

MDOT RESPONSE TO DLS ANALYSIS

Efficient and Effective Business Practices (Page 6)

- 1. DLS recommends that MVA comment on how the \$16.00 average cost per transaction goal was set. Further MVA should comment on what is being done to reduce the average cost per transaction to \$16.00 or less and to reliably maintain this average cost per transaction.**

MDOT Response:

In FY 2015, MDOT MVA established a goal of \$16.00 for cost per transaction, a reduction from the existing cost per transaction which was \$16.42. During this period, administrative costs represented 41% of the budget. MVA has actively engaged in efforts to reduce the overall cost per transaction, which has resulted in a reduction in administrative costs from 41% of the budget in FY 2015 to 38% in FY 2017. The reduction in administrative costs, however, are not enough to offset increased employee health care and pension costs that have been experienced during that same timeframe. As a result, the cost per transaction in FY 2017 was \$16.87. MDOT MVA will continue to look for costs saving measures to reach the cost per transaction goal.

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Exemplary Customer Service (Page 8)

2. **DLS recommends that MVA lower the goals for the average customer wait time and visit time to less than 25 and 40 minutes, respectively. Further, DLS recommends that MVA separate the tracking and reporting of ASD transactions and non-ASD transactions for the average customer wait time and visit time MFR data.**

MDOT Response:

On an annual basis, MDOT MVA analyzes trends in customer transactions to project average customer wait time and visit time at local branch offices.

In FY 2018, the wait time goal is 14.8 minutes and the customer visit time goal is 24.3 minutes. The wait time and visit time goals reflect the experience of walk-in customers who require assistance from a customer agent at the counter to complete their transaction. Customer activity is tracked through an electronic system that allows us to measure the time a customer arrives in the building through the time their transaction has been completed. The ASD (Alternative Service Delivery) transactions, in contrast, are conducted by customers using the web, telephone and the Kiosk and, therefore, are not included in the wait time and visit time calculation.

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Update on Use of Contractual Personnel (Page 11)

3. **DLS renews its recommendation as to IISP MVA comment on why it has not hired permanent positions for these efforts. Additionally, MVA should comment on what has been accomplished since the 2017 legislative session to implement Noah’s Law as well as the continued need for additional contractual support to manage the implementation effort. Finally, MVA should comment on any business process improvements that may reduce reliance on contractual FTEs and allow for compliant operation of IISP with no or minimal increase in permanent staff.**

MDOT Response:

Contractual positions were requested in FY 2017 because Noah’s Law was a new requirement for MDOT MVA and the Administration needed to assess the flow of customers into the program before requesting permanent positions. At this time, MDOT MVA has determined that it is not necessary to add permanent staff and will continue to assess program activity regarding staffing requirements.

The IISP participation increased by 10% from FY 2016 to FY 2017 with the implementation of Noah’s Law. The number of first time IISP participants has grown over 25% from FY 2016 to FY 2017. Monthly participation continues to increase as customers choose to enter the program rather than taking an increased suspension period. The most recent FY reporting quarters reflect a 17% increase for Q4 FY 2017 and a 20% increase for Q1 FY 2018 of active participants in the IISP.

MDOT MVA has a fully automated IISP to track customers enrolled in the program which has helped us to minimize the impact on staff resources.

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DLS Budget Analysis Issues

1. Regulatory Changes to Vehicle Emissions Inspection Program Impact Transportation Trust Fund Revenue (Page 18)

DLS recommends that MVA comment on its ability to manage sustainable contributions to the TTF with minimal impact on customer service or the average cost per transaction.

MDOT Response:

The amount MDOT MVA contributes to the Transportation Trust Fund (TTF) fluctuates from year to year, and is largely based on car sales. MDOT MVA gross revenue has increased from \$1.7 billion in FY 2016 to \$1.75 billion in FY 2017.

The change in the VEIP regulations, allowing for an additional year exemption for newer model vehicles, will have a positive effect on customer service and have minimal, if any, impact on air quality. MDOT MVA is confident we will continue to make contributions to the TTF without negative impact to customer service and cost per transaction.

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DLS Budget Analysis Issues (continues)

2. Current Law Unclear as to Treatment of VEIP Fees (Page 19)

DLS recommends that the General Assembly consider legislation to clarify the treatment of VEIP fees and whether these count toward the MVA cost recovery established under § 12-120 of the Transportation Article.

MDOT Response:

VEIP fees have never been included as part of the Cost Recovery calculation but if the legislature were to modify that calculation to include VEIP fees it could cause the MDOT MVA to exceed the cost recovery calculation, without additional adjustments.

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Operating Budget Recommended Actions

- 1. Concur with Governor's Allowance**

MDOT Response:

The MDOT MVA concurs with the DLS recommendation.

PAYGO Capital Budget Recommended Actions

- 2. Concur with Governor's Allowance**

MDOT Response:

The MDOT MVA concurs with the DLS recommendation.