



New Jersey Motor Vehicle Commission

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STATE OF NEW JERSEY

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Raymond P. Martinez
Chairman and Chief Administrator

May 15, 2015

Mr. David J. Rosen
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex
P.O. Box 068
Trenton, New Jersey 08625-0068

Dear Mr. Rosen:

I am providing the following information on behalf of the Motor Vehicle Commission (MVC) as requested by the members of the Assembly Budget Committee at the budget hearing held on May 4, 2015.

Assemblyman Singleton: *Please explain the actions that MVC was required to take before terminating the MATRX contract for non-performance. What is the source of those requirements?*

Consistent with the terms of the contract, the State, acting through the Director of the Division of Purchase and Property (DPP), had the right to terminate the contract for cause (if it believed that Hewlett-Packard [HP] had breached the terms of the contract) or for convenience (which does not require a breach). As to this contract, during 2014 the MVC and DPP were discussing the MATRX status and HP's performance. As the contract suspension (from July 2014 to January 2015) drew to a close, the MVC and DPP began discussions with HP about possible termination. Ultimately, the contract was terminated by mutual agreement of the parties after negotiations conducted by the Attorney General's Office and outside counsel.

Assemblyman O'Scanlon and Assemblyman McKeon: *Please update the status of a potential relationship with the sharing network to facilitate a better organ donation registration system in the State. What information is being sought from the Attorney General's office, aside from permission to share information with the sharing network, and what needs to happen before a formal relationship can be established?*

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The MVC currently shares information with the Sharing Network based on what is statutorily authorized in the Hero Act and in the State and Federal Driver Privacy Protection Acts. The MVC is investigating and consulting with the Attorney General's Office regarding the Sharing Network's relationship with the State, and whether the Sharing Network volunteers are permitted access to data in the MVC's database and on the customer applications. The MVC will share further information with the Legislature as it is developed in this process. The MVC takes the protection of New Jersey residents' personally identifiable information very seriously and releases information only as authorized by law. The MVC also requested from the Attorney General's Office written guidance about the legality of the MVC accepting funds offered by the Sharing Network to pay the costs of the Commission hiring individual(s) to cull through applications to ensure that anyone who indicated they wanted to sign up as an organ donor was indeed registered as such. Status as an employee ensures that fingerprinting and background checks are conducted and reviewed, and ensures the rules of access to and release of data for non-MVC purposes are strictly monitored and governed by conditions of employment, with consequences for unauthorized release and access. Once we are assured we as a State agency may accept the Sharing Network funds for the purpose of hiring an individual(s), we would then take the usual steps and background screening in our hiring process and follow the proper mechanism to accept the offered funds.

On a separate note, I feel it is important to share with the members of the Assembly Budget Committee the efforts the MVC has put forth to advance organ donor registration in the State of New Jersey. Currently, New Jersey is at a 33.48% rate for organ donation registration and has maintained that percentage for the previous two years. Additionally, and according to information from Donate Life USA, 90% of organ donation registration is completed through customer interaction with motor vehicle offices - in New Jersey, that figure is approximately 98%. Each applicant for an initial, renewal, or change of their driver's license or non-driver ID are required to be asked by MVC staff if they wish to register to be an organ donor in order for their transaction to proceed. Additionally, our NJ Driver Manual is in the process of being updated to include information on the importance of organ donation, and posters are displayed in all of our 39 motor vehicle agencies which suggest to motorists that they check "yes" to be an organ and tissue donor when renewing their driver's license or non-driver ID.

In consultation with the Organ Procurement Organizations (OPO's), the MVC has revised its "Skip the Trip" mail-in driver license and non-driver ID renewal forms to remove the organ donor check box - as it could not be read by the Department of the Treasury's remittance processor equipment. To compensate for this, the MVC has included an updated organ donor informational insert directing customers to visit our website, njmvc.gov, to register. In addition, an OPO tri-fold informational insert is included in all renewal packets. Also, on the back of the mail-in renewal application we have added language advising customers where they can go to obtain further information on organ donation. However, it should be noted that individuals who are already registered as organ donors remain so when using the "Skip the Trip" mail-in renewal process.

Also in consultation with the OPO's, the MVC streamlined its on-line registration process. Customers no longer need to apply for, and wait to be issued, a User ID in order to register on-line as an organ donor. An individual can bypass the use of a User ID by entering their driver's license number or social security number. They do not need to print out the application and mail it to the OPO; the application is submitted online and the customer receives a registration confirmation that they can print out for their records. The information is in the organ donor registry at the conclusion of the on-line registration process. We have seen an increase in visits to the organ donor registry, via the MVC website, of almost 50% over the past two years.

In January of 2012, the MVC's organ donor enrollment was 2.250 million drivers. Through the implementation of our "Skip the Trip" initiative in November of 2012, the updated driver's license and non-driver ID renewal application packets and the streamlined on-line registration process on our website in 2014, the enrollment

number has continued to increase. As of September 2014, we show the enrollment at 2.5 million drivers having registered to become organ donors.

I would like to stress that the MVC values the relationship we have built with the Organ Procurement Organizations over the years and we will continue to work with them to increase the number of registered donors in New Jersey. In fact, the Sharing Network website currently states “Thanks to our partnership with the New Jersey Motor Vehicle Commission, the number of registered organ donors in the state is steadily on the rise.” Over the last five years, I have made it a priority to visit each of our 39 issuing offices to specifically speak with all of our counter personnel to emphasize the importance of the MVC’s role in educating the public on the subject of organ donation registration and to encourage participation.

Assemblyman McKeon: *Please provide a copy of the charts presented during the hearing concerning customer wait times and organ donation.*

The MVC has attached the charts for the aforementioned items.

Assemblyman Schaer: *What has the Commission done to implement an electronic lien and title filing mechanism, and how long will it take before an electronic system is fully implemented?*

The Commission adopted regulations in August of 2014 and has conducted benchmarking research and best practices have been ascertained. While a conceptual design model has been determined, the MVC is still looking at the interdependency between an electronic lien and title (ELT) project and other critical information technology projects within the Commission.

In order to make New Jersey economically competitive in the autonomous vehicle market, what is the MVC’s regulatory role concerning driverless vehicles and what can be done to promote the industry through that role?

The Commission’s regulatory role would presumably be to provide for a test permit application, license endorsement requirements (including training requirements and testing), registration requirements (special plates for autonomous vehicles), inspection and insurance requirements, and operating requirements (from semi-autonomous to completely driverless, and including rules for driver engagement). The MVC could assist in the promotion of the autonomous vehicle industry by including information on autonomous vehicles in its driver and vehicle safety education materials.

What would the budgetary impact be for the Commission to institute an electronic driver’s license and how long will it take before an electronic driver’s license could be made available to the public?

As of now, the MVC cannot determine the budgetary impact of an electronic driver’s license, nor can it give a timeline for implementation. A thorough study of the issue would need to be performed on the wide variety of complex issues that would be involved in creating the license, including, but not limited to, Office of Information Technology (OIT) requirements, compliance with federal law and, most importantly, security concerns.

Page D-351 of the Budget states that:

“Notwithstanding the provisions of section 5 of P.L. 2003, c. 13 (C:392A-36) or any law to the contrary, \$72,979,000 is appropriated from the revenues appropriated to the New Jersey Motor Vehicle

Commission for deposit in the General Fund to reflect continuing savings initiatives, subject to the approval of the Director of Budget and Accounting.”

Can you specify the savings realized to account for this excess of DMV funds? Why is this money not being reinvested in MVC needs?

The MVC continues to monitor programs and related expenditures for operational efficiencies and potential savings. To highlight some of the largest savings, in FY2009, the Commission enacted reductions that included, but were not limited to, the standardization of purchasing processes, elimination of positions, closing motor vehicle agencies, lengthening the vehicle replacement cycle, and reducing overtime. These actions resulted in savings of \$25.750 million. In addition, \$5.638 million was allocated as inter-departmental property rental charges for the Trenton Office Complex.

In addition, there were revenue diversions to the General Fund that totaled \$17.791 million based on surplus revenues after all of the MVC’s operational needs were met.

Please let me know if you, or the members of the Assembly Budget Committee, have any questions regarding this information.

Sincerely,

Raymond P. Martinez
Chairman and Chief Administrator

RPM/CH/rmg
Attachments

c: Jeanne D. Ashmore, Deputy Chief Administrator, MVC
Katharine A. Tasch, Deputy Administrator, Legal and Legislative Affairs, MVC
Richard J. Miller, Deputy Administrator of Finance and Administration, MVC
Selika Gore, Deputy Administrator of Operations, MVC
Carol Hollows, Director, Financial Management MVC

Population of Organ Donors from 2012 to 2014



Monthly Wait Time Averages by Region

