

**Fiscal Year 2021 Revised Budget Proposal**  
**Questions for the Motor Vehicles Commission**

**New Jersey Motor Vehicle Commission**

*Revenues –*

- When comparing the FY 2020 and 2021 revenues from the February GBM to the current revenue data, it appears that all but \$8 million of reduced FY 2020 revenue has simply shifted forward to FY 2021, is this an accurate way to interpret the shifts in FY 2020 and 2021 revenues? What is the source of the \$8 million in lost FY 2020 that will not be recovered in FY 2021?

**Answer:** The \$8 million was transferred to the General Fund in August after the close of the fiscal year.

*REAL ID/Standard licenses and IDs (P.L.2019, c.271)*

- What was the FY 2020 cost of MVC initiatives to implement REAL ID, including additional temporary staffing, public outreach, marketing, etc.? How much of those costs were only for FY 2020 and how many will be recurring in FY 2021 and beyond?

**Answer:** For FY 2020, MVC expended \$3,398,592 in overall non-salary costs relative to REAL ID Readiness initiatives. For FY 2021 and beyond, MVC has budgeted \$1.4 million for temporary IT consulting services that will entail development of REAL ID Readiness Enhancements.

- How many people have obtained REAL IDs? What are the forward looking projections for REAL ID? How many will seek upgrades to REAL ID, How many will wait until license expiration to upgrade, and how many will choose to maintain a non-REAL ID?

**Answer:** As of September 6, we have issued 70,362 REAL IDs. There is no way to know what percentage of drivers will opt to get a REAL ID, or when.

- What steps has the MVC taken to prepare for issuing standard driver's licenses and identification cards that do not require proof of lawful presence in the United States?

**Answer:** MVC has posted draft regulations, partnered with the Office of New Americans (ONA) for outreach to community groups and consulates as well as ONAs from other states, and distributed Spanish-language driver manuals.

- How much has it cost the MVC to take these steps?

**Answer:** Over the past 15 months, the MVC has upgraded IT hardware and software in support of Agency operations. To date, there have been no direct costs incurred for the issuing standard driver's licenses and identification cards for those individuals who do not require proof of lawful status.

- What is the current increase in revenue expected from these driver's licenses?

**Answer:** The MVC estimated the impact on permits and driver's license revenues over a three-year period. Our preliminary estimates reflect 187,000 status neutral residents would apply for a permit and obtain a driver's license. We estimate an increase of \$6.4 million in permit and driver's licenses fees over a three-year period.

- This law also prohibits the MVC from sharing information about drivers with federal authorities concerning immigration. What safeguards and protocols are in place for this purpose and at what cost?

**Answer:** The existing Driver's Privacy Protection Act (DPPA) prevents sharing of information for anything other than a permitted purpose. For clarity, we have added language prohibiting use of motor vehicle information for immigration enforcement.

#### *Pandemic Shutdown and Online Transactions*

- How much has it cost the MVC to newly make services available online since the COVID public health crisis and what are those services?

**Answer:** The MVC utilized existing software development staff to make new services available Online, including:

#### Registration Renewal and Duplicates

Code 11	Commercial Truck or Trailer
Code 16	Commercial Vehicle Aggregate (Haulers)
Code 9	Commuter Van
Code 19	Four (4) Year Commercial Trailer
Code 20	Bogey
Code 21	One (1) Year Commercial Trailer
Code 24	Commercial Motorcycle
Code 25	Low Speed Vehicle
Code 61	Moped
Code 87	Snowmobile/Resident
Code 88	Snowmobile/Non-Resident (effective 3/1/2014 two yr. reg issued)
Code 89	ATV/Resident

Code 90	ATV/Non-Resident (effective 3/1/2014 two yr. reg issued)
Code 91	Dirt Bike/Resident
Code 92	Dirt Bike/Non-Resident (effective 3/1/2014 two yr. reg issued)
Code 99	Farm Labor Transport
Code 12	Government Registration (No Fee)
Code 64	Historic Vehicle
Code 73	Blind or Disabled

### Driver's License and Identifications

Online Graduated Driver's License Upgrade  
 Online Temporary Visa Restriction Duplicates  
 12 Year Photo Reuse and Over 65 Permanent Reuse Changes

- What are the MVC's per transaction costs to provide each of its online services compared to the cost in agency?

**Answer:** The MVC does not track individual per transaction costs between online and Agencies.

- What aggregate savings have been realized from conducting transactions online, and what are future projections of the split between in-person and online activity for each major transaction type?

**Answer:** See above

### *Pandemic Shutdown and Transaction Backlog*

- What is the cost of temporary initiatives since July to address the backlog of transactions that developed due to COVID? When is it expected that the backlog will be fully resolved?

**Answer:** The MVC incurred Enhanced Digital Driver's License equipment relocation costs of \$93,952 to establish the Licensing Centers.

We have stepped away from quantifying the backlog, because our initial calculations assumed that 2020 transactions should be about the same as 2019. However, our demand is very skewed. For example, there has been an unusual spike in private used-car purchases that require in-person visits. We also did not see the 60,000 road tests we expected based on 2019, so that demand was actually lower. What we know is that we want to be doing significantly more transactions per week than we did a year ago, and that's the path we're on.

- What metrics is the MVC using to determine when the backlog is resolved? What will be the triggers for scaling back or eliminating various temporary measures put in place to resolve the backlog?

**Answer:** We are constantly assessing our volume and demand. At this time, other than social

distancing inside the agency, all the measures we have taken have improved efficiency and there are no current plans to scale back or eliminate those measures.

- MVC public messaging recently has emphasized that backlogs for some services are largely resolved and that an individual can receive service same day by getting a ticket in the morning and being texted as their slot in line opens. Despite this, there is also regular daily reporting in the media with photos of significant lines outside of agencies each morning waiting hours before an agency opening to obtain tickets. To what does the MVC attribute these significant lines, given the ability to receive same day service, and what other measures might the agency take if its current messaging seems to be proving ineffective at reducing early arrivals and line waiting?

**Answer:** Social distancing measures implemented in response to COVID-19 has reduced our indoor capacity. A “normal” number of people waiting at MVC in COVID times now appears as dozens in line outside the facility, due to social distancing requirements.

Our primary strategies are: reducing the number of people who have to conduct their business in person; improving efficiencies in transaction processing; and checking people in without requiring them to stand in line.

*A-4486 (2020-2021)*

- The MVC may use a stored photograph to renew a driver’s license and identification card for two consecutive four-year renewal periods for a total of 12 years. How will this photograph extension decrease the MVC’s service backlog?

**Answer:** This extension is estimated to reduce the number of people required to visit a Licensing Center by 220,000 between now and December 31, 2020.

- If a stored photograph is used to renew a license or identification card, does the MVC need to continue to collect the digitized picture fee for a reused picture?

**Answer:** The MVC needs to continue collecting the digitized fee. The MVC’s share of the \$18 base driver’s license fee is \$6.73 per driver’s license. The \$6.73 driver’s license base and \$6 digitized picture fee supports administrative and operational costs to process enhanced digital driver’s licenses, including costs to store photo files and to print licenses with photos. The MVC averages over 1.4 million driver’s license renewals each year. By eliminating the photo fee for renewals, the MVC would lose an estimated \$8.5 million in operating revenues each fiscal year that would be used on administrative costs, equipment, image enhancements, and photo storage.

- What is the magnitude of projected cost savings from taking pictures less frequently? Will this result in agencies maintaining fewer photo stations at agencies when the current equipment needs to be replaced?

**Answer:** Commercial Driver Licenses, Out of State transfers, REAL ID, and all new licenses and

permits will continue to require cameras. In particular, REAL ID and status-neutral licensing initiatives will increase the number of photos required in FY21 and FY22.

- How will maintaining special service hours for seniors and high risk individuals impact the current service backlog?

**Answer:** Now that renewals are offered online, the special service hours will only be required for private sales of used cars and out-of-state transfers. At this time the impact on the backlog is unknown.

#### *Voter Registration*

- There were media reports of issues earlier in the year concerning individuals registering to vote through the MVC, in one case with a significant surge in registrations for minor third parties that appears to have been a computer issue and reports of new voters who registered through the MVC not receiving vote by mail ballots and being told they were not registered. Has the source of these issues been identified? Can the MVC affirm that the registration system is currently working accurately?

**Answer:** The voter registration system is working appropriately. All voter registrations were properly provided to Elections officials, and no one was registered to a political party that they did not actively select on the signature pad.

The Division of Elections and the MVC have agreed to new language for the signature pads (adding “None” to each page instead of “Unaffiliated”) in order to reduce the confusion that led to selection of inactive parties. Of note, people registering for a defunct party does not affect their ability to vote in the upcoming general election.

#### *Computer Systems*

- Since the advent of the MATRX program, the MVC has been annually working on what continues to be an outdated and inefficient computer architecture. In recent years the demands of REAL ID and now online transaction capability have shifted the focus of the MVC on technology issues from the overall system down to specific essential business functions. Now that some of those immediate needs have been addressed, where does that leave the MVC and the more general concerns about the underlying agency IT infrastructure?

**Answer:** Thanks to system upgrades over the past 18 months, our current system integrates cloud-based and other agile systems with a mainframe that provides the maximum security for our customers’ information. While continual updating is essential in the modern IT environment, our current system architecture is reliable, efficient, and secure.

- What are the current IT priorities of the agency and what the costs of those projects? Will many of them be led in-house with support as needed or will outside consultants lead these projects?

**Answer:** See above

- When does the MVC believe that it will have all of its systems transitioned away from COBOL?

**Answer:** See above