

**FY16 Budget Testimony (Senate Budget Committee)
Raymond P. Martinez, Chairman and Chief Administrator**

Good morning, Chairman Sarlo and members of the committee. Thank you for giving me the opportunity to appear before you today.

The MVC continues to put forward projects and initiatives that will further our core mission to promote motor vehicle safety for our citizens by delivering secure, effective and professional motor vehicle services and to achieve public trust in the quality and integrity of these services. We are committed to enhancing security and safety, improving customer service, and maintaining fiscal responsibility by identifying efficiencies and achieving cost savings.

One of our main safety and security related goals is to enhance and protect the integrity of the documents we issue, primarily, the driver's license, which has become the most important piece of identification for our citizens. We are working diligently to ensure that every license we issue is in the possession of the right person. In order to accomplish this we have employed the use of cutting edge technological solutions to help us to

reduce fraud, protect the integrity of our operations, and ensure that our colleagues in law enforcement can have a high degree of confidence in the information that we provide and upon which they regularly rely. Our unprecedented facial scrub of 24 million images in our photo repository has helped us continue fraud reduction and progress towards a "one person/one record" driver's license and non-driver ID database. This scrub used facial recognition technology to identify duplicate records through the use of biometric algorithms. As a result, we found 6,000 clerical matters that we have been working to correct, 2,300 probable acts of intentional fraud against the MVC and of that number, 1,100 have already been sent to the Office of the Attorney General for review. These 2,300 cases have also been posted to our Aggregated Investigative Reporting System (AIRS) secure website so that other benefit-conferring agencies at both the federal and state levels can vet these cases for fraud as well.

By solidifying our confidence in the security and dependability of our driver records, we've been able to allow roughly 1.25 million customers the opportunity to stay home and renew their driver's license through the mail with our Skip the Trip program.

It's a good thing for these citizens and it's also a good thing for those customers who still have to come to an agency to conduct their business because there were quite literally 1.25 million fewer customers in line before them.

Our Skip the Trip program has had other tangible operational benefits as well. I am pleased to report our wait times are down. In fact, wait times in our 10 busiest agencies decreased approximately 45 percent in the first full year of the program and have tapered off to roughly 20 percent since then.

Service levels have improved in our offices while also increasing the number of hours agencies are available to the public while easing a full 20 percent reduction in our full-time workforce over the last five years through attrition. However, despite this reduction, we are maintaining the percentage of our workforce that is customer facing (either in-person or on the phone).

While these efficiencies have enabled us to save a great deal of money, there is still a need for brick and mortar facilities around our state to service customers. This is why we continue to invest in full-service, modernized

agencies, where possible, built on state-owned land in key areas and move away from smaller limited-service offices in leased locations. Indeed, modernization is underway in our regional office in Eatontown, where we are working to renovate this state-owned facility so that we can improve operational workflow.

Another state-owned facility slated for a makeover is the Wayne Agency. Plans call for this regional office to be a 19,000 square foot, one-story facility that will handle licenses, registrations, titles and suspension and restoration services.

In addition to state-owned facility projects, we are remodeling and relocating some of our leased office space to increase efficiency and to better handle customer flow. Renovations are underway in North Bergen and anticipated in West Deptford. Also, our Vineland and Rio Grande agencies are being relocated to larger facilities. The new Vineland office was sited in coordination with Cumberland County in a county-owned building.

The MVC has over 30,000 customer contacts each and every day. While adequate and appropriate space is an obvious factor in providing the best possible customer service experience, we also have to be able to successfully complete transactions. Instrumental to that effort is a fully functioning computer system.

After years of difficulties, the MVC has joined New Jersey sister-state agencies as well as other DMV departments across the country in severing contractual ties with Hewlett-Packard on the MATRX project. I am pleased to report that through negotiations led by the Attorney General's Office, and outside counsel, the State will be reimbursed roughly half of what we paid HP, the remainder of which the state has received value for through deliverables such as new scanning processes, and hardware and software, which are being utilized. We believe this is one of the largest settlements between HP and a state motor vehicle department.

Instead, the MVC will move forward with pursuing new technologies and project approaches that were not widely available when MATRX was originally scoped out in 2006/2007 and will help us achieve the necessary modernization of our systems. This is the approach we used to

complete Phase 1 of the federally-mandated Commercial Driver's License Modernization project, which required the Commission to upgrade and implement certain aspects of the commercial driver's license issuance process by 2015.

As an alternative to the MATRX project, we have proposed the following projects in this year's budget:

- Continued modernization of the Commercial Driver's License Information System, which encompasses system changes and modifications to commercial driver's license permits and testing standards. Some of the requirements include the issuance of a tamper-proof digital permit, the acceptance of CDL skills tests results from any state, the validation of medical certificate information, and ensuring that CDLIS is updated to reflect the proper information for all commercial drivers in the State.
- A new user-friendly Multi-Scheduling System to schedule road tests (including auto, motorcycle and commercial tests), driver conferences and specialty inspections for our customers. This is both for internal manpower scheduling of our 2200 personnel and a customer facing application for use by the public. More than 269,000 appointments

were scheduled through the old system; however, it was plagued with service disruptions, which caused great frustration to the public. A new system would increase customer convenience, and reduce wait times to take a road test or receive a hearing date.

- The replacement of the existing Customer Abstract Information Retrieval System (or CAIR). The current CAIR system provides motor vehicle information to businesses, agencies and attorneys that need to purchase driver abstracts. The new CAIR system will be a more user-friendly version and require much less maintenance as it is web-based. Improvements to this system are based upon suggestions, constructive input and in some cases complaints that we received from our customers as we engaged them in dialogue on how to improve both the process and the product of the CAIR System.
- The replacement of the core agency system in all of our 39 agencies statewide that produces driver's license, registration and title documents. The current system is outdated, slow and inefficient and is very costly to maintain. The new system, which will be web-based, will be faster and easier to update and will allow the MVC to stay current with new industry trends and to address the needs of the

Governor, the Legislature, and, most importantly, our customers in a timely manner.

- And finally, the ability to increase our identity document verification and information storage so we can continue to provide our customers with a photo license or ID card that is a secure, valid document and a primary form of identification -- all in our constant effort to ensure one driver, one record.

While these efforts are by no means meant to replicate the size and scope of the MATRX project, they are a realistic and obtainable first step. This will help to provide the framework and technology base upon which, over time, we can achieve all the goals originally envisioned by the MATRX project.

We know there has been interest in the past from the Legislature regarding the future of the State's emissions testing program. Understand that the existing Parsons contract is in force through May 2016. We have our experts assessing best practices and, in the near future, we anticipate a Request for Proposal being completed and made public to solicit bids to provide the best inspection system for New Jersey.

I would like to update the Senate on the distracted driving initiative that passed both houses overwhelmingly and had the support of the Governor. Because of the strong bi-partisan support in the Legislature, New Jersey has taken a new, aggressive stance with those who talk and/or text while driving.

In June of 2013, Governor Christie signed into law your legislation, which was effective July 1, 2014, that doubles the initial penalty for talking and or texting from \$100 to a minimum of \$200, with a second offense penalty of at least \$400, and for those caught a third time or more, a penalty of at least \$600. The new law also gives the courts discretion to suspend the violator's driver's license for 90 days and add a possible 3 points to their driving record. The MVC has been charged with leading the education and outreach part of this initiative.

On February 11, we launched our “JustDrive.com” campaign, which spotlights the consequences of texting or talking on a mobile device while behind the wheel.

At the heart of the campaign is an interactive website that highlights the dangers and penalties for talking or texting while driving and provides a forum for citizens to share their own experiences and thoughts about this irresponsible behavior.

Just like we have done with seatbelts and drinking and driving, it is now time to focus our attention and resources on this behavior, which is epidemic in New Jersey and across the country. I would like to invite the Legislature to visit our new website Just.Drive.com.

This has been a challenging but productive year and, with your support, I look forward to continuing our work as we push the Commission forward -- ensuring that the MVC is well-positioned to serve its customers tomorrow, next year, and in the decades ahead.

I want to thank Chairman Sarlo and members of this committee for the opportunity to testify today. I'm happy to answer any questions you may have.

(As written: Roughly 10 minutes)