewal notices. And, because the process is paper and labor intensive, it’s prone to human error and delays. Allowing customers with Internet access to be notified via e-mail will reduce the amount of paper generated by DMV, reduce the costs associated with handling and mailing paper notices, and improve customer service.

FIX DMV recommends that DMV establish an electronic notification process whereby customers can enroll once in the beginning to indicate their preference – paper or e-mail notification. At the time of enrollment, customers have the option of prepaying for documents that are about to expire, thus, accelerating the process of receiving finished documents. The same utility can also be used by DMV to proactively “push” DMV related information (i.e., latest news, forms, policies) to customers who wish to receive this information as it becomes available.

3) To deliver its full array of products and services, DMV must interact with hundreds of external business partners on a daily basis. It’s critical for DMV to implement technology solutions that would simplify and automate the business-to-government interaction. At the same time, DMV needs to create new relationships with third party business partners. These new service channels would allow DMV to extend its portfolio of services and products through third party business partners; thus creating additional points of service where a customer can conduct motor vehicle transactions. As an added benefit, these relationships will actively contribute to the State’s commercial vitality long term.

FIX DMV recommends that DMV establish new relationships (i.e., AAA, banks, auto dealers, AARP, etc) to create additional points of service, while at the same time, strengthen existing relationships (i.e., NJCAR, CVN, GSS, etc) to allow for additional services. FIX DMV further recommends that DMV allow at least 2 trading partners to participate on the eDMV Task Force to provide future feedback and recommendations to DMV on how to improve business-to-government interactions.

4) The DMV Road Test Scheduling System needs to be upgraded to reduce the time customers must wait to schedule tests, and reduce DMV staff costs by reducing the “no show” rate. DMV schedules road tests by computer. However, the computer scheduling system does not have a system check capability to prevent duplicate scheduling at multiple facilities or even the same testing center. Road tests at some locations (especially for Commercial Driver Licenses – CDL) may take up to six months to schedule. This causes major inconvenience to DMV customers. As a result, they try to schedule an appointment sooner at another test center or get discouraged and don’t show for the test. At the test centers the “no show” rate is approximately 25 percent for the basic license and for the CDL test it is more like 50 percent.
**FIX DMV recommends that DMV install a web-enabled scheduling system for its road test customers to reduce the scheduling delays, and minimize the number of “no show” applicants. The scheduling system must be available via the DMV website and have a complementary component that can be used via an 800 number for customers who don’t have access to the Internet.**

5) Motor Voter: DMV has a poor history on collecting and forwarding motor voter applications to the local officials. As part of the change in technology business practices, DMV should consider how the registration process can be made more efficient through enhanced software.

**Strategic Direction 2 – Improve Internal Processes, Practices and Procedures to Simplify Interactions Between DMV and Its Customers**

6) Re-engineer agency counter and workflow operations. Customer wait times in motor vehicle agencies is an issue that continues to generate negative publicity for DMV and the State. A number of elements in the way agencies process customer transactions contribute to this situation. First, all customers at an agency must queue up at a single intake window, regardless of the nature of their transactions. As a result, lengthy wait times occur because more complex and time-consuming transactions are mixed with more routine, simpler transactions. Second, actual transaction processing takes place “behind the counter” during which time customers must sit and wait, typically with no idea of what the timing will be for the transaction’s completion. Finally, lack of integration of key systems contribute to inefficient customer processing, by not allowing behind-the-counter personnel to satisfy a transaction end-to-end.

DMV is currently engaged in a pilot project to test improvements to the agency model in two field locations. The pilot project is testing the use of a queuing system, which is the heart of “one stop shopping”. The queuing system allows the customer to know the amount of time they can expect to be waiting and what window to go to for service. They are testing new smart terminals for agency staff that will replace the obsolete dumb terminals currently in use. The smart terminals will allow agency staff to use the agency system, the DMV Comprehensive system and the queuing system on one terminal. Currently, staff has to use multiple terminals to process a customer’s transaction. DMV is also working to streamline agency processes in the pilot agencies. DMV has installed a version of “one stop shopping”, or multifunction windows, at two of its field office locations – Randolph and Washington, and has received positive feedback from customers who have visited these locations and from agency staff working at these offices.

**FIX DMV recognizes and endorses the effort DMV is making to re-engineer its field offices to accommodate “one stop shopping.” FIX DMV recommends that DMV re-engineer the agencies’ counter operations to expedite processing of routine transactions to reduce average customer wait times, as well as, prepare for the future processing of Digitized Drivers’ Licenses. FIX DMV further recommends that DMV establish “multi-function” windows and express lane window for expedited servicing of routine**
transactions. These windows must be equipped with the appropriate technology necessary for behind-the-counter personnel to process a transaction end-to-end.

7) Improving the business process supporting traffic safety adjudication. The efficient exchange of information between New Jersey’s law enforcement community (prosecutors and police), DMV, and the Judiciary, is vital to promoting, improving and maintaining highway safety. On an annual basis, the Judiciary’s 536 municipal courts collectively process and adjudicate over six (6,000,000) million traffic and parking violations. Over the past fifteen (15) years, the Judiciary has fully automated municipal court operations, which has increased efficiency. As a result, case management and financial 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. Additionally, the electronic records of every municipal court are available for inquiry by DMV and other government agencies requiring access. The law enforcement community and the courts are major DMV customers, generating thousands of inquiries a year. This requires DMV to perform searches of its manual and electronic records, to print out results, to certify their accuracy, and to mail the search results, usually in the form of a combined prosecution package, back to the requesting person or agency. Since much of DMV’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. In fact, it can take up to three months from the time a record request is received to the time that it is fulfilled.

**FIX DMV recommends that DMV and the Judiciary work to better insure the smooth exchange of automated information among the Judiciary, DMV, law enforcement agencies, and other public or quasi-public agencies. That electronic information exchange will require the conversion of DMV’s existing microfilm and paper records to an electronic format (a planned DMV activity), followed by the development of a joint protocol to allow law enforcement (prosecutors and police) and the courts to perform direct electronic inquiries into DMV records, without involving DMV personnel in manual processes. For its part, the Judiciary will pursue and accomplish the following initiatives in support of DMV’s technology modernization:**

- **Support self-service look-ups by both law enforcement (including prosecutors and police) and the courts, directly into DMV’s database, eliminating the need for DMV to provide direct staff services of any kind.**

- **Develop the protocols, court rules and other procedures necessary to accept the electronic distribution of DMV records as parts of the evidence packages used in the prosecution of traffic violations.**

- **Provide improved convenience to the public by establishing boundaries between Judiciary and Executive Branch computer systems that appear to be transparent. That process will include the development and implementation of a real-time exchange of automated information between the courts and DMV that insures the timeliness, accuracy and consistency of driver history and conviction records that are**
maintained by the Judiciary and DMV. This will lay the foundation for the following customer service improvements.

- Enable Municipal Courts and DMV Service Centers to directly exchange information that will facilitate the restoration of revoked or suspended driving privileges. Real-time inter-connectivity will allow the payment of outstanding DMV surcharges and/or settlement of outstanding traffic tickets at either individual Municipal Courts or DMV Service Centers.

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

The Judiciary’s computer infrastructure that currently supports the 536 municipal courts will require a major upgrade and modernization. FIX DMV recommends legislative approval for the Judiciary’s recommendations to increase the court fee assessment by $3 to generate the necessary annual revenue required to support this recommendation.

An additional $3 should be added to the court assessment and dedicated directly to DMV in to support the administrative and operational requirements that DMV must undertake to process license suspensions and other related court and municipal activities that impact DMV operations.

**Strategic Direction 3 – Build a Flexible Architecture and a Highly Cost-Effective Technology Infrastructure that Enhances Employee’s Productivity while Eroding Fraud from DMV’s Processes**

8) DMV employees are hampered by the lack of modern technology. Close to 800 employees that are in critical customer service areas, such as MV agencies, Telephone Center, Surcharge Unit, and Driver Testing, are limited to using “dumb” terminals to access the main computer systems. These “dumb” terminals are only capable of accessing one system at a time and prohibit DMV’s ability to exploit the latest available technology solutions.

FIX DMV recommends that all “dumb” terminals are to be replaced with Point of Sale (POS) Smart Terminals to enhance DMV employees’ productivity and ultimately result in faster, more cost effective customer service. The new Smart Terminals must support enhanced security features, such as finger or thumb scan, for access control and transaction authentication. The new Smart Terminals must also support payment by credit card. DMV must, within 30 days, develop a Smart Terminal Rollout Plan that outlines requirements, implementation schedule, and overall project costs.

9) The existing Comprehensive System was never envisioned to evolve the way it has over the past 17 years. Unfortunately, the constant demand for new programs and the passing of legislative mandates forced support staff to take a patch-quilt approach to modifying the original system. This unstructured approach to evolving the Comprehensive System has resulted in a computer system that is fragile and overly complicated to maintain.
Today, a simple change (i.e., adding a field, modifying a screen) requires several months of programming effort. The use of older generation technology makes turn-around time for simple reports or program fixes unreasonably long and costly. The system’s shortcomings have been exacerbated by new realities: counterfeit documents, identify theft, and vulnerable links between DMV and other government agencies. DMV’s efforts to erode fraud from its process must be supported by a flexible computer system that leverages latest technology solutions while at the same time, provide for enhanced security features to minimizes fraudulent activities and protect the privacy of New Jersey’s motoring public.

FIX DMV recommends that DMV replace the existing Comprehensive System to support DMV’s new way of doing business, leverage latest technology solutions, and provide for enhanced security features. DMV must, within 90 days, secure a competent, highly qualified Systems Architect (using the State’s existing T-0817 Term Contract) to define the conceptual and detail specifications of the new Comprehensive System, and outline an overall Project Plan for a new system.

10) Agency staff use what is sometimes referred to as the “Agency Computer System” to process over-the-counter transactions. While this system allows MV agencies to provide same-day service, it is based on proprietary and obsolete technology that burdens the State with high annual maintenance costs. The system must be re-designed in the context of re-engineering DMV’s main computer system – the Comprehensive System.

FIX DMV recommends that DMV, within 120 days, develop a plan to phase out the Agency Computer System and recommend both short and long-term strategies for incorporating agency requirements into the new Comprehensive System.

11) To support the migration towards Smart Terminals and new computer systems, DMV needs to overhaul the underlying infrastructure at each MV agency and the four regional offices. This, at a minimum, should include: new computer network, upgraded wiring, new multi-functional printers, and faster telecommunications connectivity between agency offices and central computers.

FIX DMV recommends that DMV, within 30 days, develop an Agency Technology Infrastructure Plan to either upgrade or install new networking capability within each MV agency to accommodate the rollout of Smart Terminals, Digitized Drivers’ License, credit card payments, and other customer service enhancing components.

12) DMV by law must maintain “images” of millions of documents in support of its processing key motor vehicles transaction. DMV’s imaging center presently utilizes microfilm technology for the data capture of documents such as titles, driver licenses, and registrations, along with any support documentation such as passports and birth certificates. Microfilm presently serves as both an archival medium and a means of inquiry. Documents in support of customer transactions conducted at the agencies are microfilmed by DMV Imaging Center after their review by the Transaction Auditing Unit. DMV has long recognized that there are limitations and issues with its present microfilming practices, including long turnaround times, antiquated and limited
equipment, and limitations with respect to real-time document inquiry. Many external organizations depend on DMV’s ability to respond to requests for information in a timely manner. Any delays in DMV’s document handling areas are sure to have a significant impact on those external organizations. For example, with today’s current technology it can take up to 45 days to compile what is referred to as an “evidence package.” Police Departments, local courts, and attorneys in response to motor vehicles violations may initiate these “evidence packages”.

FIX DMV recommends that DMV explore partnership arrangements with the Division of Revenue’s Imaging Center to develop a more responsive and up-to-date technology and workflow solution for document scanning, storage, and retrieval. DMV, within 90 days, must develop a corrective action plan that outlines short and long-term strategies, and, if necessary, service level agreements between DMV and DOR. Finally, DMV must investigate the possibility of providing field offices with the capability of scanning and retrieving documents while assisting customers provided that doing so does not comprise the overall integrity of document handling and improves the quality and speed of service to the customer.
Appendix A – Using the Internet to Achieve a “Self-Service” Model

Over the past 10 years, many of the major Motor Vehicle Agencies’ (MVA) in this country have done a remarkable job of improving service. Processing by mail is much more prevalent, and digital photos have minimized the need for in-person transactions. In some states, processing has been “pushed” to car dealers, enabling citizens to complete MVA transactions concurrently with other vehicle transactions (such as buying, selling or leasing).

MVAs as a group have recently embarked on the next improvement wave to hit the industry – the use of the Internet as a tool to improve customer service, and to reduce the cost of transaction processing. Most of MVA cost is directly associated with customer interaction, and therefore is ideally suited to web-enabling. The very core of MVA business is virtual: it deals with the acquisition, cross-reference, storage, and dissemination of data. Using web-based technology will enable MVAs to reduce the amount of time and effort devoted to paper pushing, document handling, and error correction. Conceptually, the Internet could help MVAs in the following ways:

- It could eliminate the need for people to be physically present to complete their transactions. The number of people in local offices would decrease.
- It would make dealing with government easier, because help would be available online, regulations and documentation would be accessible instantly, and the transaction could be tailored to the customer’s point of view.
- It could save money. In the short term, it could save manpower, and in the long term it would minimize the “bricks and mortar” required to deliver services.
- It would enable transactions to be completed in less elapsed time, and would provide the citizen with immediate confirmation that the transaction had been completed. Shortening the transaction cycle eliminates error correction and other follow-up processes that today are a large part of the motor vehicle world.
- It could increase revenue, by making certain transactions (such as buying vanity license plates, or paying civil penalties) easier to complete.
- It could reduce the cost of customer interaction, and therefore the cost of services.
- It can increase security by allowing on-line verification of insurance, immigration status and Social Security numbers.
Potential Electronic Documents and Publications

- Provide online DMV product and service catalog
- Post Odometer issues online
- Post “Series Memoranda” issues online
- Post Commercial Driver License (CDL) Manual online
- Post instructions for business registration applications online
- Post safety and emissions regulations online
- Post aggregate motor vehicle statistics online
- Post regulations, policies, and procedures online
- Post DMV “performance report card” online
- Post highway safety information online
- Post non-English versions of key DMV publications online
- Post all forms and instructions for conducting all routine DMV transactions online
- Post State Vehicle and Traffic Laws online
- Post instructions for affinity license plate applications online
- Post seatbelt and helmet safety information online
- Post driver program information online
- Post vehicle and identity theft information online
- Post DMV audit reports and agency ratings online
- Post DMV directory, locations, and hours of operation online
- Post voter registration card
- Post “frequently asked questions” online
- Post all transaction types and their associated fees online
Potential Online Services for Citizens

- Ability to download, complete, and print all forms prior to visiting DMV office
- Online payment for all transactions using major credit cards and/or debit cards
- Registration/license renewal (car, boat, motorcycle, trailer, etc)
- Registration/license duplicate (car, boat, motorcycle, trailer, etc)
- Request and receive copy of driver history record
- Ability to schedule road test and receive date/time confirmation via e-mail
- Administrative hearing requests
- Accept pleas and allow for scheduling of hearings
- Request address change
- Accept voter registration online
- Enroll to receive automatic notification of latest news, regulations, latest forms and fees, and events
- Enroll to receive e-mail notification of upcoming registration and/or license renewal
- Enroll to join an online community of interest (e.g., Graduated Driver License, IRP, etc)
- Online check of name availability for custom and vanity plates
- Ability to schedule a car inspection and receive date/time confirmation via e-mail
- Organ donor registry and status change
- Arrange for a surcharge payment plan
- Vehicle titling and duplicates
- Vision test information
- ID card renewal/duplicate
- Pay taxes and re-installment fees
- Request and receive electronic copy of accident report
Potential Online Services for Businesses

✓ Provide online inspection scheduling services for business customers
✓ Provide online billing service
✓ Provide online class scheduling service for education schools
✓ Provide online refund notification and disbursement service
✓ Accept online business name and address changes
✓ Allow auction personnel to file title applications online
✓ Allow authorized auction personnel to inquire online on status of pending applications and titles in possession
✓ Employer notification and verification program for CDL
✓ Provide online motor fleet reporting and renewal service
✓ Motor carriers, IFTA, IRP credentialing
✓ Allow employers to check their employees’ driver history during the hiring process
✓ Accept pleas and allow for scheduling of hearings online
✓ Provide legal judgment filing service
✓ Provide online lien service and online escrow account deposits
✓ Provide online insurance information reporting
✓ Provide license event notification services
✓ Accept online accident reports
✓ Provide online electronic links to appropriate service providers (e.g., driver education schools)
✓ Allow dealers to order temporary tags online and report back to DMV
✓ Provide online chemical test refusal reporting service
✓ Allow private inspection facilities to order inspection stickers online
VI. Miscellaneous

(1) Reform the Surcharge Suspension Program to provide socio-economic fairness, ensure that unsafe drivers are dealt with appropriately and to enhance the ability of DMV to collect outstanding surcharges. Extend the payment period for judgments and create a task force to recommend additional policy changes.

License suspensions should serve the public purpose of removing from the roadways drivers who are unsafe and have demonstrated a flagrant disregard for motor safety laws. However, of the 800,000 people who are suspended on average at any given time for one of nearly 300 reasons, there are 200,000 who are suspended for reasons such as building code violations that are unrelated to unsafe driving behaviors, and 200,000 who are suspended at any given time for financial inability to pay surcharges. In total, fifty percent of people are suspended for reasons other than how safely they operated a vehicle.

Since 1989, suspensions have increased from 684,962, to 986,308 in 2002, a 44 percent increase. This increase is primarily the result of an increased focus on complex social and economic issues rather than safe driving. Suspensions push people out of their cars, out of insurance for which more penalties accrue, out of jobs, and into debt from which they cannot financially recover. 23,000 people currently have surcharges in excess of $10,000. The likelihood is small that these individuals will ever pay any of the debt they owe or recover their driving license. Given the increase in the number of suspensions and the large number of financially strapped individuals, it is no surprise that the collection rate for surcharges and suspension restorations is poor. Of $3.503 billion billed for surcharges, only $1.835 or 53 percent has been collected. Of the uncollected remainder, $498 million is reduced or written off, and $1.17 billion is still owed. (See Chart 1 entitled “$3.5 Billion Surcharges Billed.”) A vicious cycle ensues that prevents many low-income workers from ever recovering their driver privileges. Low-income residents face large obstacles to getting out of suspension, such as lack of a work restricted driver license, lack of a flexible repayment plan to pay off court and suspension costs, or lack of an amnesty program to reduce those costs. These problems are especially vexing for those who are suspended solely for the reason of their inability to pay surcharges. While removing the driving privilege is appropriate public policy for unsafe drivers, the public policy and socio-economic implications of doing so for non-driving reasons is much less clear.

One problem that can be easily addressed is the current one-year limitation on payment of surcharges. For many individuals, especially lower income, it is simply impossible to pay the surcharge within the time frame. This results in additional surcharges that only compound the problem. The result, as stated above, is what started out as a manageable issue quickly snowballs into a mountain of debt from which the individual can never recover their driving privilege. In addition, this hurts DMV collections because it is revenue that realistically will never be received. It would be financially and socially more beneficial to allow greater flexibility and time in the payment period and accordingly the Commission is recommending that legislation be immediately passed to
extend the pre-judgment plan from the current twelve month maximum to a more lenient plan of twelve months or less for surcharges less than $2,300 and up to twenty-four months for assessments in excess of $2,300.

As a part of the solution to this problem, the FIX DMV Commission recognizes the Department of Banking and Insurance implementation of a “bare bones” insurance policy and a waiver of the $115 fee for failure to have had insurance. The Commission sees a need, however, to examine the social impacts of the suspension system. Driving is virtually a basic societal requirement. Today, gainful employment is heavily reliant upon having a valid license. Yet, vehicle ownership is expensive. An estimated 472,000 New Jerseyans live below the poverty line of $18,000 for a family of four. These families are struggling to maintain a vehicle even without suspensions. Families below the poverty line who also owe surcharges cannot afford to pay and are suspended. As time passes with no payment being made interest accrues and ultimately collection fees are added, further compounding their indebtedness and ability to regain their license. During this time many may lose their jobs, making the prospects even dimmer. Among those who are suspended annually, there are many unable to pay their car insurance. It is possible that many of the suspended make up the estimated 400,000 who do not have car insurance.

Once again Citizens have reached out to be heard:

July 8, 2002

… Licenses should not be allowed to be suspended for missed court, instead a default “guilt” plea should be entered for traffic matters. For all other matters, warrant is enough. After all, what does the driver license have to do with court? Leeching money to the STATE? Judges are “jokingly” suspending peoples licenses (actual quote from a judge: “she’s not here, take away her license! hahaha”). By linking municipal court with the DMV, it’s further evidence that DMV is all about leeching $$ from people.

In the State of New Jersey, it is very difficult to move around without a vehicle. It appears, as though the STATE, knowing this fact, unfairly targets people by not only imposing the point system, but also the “insurance surcharge,” and other fines (e.g. restoration fee). Currently, the system appears to be designed to maximize profit at the expense of hard-working people. We pay taxes and then get targeted – not fair, is it? ...

July 9, 2002

… There needs to be some way of addressing the problem that huge numbers of citizens in urban areas have a suspended license, in many cases for many years. Most of these people are suspended for parking tickets (many on plates that were lost or stolen), or other administrative reasons, and not for any moving violation. Because parking tickets and improper
notification, as well as poverty are over-represented in urban areas, it is the people that live in these areas, which suffer disproportionately. I personally know professional drivers that lost their licenses years ago, and received a subsequent Driving While Suspended (a violation that can cost $4000 and up), and have never been able to get their license back, despite never having violated any driving infraction.

Allowing these people a way to work towards getting their license back, and reducing the number of new people suspended would be the biggest simple step the state could take toward increasing employment in urban areas. I used to run a trucking company and always was in need of good reliable drivers with a license (CDL not necessary). Not only are driving jobs one of the few types unskilled jobs that are in plentiful supply in the urban areas, the wages for unskilled jobs are much higher just 10 miles outside the urban zones if only the people who lived in the cities could drive to them.

The FIX DMV Commission recommends that a Study Group comprised of experts in the fields of motor safety, insurance, finance and socio-economics be convened to develop and recommend a reform of the surcharge suspension system. However, while this study is underway there are initiatives worthy of immediate support that will bring greater fairness to the suspension system and probably result in a greater collection of outstanding debt. The FIX DMV Commission recommends that legislation be immediately passed to extend the pre-judgment plan from the current twelve month maximum to a more lenient plan of twelve months or less for surcharges less than $2300 and up to twenty-four months for assessments in excess of $2300.
(2) Waive written driving test for out of state residents

FIX DMV wants to make the new DMV as customer friendly as possible while maintaining essential security. Analysis has shown that the process for obtaining a driver license by new residents with a valid out of state license can be improved. This process change will not only make the DMV experience for new residents less burdensome but will free up scarce resources enabling DMV to provide better service to other customers.

Under current law in New Jersey, a new resident with a valid out of state license may drive for up to 60 days before they are required to obtain a New Jersey license. To obtain a New Jersey driver license, a new resident must pass a written test and a visual screening. The road skill test is waived. After passing the written and visual exams and surrendering a valid out of state license, the New Jersey license can be issued. FIX DMV believes that the written test given to new residents with valid out of state licenses is an unnecessary requirement and should be stopped. Individuals who have already passed similar tests in a prior state of residence should not be required to take this test again. If
this requirement were waived, New Jersey would join with neighboring states of New York, Delaware, Pennsylvania, Connecticut, Maryland and Virginia, which waive the written test for new residents with valid licenses. This waiver should not apply to driver licensed by other countries.

FIX DMV found that based on the number of tests given in 2001, DMV could realize a 16 percent decrease in written tests by waiving this requirement. These Driver Testing resources could be used in a much more productive manner serving other customers. Waiving this requirement would require a change in legislation.

FIX DMV recommends that DMV work with the Legislature to amend the appropriate statute in a way to eliminate the need for new residents with valid licenses from other states to take the written driver knowledge test. Additionally, DMV should work to identify other processes/responsibilities that detract from core mission and work to eliminate, modify, or transfer them to appropriate organizations through agreement or legislative action.

(3) Develop legislation to increase penalties for unlawful use of Off Road Vehicles (ORV)

The increasing popularity of ORVs in NJ has presented challenges for the management of public lands and protection of natural resources. Unlawful usage on public lands has extensively destroyed plant and animal communities, soils, and damaged wetlands.

FIX DMV recommends that the Commissioners of DEP and DOT work with the legislature on legislation to increase penalty provisions and authorize impoundment of ORVs for unlawful ORV use and establish comprehensive registration, licensing and insurance requirements for ORVs.