

**J00E00 Maryland Department of Transportation
Motor Vehicle Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Chair Shelly Hettleman
February 27, 2026

House Appropriations Committee
Transportation and the Environment Subcommittee
Chair Courtney Watson
March 2, 2026

**J00E00 MDOT – Motor Vehicle Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis

1. Efficient Management Practices (Page 5)

MVA should explain why the average cost per transaction increased in fiscal 2025.

MDOT Response:

We regret to report that there was an error in MDOT’s FY 2027 Managing for Results Strategic Plan for this performance measure. The error has been corrected and a revised version is available online: https://dbm.maryland.gov/Documents/MFR_documents/2027/Maryland-Department-of-Transportation-MFR.pdf.

The correct figures are listed below:

FY 2023 Actual:	\$15.54
FY 2024 Actual:	\$16.84
FY 2025 Actual:	\$16.95
FY 2026 Estimated:	\$16.64
FY 2027 Estimated:	\$16.52

The average cost per transaction is calculated based on the number of transactions and MVA’s operating expenditures. The average cost per transaction increased from \$16.84 in FY 2024 to \$16.95 in FY 2025, representing an increase of 0.65% year over year. Minor variations may occur from year to year as the number of transactions changes and operating expenses increase due to statewide salary actions and the impact of inflation on postage, contracts, and materials. MVA continues to implement system modernization, integration, and efficiencies to identify ways to increase efficiency, internally and for customers.

2. Exemplary Customer Service (Page 6)

MVA should explain why customer visit time increased in fiscal 2025.

MDOT Response:

The total visit time includes wait time, transaction time and session time. While wait time and transaction time are direct indicators of the MVA efficiency and operational performance, session time includes transactions completed at the customers’ own pace. For example, session time includes law knowledge testing and driver skills test transactions.

**J00E00 MDOT – Motor Vehicle Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

Between FY 2024 and FY 2025, the average session time increased by 1.56 minutes, contributing to the overall increase in total visit time. In recent years, the MVA has encouraged customer agents in branch offices to resolve all customer needs during a single visit. Although addressing multiple transactions in a single visit may increase session duration, this approach reduces the need for repeat visits and provides the customer with a more premier experience.

3. FY 2026 – Proposed Deficiency (Page 7)

MVA should explain the need for this proposed deficiency.

MDOT Response:

The largest shortfall charges are related to credit card processing fees (\$801,624) and postage fees (\$435,950). Credit card processing fees are calculated based on a percentage of transaction cost. The increase in credit card processing fees were largely driven by higher transaction totals. Since July 2024, the MVA has adjusted vehicle registration fees, title fees, emissions inspection fees, miscellaneous service fees, and implemented a new electric vehicle and plug-in hybrid surcharge. In FY 2024, the MVA's total amount of transactions paid by credit cards was \$491 million and in FY 2025, the total amount of transaction amounts increased to \$631 million, which subsequently increased processing fees. The postage, branch security, and vehicle plate/ID requests are due to increased material and service costs to the MVA.

**J00E00 MDOT – Motor Vehicle Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis**

Operating Budget Recommended Actions

1. Concur with Governor's allowance. (Page 14)

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance. (Page 14)

MDOT Response:

The Department concurs with the DLS recommendation.