



**NEVADA DEPARTMENT
OF MOTOR VEHICLES**

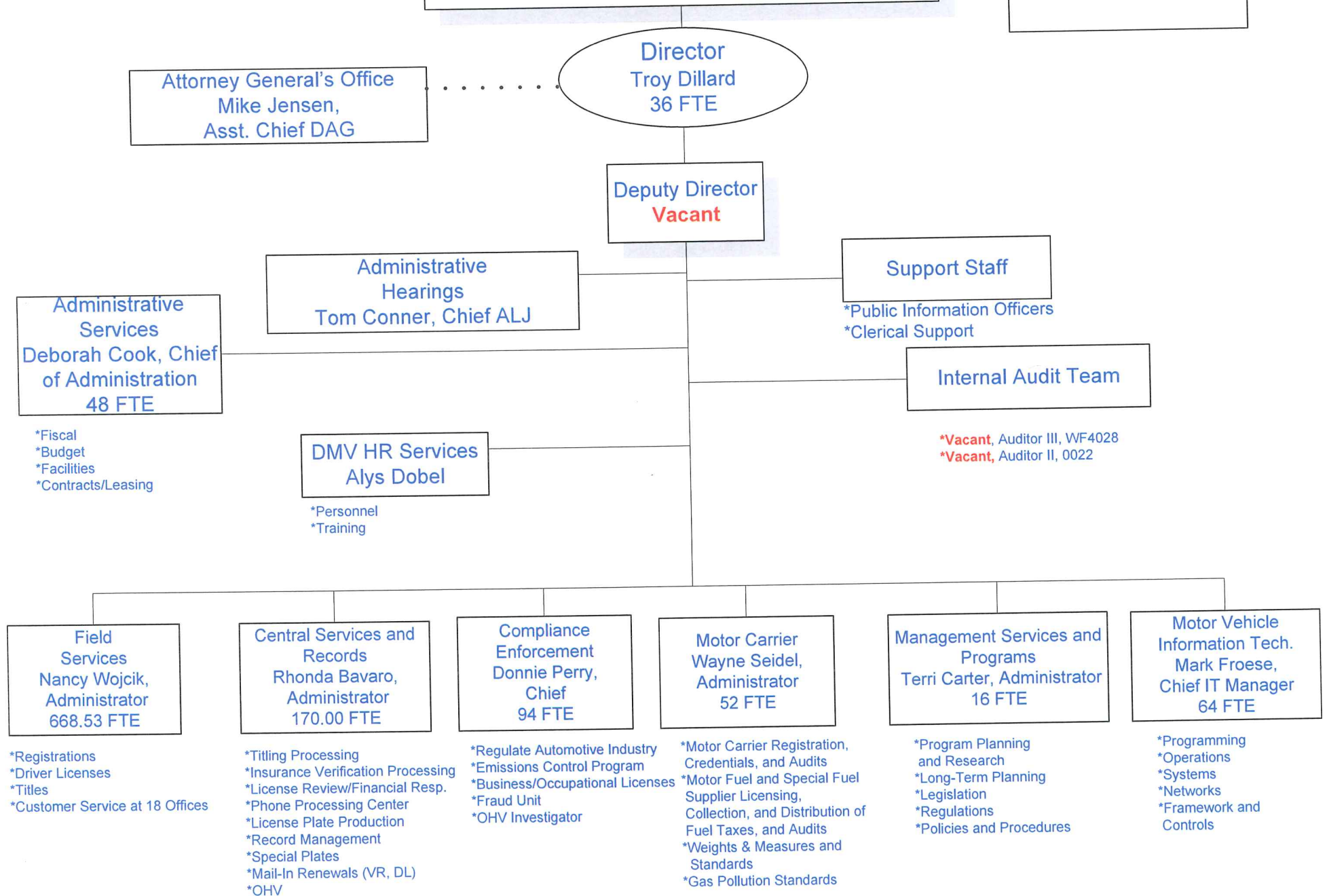
**BUDGET OVERVIEW
PRESENTED TO**

**Senate Finance
&
Assembly Ways and Means**

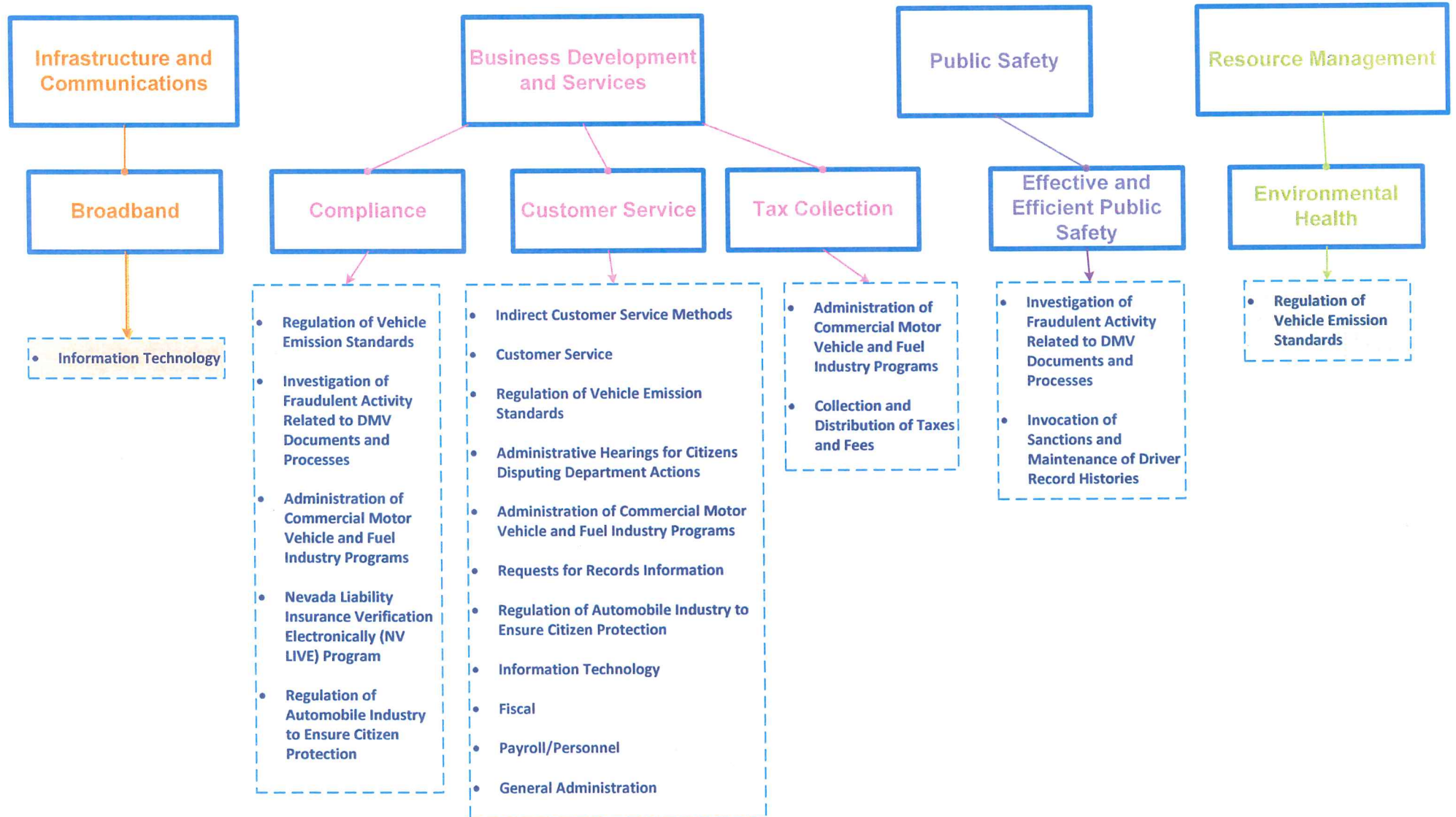
January 28, 2013

Department of Motor Vehicles

1148.53 Total FTE
18 Offices Statewide



Nevada Department of Motor Vehicles PPBB



Nevada Department of Motor Vehicles

Budget Request by Activity

Activity	Budget Request by Activity			
	FY14	Percent of Total	FY15	Percent of Total
Customer Service	\$51,973,638	44%	\$53,674,993	45%
Indirect Customer Service Methods	\$10,936,772	9%	\$11,680,984	10%
Information Technology	\$10,169,887	9%	\$9,809,189	8%
Nevada Liability Insurance Verification (NV LIVE) Program	\$8,351,318	7%	\$8,353,332	7%
Regulation of Vehicle Emission Standards	\$8,020,265	7%	\$8,157,913	7%
Requests for Records Information	\$7,714,234	7%	\$7,466,151	6%
Regulation of Automobile Industry to Ensure Citizen Protection	\$3,975,270	3%	\$4,112,893	3%
Administration of Commercial Motor Vehicle and Fuel Industry Programs	\$3,907,142	3%	\$4,089,563	3%
General Administration	\$3,381,452	3%	\$3,379,183	3%
Invocation of Sanctions and Maintenance of Driver Record Histories	\$2,087,184	2%	\$2,170,089	2%
Collection and Distribution of Taxes and Fees	\$1,712,754	1%	\$1,785,732	1%
Payroll/Personnel	\$1,453,147	1%	\$1,511,807	1%
Investigation of Fraudulent Activity Related to DMV Documents and Processes	\$1,423,225	1%	\$1,410,279	1%
Administrative Hearings for Citizens Disputing Department Actions	\$1,221,146	1%	\$1,242,157	1%
Fiscal	\$734,646	1%	\$760,596	1%
Totals:	\$117,062,080	100%	\$119,604,861	100%

Nevada Department of Motor Vehicles Goals

Deliver progressive and responsive service to our customers.

Provide continuous, innovative and secure technology services to internal and external customers.

Provide timely and accurate revenue collections and distributions which fund Nevada's services and infrastructure.

Recruit, train and maintain a ready and capable workforce.

Regulate businesses, protect the public against fraud and unfair business practices and ensure compliance with environmental mandates.

Provide critical support and services for the administration of the Department.

DMV GOALS

2013-2015 Biennium

1. Deliver progressive and responsive service to our customers.
 - a) Increase customer use of alternate technology resources i.e. web-services, kiosk, mobile devices, etc.
 - b) Increase the number of new transaction types available via alternate technology resources.
 - c) Increase the number of available mobile platforms through which DMV services are available.
 - d) Provide timely and accurate data entry.
 - e) Monitor and increase customer satisfaction through on line survey, responses, complaint resolution statistics and in-office comment cards/letter submissions.
2. Provide continuous, innovative and secure technology services to internal and external customers.
 - a) Streamline transactions
 - b) Identify and correct DMV system security deficiencies and threats.
 - c) Implement My DMV web portal to allow customers to self-manage their DMV records and accounts online.
 - d) Completion of prioritized IT projects.
 - e) Modernize the IT infrastructure.
3. Provide timely and accurate revenue collections and distributions which fund Nevada's services and infrastructure.
 - a) Ensure proper classification of revenues collected.
 - b) Ensure timely distribution of revenues collected.
 - c) Increase the amount of delinquent revenues collected.
 - d) Ensure compliance with state and federally mandated programs.
 - e) Complete annual audits of high risk fuel suppliers and on all accounts with taxable sales within a four year cycle.
4. Recruit, train and maintain a ready and capable workforce.
 - a) Reduce the vacancy rate.

- b) Increase the retention of current workforce.
- c) Reduce the recruitment/training time to produce productive technicians for Field Service Offices.
- d) Ensure the Department remains current and in compliance with all mandatory training requirements.

5. Regulate businesses, protect the public against fraud and unfair business practices and ensure compliance with environmental mandates.

- a) Audit businesses based on at risk and state and federal mandates.
- b) Prioritize complaints and provide timely responses.
- c) Enhance business education.
- d) Reduce the instances of fraud.
- e) Monitor the number of violations with sustained outcomes for quality purposes.

6. Provide critical support and services for the administration of the Department.

- a) Improve building security.
- b) Provide timely and accurate distribution of information to the public and employees.
- c) Complete service requests within customer specifications, satisfaction and within specified or established timeframes.
- d) Manage and implement departmental projects within the number of estimated hours.
- e) Complete departmental risk assessments and performance audits within statutory timeframes to ensure accuracy and compliance.
- f) Create, produce and distribute Nevada license plates.
- g) Provide timely and accurate budget, purchasing and accounting support.
- h) Ensure hearing decisions are mailed within statutory timeframes.
- i) Conduct implied consent hearings within fifteen days of request.
- j) Reduce the number of dismissed implied consent hearings due to witness non-appearances.
- k) Ensure program policies and procedures are current.
- l) Ensure regulations are drafted and heard within mandated or required time frames.

Projected Highway Fund Revenues

The department's revenues flattened out during the 2011 – 2013 biennium in comparison to the declines in the previous biennium during the height of the economic downturn. As the State's economic forecast is not reflective of a rapid or robust expansion, particularly in the housing and construction markets, and existing department revenues continue to be flat, our revenue projections reflect continuing that trend throughout the 2013 – 2015 biennium.

This trend leaves little to highlight; however the revenues generated by the insurance verification program (NvLive) have increased drastically due to the tiered lapse bill (SB323) passed by the legislature last session. We anticipate these revenues will decrease through achieving compliance, but currently there is not enough data to make accurate projections for this revenue stream. Due to these circumstances, we will be updating these revenue projections with LCB fiscal staff during budget closings when more data is available to assist in making a more accurate projection.

In addition, the revenues we receive for record information sales have been steadily declining. Customers are able to retrieve this information through centralized data bases rather than going to each individual state for this information. Therefore, we are projecting a continuing decline in this revenue stream based on its historical performance.

DEPARTMENT OF MOTOR VEHICLES PROJECTED REVENUES AS OF 11/30/12

	ACTUAL FY-2012	PROJECTED FY-2013	PROJECTED FY-2014	PROJECTED FY-2015
<u>REGISTRATION PROGRAM</u>				
REGISTRATION FEES	\$76,325,034	\$77,404,916	\$77,176,970	\$77,176,970
TITLE FEES	12,371,888	13,652,669	13,652,669	13,652,669
INSPECTION, APPRAISALS	103,130	107,983	107,983	107,983
SPECIAL PLATE RENEWALS	1,852,489	1,884,280	1,884,280	1,884,280
PERSONALIZED PLATE ORIGINALS	1,035,504	1,214,624	1,214,624	1,214,624
PERSONALIZED PLATE RENEWALS	3,117,450	3,153,319	3,153,319	3,153,319
REGISTRATION MISCELLANEOUS	3,274,002	3,464,229	3,464,229	3,464,229
TOTAL REGISTRATION	\$98,079,498	\$100,882,020	\$100,654,074	\$100,654,074
<u>OCCUPATIONAL/BUSINESS LICENSING</u>				
BUSINESS LICENSING	\$838,389	\$835,114	\$835,114	\$835,114
OCCUPATIONAL LICENSING	261,424	367,782	367,782	367,782
TOTAL OCCUPATIONAL LICENSING	\$1,099,813	\$1,202,896	\$1,202,896	\$1,202,896
<u>DRIVERS LICENSE</u>				
DRIVERS LICENSE - ORIGINAL	\$2,062,338	\$2,502,493	\$2,502,493	\$2,502,493
DRIVERS LICENSE - RENEWALS	6,732,668	6,461,770	6,461,770	6,461,770
DRIVER PERMIT	1,041,705	979,344	979,344	979,344
DRIVER LICENSE EXAMINATIONS	3,343,819	3,460,474	3,460,474	3,460,474
COMMERCIAL DRIVER LICENSE - ORIGINAL	180,355	205,086	205,086	205,086
COMMERCIAL DRIVER LICENSE - RENEWAL	742,574	610,280	610,280	610,280
COMMERCIAL DRIVER PERMITS	236,503	263,791	263,791	263,791
COMMERCIAL DRIVER LICENSE EXAMINATIONS	20,381	26,294	26,294	26,294
IDENTIFICATION CARDS ORIGINALS	533,494	592,170	592,170	592,170
IDENTIFICATION CARDS RENEWALS	355,644	355,810	355,810	355,810
DRIVER LICENSE MISCELLANEOUS	133,957	125,093	125,093	125,093
DRIVER PENALTIES & REINSTATEMENTS	3,530,813	3,352,892	3,352,892	3,352,892
COMMERCIAL DRIVER PENALTIES & REINSTATEMENTS	99,486	99,303	99,303	99,303
TOTAL DRIVER LICENSE	\$19,013,737	\$19,034,800	\$19,034,800	\$19,034,800
<u>MOTOR CARRIER</u>				
SPECIAL FUEL	\$79,198,126	\$77,024,759	\$77,024,759	\$77,024,759
MOTOR FUELS GASOLINE TAX	185,171,285	184,612,655	184,612,655	184,612,655
MOTOR CARRIER REGISTRATION FEES	27,837,159	29,954,097	29,954,097	29,954,097
MOTOR CARRIER TITLE FEES	56,557	73,332	73,332	73,332
INSPECTION FEES	1,560	2,003	2,003	2,003
TEMPORARY PERMITS	2,064,589	1,926,893	1,926,893	1,926,893
OVERWEIGHT & LENGTH PERMITS	5,756,747	5,212,099	5,212,099	5,212,099
MOTOR CARRIER PENALTIES & INTEREST	2,813,623	1,050,608	1,050,608	1,050,608
MOTOR CARRIER MISCELLANEOUS	11,960	3,708	3,708	3,708
TOTAL MOTOR CARRIER	\$302,911,605	\$299,860,154	\$299,860,154	\$299,860,154

DEPARTMENT OF MOTOR VEHICLES PROJECTED REVENUES AS OF 11/30/12

	ACTUAL FY-2012	PROJECTED FY-2013	PROJECTED FY-2014	PROJECTED FY-2015
<u>OTHER HIGHWAY FUND</u>				
ADMINISTRATIVE SERVICES	\$334,102	\$473,760	\$473,760	\$473,760
ADMINISTRATIVE SERVICES-HIGHWAY FUNDS	48,385	30,196	30,196	30,196
TOTAL OTHER HIGHWAY FUND	\$382,487	\$503,956	\$503,956	\$503,956
 TOTAL HIGHWAY FUND REVENUES	 \$421,487,140	 \$421,483,826	 \$421,255,880	 \$421,255,880
 <u>TAXES</u>				
BASIC GOV. SERVICES TAX - REGISTRATION	\$202,874,351	\$204,575,759	\$204,575,759	\$204,575,759
BASIC GOV. SERVICES TAX - MOTOR CARRIER	11,773,460	11,463,878	11,463,878	11,463,878
NET BASIC GOV SERVICES TAX	\$214,647,811	\$216,039,637	\$216,039,637	\$216,039,637
SUPPLEMENTAL GST - REGISTRATION	\$45,963,853	\$46,458,118	\$46,458,118	\$46,458,118
SUPPLEMENTAL GST - MOTOR CARRIER	557,448	573,307	573,307	573,307
NET SUPPLEMENTAL GOV. SERVICES TAX	\$46,521,301	\$47,031,425	\$47,031,425	\$47,031,425
NET FULL SALES TAX	\$25,319,904	\$29,749,266	\$29,749,266	\$29,749,266
NET OCCASIONAL SALES TAX	\$1,176	\$458	\$0	\$0
 <u>MOTOR CARRIER PROGRAM</u>				
MOTOR FUELS - JET	\$11,502,837	\$16,045,307	\$16,045,307	\$16,045,307
MOTOR FUELS - AVIATION C.A.P.	36,700	32,068	32,068	32,068
MOTOR FUELS - AVIATION OPTION	21,274	18,373	18,373	18,373
MOTOR FUELS - COUNTY	183,083,519	189,747,760	189,747,760	189,747,760
TOTAL MOTOR CARRIER PROGRAM	\$194,644,330	\$205,843,508	\$205,843,508	\$205,843,508
 <u>EMISSION CONTROL ACCOUNT</u>				
STATION LICENSING	\$11,450	\$11,900	\$11,900	\$11,900
STATION SIGNS	84	-	0	-
INSPECTOR FEES	28,632	30,649	30,649	30,649
DIESEL EMISSIONS CERTIFICATES	213,798	217,045	217,045	217,045
GASOLINE EMISSION CERTIFICATES	8,874,934	9,069,064	9,069,064	9,069,064
EMISSION ADMINISTRATIVE FEES	19,068	15,023	15,023	15,023
TOTAL EMISSION CONTROL	\$9,147,966	\$9,343,681	\$9,343,681	\$9,343,681

DEPARTMENT OF MOTOR VEHICLES PROJECTED REVENUES AS OF 11/30/12

	ACTUAL FY-2012	PROJECTED FY-2013	PROJECTED FY-2014	PROJECTED FY-2015
<u>OTHER MOTOR VEHICLE FUND REVENUE</u>				
STATE GENERAL FUND ALLOCATION	\$62,358,154	\$62,835,402	\$62,835,402	\$62,835,402
REGISTRATION SALES TAX COMMISSIONS	516,757	607,160	607,160	607,160
REGISTRATION GOVERNMENTAL SERVICES TAX	19,583,220	19,765,191	19,765,191	19,765,191
MOTOR CARRIER GOVERNMENTAL SERVICES TAX	915,714	915,343	915,343	915,343
GAS TAX OPTION ADMIN "A" FEE COMMISSION	462,766	456,294	329,960	335,600
GAS TAX OPTION ADMIN "B" FEE COMMISSION	137,217	138,825	141,411	143,828
GAS TAX OPTION ADMIN "C"/CPI-FEE COMMISSION	43,761	43,761	43,761	43,761
GAS TAX OPTION ADMIN "C"/PPI-FEE COMMISSION	155,652	197,567	239,483	281,399
GAS TAX OPTION ADMIN "D" COMMISSION	6,774	6,774	6,774	6,774
GAS TAX OPTION ADMIN "E" COMMISSION	48,073	60,629	73,184	85,740
SUPPLIER AUDIT REIMBURSEMENT	32,864	-	-	-
NV LIVE REINSTATEMENT FEES	12,277,493	8,225,920	8,225,920	8,225,920
OFF HIGHWAY VEHICLE FEES	-	233,023	233,023	233,023
OHV COMMISSION FEES	-	20,268	20,268	20,268
DRIVER LICENSE DIGITIZED PHOTO FEES	2,832,387	2,886,321	2,886,321	2,886,321
DONATIONS TO THE HOMELESS FUND	-	50	50	50
FINGERPRINT FEES	107,175	104,465	104,465	104,465
FINGERPRINT FEES - PERSONNEL	6,578	6,578	6,578	6,578
SALVAGE TITLE FEES	230,763	241,657	241,657	241,657
COUNTY ASSESSOR FEES	66,294	63,651	63,651	63,651
MOTOR VEHICLE RECORDS SECTION	8,085,192	7,815,955	7,555,684	7,304,080
MOTOR VEHICLE RECORDS SECTION - DP	559,040	689,002	689,002	689,002
KIOSK FEES	535,650	1,446,024	1,680,122	1,814,532
MOTORCYCLE SAFETY FEES	411,375	425,473	425,473	425,473
PRISON INDUSTRY FEE	495,736	542,981	542,981	542,981
LAKE TAHOE PLATE FUND	370,128	369,642	369,642	369,642
UNLV PLATE FUND	92,991	107,985	107,985	107,985
UNR PLATE FUND	165,571	177,801	177,801	177,801
VETERAN PLATE FUND	514,803	567,301	567,301	567,301
VETERANS HOME DONATIONS	815	1,588	1,588	1,588
HIGHWAY AND SAFETY FUND - DOT 35%	253,689	250,198	250,198	250,198
VICTIM'S COMPENSATION FEES	285,251	269,846	269,846	269,846
MISSING/EXPLOITED CHILDREN PLATE FUND	42,833	42,052	42,052	42,052
GOVERNMENTAL SERVICES TAX PENALTIES	4,179,464	4,074,856	4,074,856	4,074,856
SPECIAL PLATE FEES	1,565,446	1,967,859	1,967,859	1,967,859
ASSESSOR GOVERNMENTAL SERVICES TAX COMM	151,742	140,034	140,034	140,034
DRS PLACARDS	27,401	33,809	33,809	33,809
REPORT OF SALES	4,192,504	4,668,251	4,668,251	4,668,251
SUBSTITUTE PLATE AND DECAL FEES	-	-	227,946	227,946
CHILDREN IN THE ARTS PLATE FUND	57,521	57,892	57,892	57,892
LV VALLEY WATER DISTRICT PLATE FUND	20,605	20,197	20,197	20,197
AGRICULTURE/FFA PLATE FUND	30,097	31,384	31,384	31,384
PROFESSIONAL FIRE FIGHTER PLATE FUND	60,358	60,138	60,138	60,138
ANATOMICAL GIFT DONATION	77,582	65,936	65,936	65,936
ANIMAL APPRECIATION PLATE FUND	50,686	51,258	51,258	51,258
RODEO PLATE FUND	142,013	140,440	140,440	140,440
LV COMMEMORATIVE PLATE FUND	1,743,808	1,802,176	1,802,176	1,802,176
VOLUNTEER FIRE FIGHTER PLATE FUND	11,736	12,070	12,070	12,070
MOTOR CARRIER CLEAN UP FEES	12,718,764	12,693,623	12,693,623	12,693,623

**DEPARTMENT OF MOTOR VEHICLES
PROJECTED REVENUES AS OF 11/30/12**

	ACTUAL FY-2012	PROJECTED FY-2013	PROJECTED FY-2014	PROJECTED FY-2015
PETROLEUM PRODUCTION INSPECTIONS	670,652	670,652	670,652	670,652
MARINA DEVELOPMENT GAS TAX	1,394,041	1,329,357	1,329,357	1,329,357
DEPARTMENT OF WILDLIFE	1,394,041	1,329,357	1,329,357	1,329,357
MOUNT CHARLESTON PLATE FUND	58,112	60,328	60,328	60,328
UNITED WE STAND PLATE FUND	369,152	363,809	363,809	363,809
LAS VEGAS FEDERAL LANDS PLATE FUND	9,546	9,219	9,219	9,219
PYRAMID LAKE PLATE FUND	66,515	64,666	64,666	64,666
VIRGINIA & TRUCKEE RAILROAD PLATE FUND	29,245	27,271	27,271	27,271
ORGAN DONATION PLATE FUND	22,329	23,445	23,445	23,445
DUCKS UNLIMITED PLATE FUND	6,020	5,202	5,202	5,202
NATURALIZED CITIZEN PLATE FUND	62,647	59,180	59,180	59,180
RENO AIR RACES PLATE FUND	34,901	35,556	35,556	35,556
NV WILDLIFE RECORD BOOK PLATE FUND	85,617	80,564	80,564	80,564
HOT AUGUST NIGHTS PLATE FUND	38,394	34,695	34,695	34,695
NV LIBRARY ASSOCIATION PLATE FUND	5,962	5,284	5,284	5,284
PARKING VIOLATIONS	120,484	93,916	93,916	93,916
HOOVER DAM PLATE FUND	41,249	39,811	39,811	39,811
AVIATION PLATE FUND	7,495	6,923	6,923	6,923
TOURISM GRANT PROGRAM PLATE FUND	7,254	6,361	6,361	6,361
NEVADA TEST SITE PLATE FUND	21,683	21,831	21,831	21,831
HORSE POWER PLATE FUND	108,563	116,169	116,169	116,169
NV CARPENTERS PLATE FUND	2,667	2,189	2,189	2,189
RED ROCK CANYON PLATE FUND	40,817	44,906	44,906	44,906
SEARCH AND RESCUE PLATE FUND	3,667	3,103	3,103	3,103
SUPPORT HEALTHCARE PLATE FUND	7,943	10,221	10,221	10,221
CONSERVE WILDLIFE PLATE FUND	28,402	28,402	28,402	28,402
SCRAP METALS	62,354	62,354	62,354	62,354
 TOTAL OTHER MOTOR VEHICLE FUND REVENUE	 \$141,324,198	 \$139,869,420	 \$140,001,916	 \$139,947,251
 TOTAL NET REVENUE	 \$1,053,093,825	 \$1,069,361,222	 \$1,069,265,314	 \$1,069,210,649

22 Percent Spending Cap and Redirection of Government Services Tax Commissions and Penalties

The department by statute can only be appropriated 22 percent of the revenue it collects and distributes to the Highway Fund for department operations. Highway funds equate to approximately 38 percent of the funding sources for the department in the Governor's recommended budget. During the 2011 Legislative Session, DMV budgets were approved with a provision to temporarily redirect Governmental Services Tax commissions and penalties from the department's budgets to the General Fund for the 2011 – 2013 biennium. In turn, an increase of the department's 22 percent Highway Fund spending cap to 33 percent was required. This created a funding solution to assist the State General Fund. The Governor's budget for the upcoming biennium represents a single year continuation of this funding method for fiscal year 2015 with a respective 32 percent cap for the department in that year. The redirection will equate to approximately 59 percent of the department budget attributable to highway funds in fiscal year 2015. These funding changes are represented in budget accounts 4717 – Motor Carrier and 4735 – Field Services.

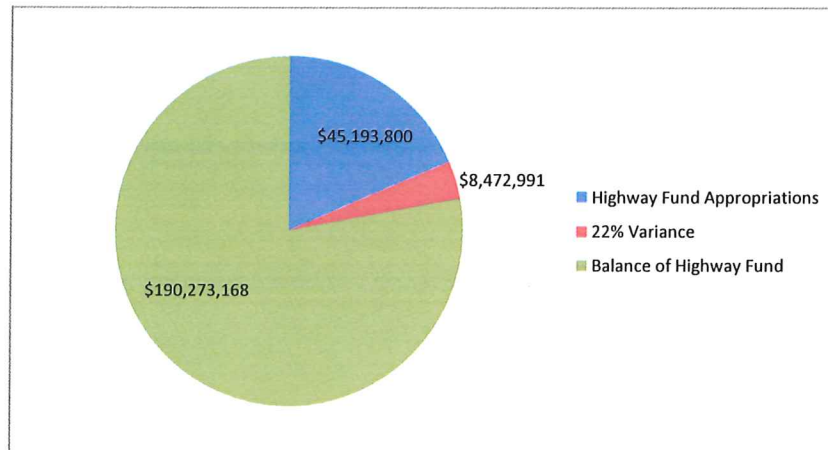
Represented within our budgets are several proposed changes to the Department's funding structure.

- License Plate Factory
 - We are proposing to change the License Plate Factory to a self-funded program. This will be discussed later in the presentation in more detail.
- Expansion of Departmental Cost Allocations
 - We refined and added Departmental cost allocations for all fee funded budgets creating a savings to the Highway Fund.
- IFTA Decals
 - We are proposing to add a revenue source to recover the staff time and resources required to issue IFTA decals. These costs are currently funded through the State's Highway Fund. Forty-one jurisdictions are collecting a user fee to issue the identification decals required under the IFTA provisions. This change will align Nevada's processes with the majority of other states. (4717- E235, BDR 13A8101145)

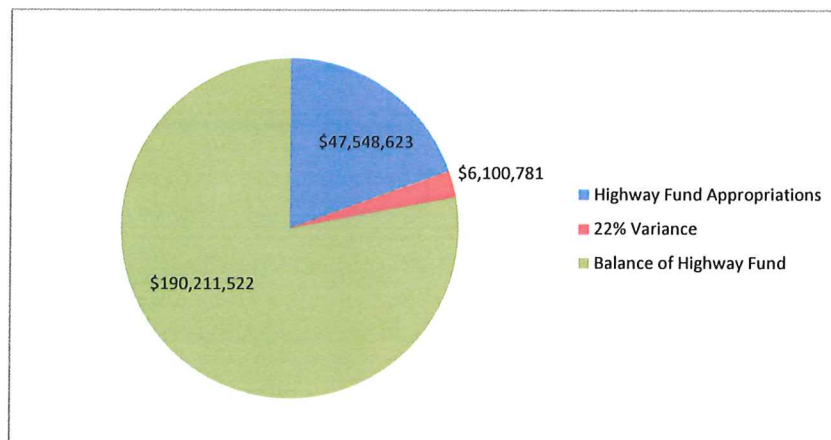
Department of Motor Vehicles
22%/32% Cap Calculations
Governor Recommends FY14/15
With Published Blue Book Revenues
1/23/2013

	Gov Rec FY14	Gov Rec Without HF Backfill FY15	Gov Rec With HF Backfill FY15
Projected Highway Fund Revenues	\$ 236,643,225	\$ 236,643,225	\$ 236,643,225
Record Search Reversion	\$ 524,666	\$ 526,172	\$ 526,172
Insurance Reversion	\$ 5,097,295	\$ 5,023,212	\$ 5,023,212
Special Plates Reversion	\$ 1,674,773	\$ 1,668,316	\$ 1,668,316
Total Highway Fund Proceeds	\$243,939,959	\$243,860,925	\$243,860,925
22% Cap for FY14 32% Cap for FY15	\$53,666,791	\$53,649,404	\$78,035,496
Highway Fund Appropriations:			
Field Services with Backfill in FY15	\$ 17,582,173	\$ 18,925,586	\$ 42,765,633
Compliance Enforcement	\$ 4,516,982	\$ 4,630,692	\$ 4,630,692
Central Services	\$ 5,777,931	\$ 6,335,873	\$ 6,335,873
Management Services	\$ 1,330,172	\$ 1,380,344	\$ 1,380,344
License Plate Factory	\$ 500,000	\$ 1	\$ 1
Directors Office	\$ 2,415,903	\$ 2,409,468	\$ 2,409,468
Administrative Services	\$ 4,343,175	\$ 5,195,904	\$ 5,195,904
DMV, Hearings	\$ 1,216,857	\$ 1,237,868	\$ 1,237,868
Automation	\$ 5,882,022	\$ 5,693,223	\$ 5,693,223
Motor Carrier with Backfill in FY15	\$ 2,099,956	\$ 2,219,092	\$ 3,134,435
Real ID	\$0	\$0	\$0
Gross Highway Fund Appropriations	\$45,665,171	\$48,028,051	\$72,783,441
Less: State Gas Tax Administration	\$471,371	\$479,428	\$479,428
Revised Total	\$45,193,800	\$47,548,623	\$72,304,013
% Net appropriations to Proceeds	18.53%	19.50%	29.65%
\$ Variance	\$8,472,991	\$6,100,781	\$5,731,483

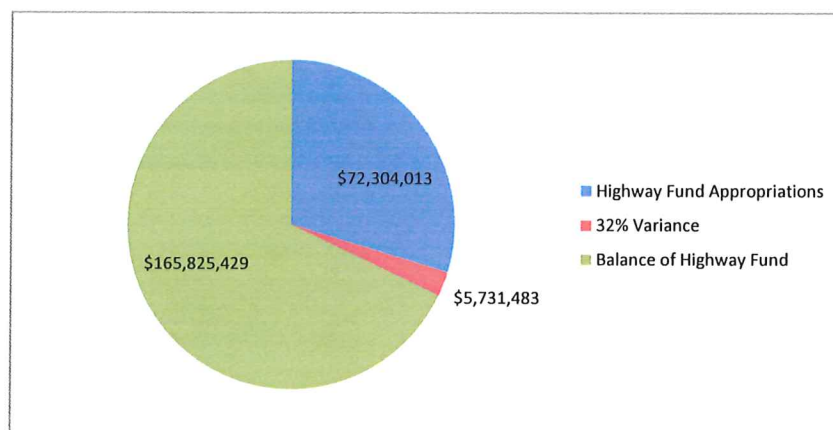
Governors Recommended Budget
FY14



Governors Recommended Budget
FY15
Without Highway Fund Backfill



Governors Recommended Budget
FY15
With Highway Fund Backfill



Nevada Department of Motor Vehicles

Significant Enhancement Units

Information Technology

- 4715 – E250: Three Programmer Positions
- 4715 – E226: Programmer Training

Customer Service

- 4712 – All: License Plate Factory
- 4735- E716: Queuing System Replacement
- 4735 – E750: Twenty-five DMV Technician Positions

Administration of Commercial Motor Vehicle and Fuel Industry Programs

- 4717 – E235: IFTA Decals

Regulation of Vehicle Emission Standards

- 4715/4722 – E804: VID Programmer Position

Department of Motor Vehicles
Enhancement Summary
Governor Recon Budgets FY14 FY15

Budget Account/Activity	Description
4711 - Records Search	
Requests for Records Information	E600 - Staffing Reductions - Eliminate One (1) Vacancy Due to Streamlining of Processes and Workflow
Requests for Records Information	E670 - Furlough and Salary Reduction for FY14 & FY15
Requests for Records Information	E671 - Salary Freeze for FY14
Requests for Records Information	E672 - Suspend Longevity for FY14 & FY15
Requests for Records Information	E710 - Replacement Chairs, Calculators, Fax, Phones, Wireless Headsets
Requests for Records Information	E715 - Computer and Printer Replacements
Requests for Records Information	E800 - Administrative Support Cost Allocation to 4715 MVIT, 4744 Director's Office and 4745 Administrative Services
Requests for Records Information	E801 - Cost Allocation for One (1) Dedicated Programmer & CPU Costs to 4715 MVIT
Requests for Records Information	E802 - Cost Allocation Adjustment for Supervision to 4741 Central Services
4712 - License Plate Factory	
Customer Service	E225 - Establish \$500,000 Reserve to Balance Forward Each Year - BDR 13A8101185
Customer Service	E900 - Transfer-In License Plate Factory Adjusted Base Costs
Customer Service	E500 - Change Funding Source from Highway Funds to Fee Funds (E900)
Customer Service	E901 - Transfer-In License Plate Factory Inflation Costs
Customer Service	E501 - Change Funding Source from Highway Funds to Fee Funds (E901)
Customer Service	E902 - Transfer-In License Plate Factory Motor Pool Vehicle
Customer Service	E502 - Change Funding Source from Highway Funds to Fee Funds (E902)
Customer Service	E903 - Transfer-In License Plate Factory New Equipment
Customer Service	E503 - Change Funding Source from Highway Funds to Fee Funds (E903)
Customer Service	E904 - Transfer-In License Plate Factory Employees
Customer Service	E504 - Change Funding Source from Highway Funds to Fee Funds (E904)
Customer Service	E905 - Transfer-In Scrap Sales Funding
Customer Service	E505 - Adjustment to Scrap Sales Funding
4715 - Motor Vehicle Information Technology	
Information Technology	E226 - Training Request
Information Technology	E227 - Transfer of PowerVault Maintenance Originally Purchased with Grant Funds
Information Technology	E250 - Three (3) Information Technology Professional 4 Positions for Maintenance and Programming of DMV Application
Information Technology	E670 - Furlough and Salary Reduction for FY14 & FY15
Information Technology	E671 - Salary Freeze for FY14
Information Technology	E672 - Suspend Longevity for FY14 & FY15
Information Technology	E710 - Replacement Telecommunications Equipment
Information Technology	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Information Technology	E712 - Replacement Title Printer
Information Technology	E715 - Computer, Printer, Software, Server and Router Replacements
Information Technology	E720 - Project Management Software
Information Technology	E799 - Administrative Support Cost Allocation from 4722 Pollution Control
Information Technology	E800 - Administrative Support Cost Allocation from 4711 Records
Information Technology	E801 - Cost Allocation for One (1) Dedicated Programmer & CPU Costs from 4711 Records
Information Technology	E802 - Cost Allocation from 4731 NV Live for CPU Usage
Information Technology	E800 - Administrative Support Cost Allocation from 4731 NV Live
Information Technology	E804 - Establish Cost Allocation for Additional Vehicle Information Database (VID) Programmer

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4717 - Motor Carrier	
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E225 - Governmental Services Tax Commissions to General Fund and Highway Fund Backfill - BDR 13A8101347
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E230 - Staff Travel to Workshops & Conferences
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E235 - International Fuel Tax (IFTA) Decal Fee Revenue - BDR 13A8101145
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E670 - Furlough and Salary Reduction for FY14 & FY15
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E671 - Salary Freeze for FY14
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E672 - Suspend Longevity for FY14 & FY15
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E710 - Replacement Chairs, Shredder & Fax Machines
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E715 - Computer and Printer Replacements
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E805 - Reclassification of one (1) DMV Tech II Position to Auditor I
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E807 - Reclassification of eight (8) DMV Tech II Positions to Tax Examiners
Administration of Commercial Motor Vehicle and Fuel Industry Programs	E813 - Reclassification of one (1) Supervising Auditor to Deputy Administrator
4722 - Pollution Control	
Regulation of Vehicle Emission Standards	E351 - New Leased Facility & Vehicle for Testing of Analyzers
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E670 - Furlough and Salary Reduction for FY14 & FY15
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E671 - Salary Freeze for FY14
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E672 - Suspend Longevity for FY14 & FY15
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E710 - Replacement Phones, Headsets, Chairs, Faxes, Shredders, Calculators, Projectors & Chair Mats
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E712 - Replacement of Law Enforcement Radios in Investigator Vehicles
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E715 - Computer and Printer Replacements
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E716 - Case Management Software Replacement
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E800 - Administrative Support Cost Allocation to 4715 MVIT
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E802 - Removes Cost Allocation for Dispatch Services to Highway Patrol Budget
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E803 - Cost Allocation for Dispatch Services to NHP General Services Budget
Regulation of Vehicle Emission Standards/Automobile Industry to Ensure Citizen Protection	E804 - Establish Cost Allocation for Additional Vehicle Information Database (VID) Programmer
4731 - NV Live	
Nevada Liability Insurance Verification Electronically	E670 - Furlough and Salary Reduction for FY14 & FY15
Nevada Liability Insurance Verification Electronically	E671 - Salary Freeze for FY14
Nevada Liability Insurance Verification Electronically	E672 - Suspend Longevity for FY14 & FY15
Nevada Liability Insurance Verification Electronically	E710 - Replacement Phones, Headsets, Chairs, Calculators, Fax Machines
Nevada Liability Insurance Verification Electronically	E715 - Computer and Printer Replacements
Nevada Liability Insurance Verification Electronically	E800 - Administrative Support Cost Allocation to 4715 MVIT, 4744 Director's Office, and 4715 Administrative Services
Nevada Liability Insurance Verification Electronically	E802 - Cost Allocation to 4715 NV Live for CPU Usage

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4732 - Hearings	
Administrative Hearings for Citizens Disputing Department Actions	E225 - Training for Administrative Law Judges
Administrative Hearings for Citizens Disputing Department Actions	E226 - Additional Notaries
Administrative Hearings for Citizens Disputing Department Actions	E670 - Furlough and Salary Reduction for FY14 & FY15
Administrative Hearings for Citizens Disputing Department Actions	E671 - Salary Freeze for FY14
Administrative Hearings for Citizens Disputing Department Actions	E672 - Suspend Longevity for FY14 & FY15
Administrative Hearings for Citizens Disputing Department Actions	E710 - Replacement Phones, Headsets, Chairs
Administrative Hearings for Citizens Disputing Department Actions	E715 -Computer and Printer Replacements
4735 - Field Services	
Customer Service	M501 - Motor Voter Mandate (General Fund)
Customer Service	E225 - Governmental Services Tax Commissions and Penalties to General Fund and Highway Fund Backfill - BDR 13A8101347
Customer Service	E226 - Commercial Driver License Recertification Training
Customer Service	E227 - Support and Maintenance for Scanners Purchased with Grant Funds
Customer Service	E230 - Travel to American Association of Motor Vehicles Administrators International Conference
Customer Service	E235 - Commercial Driver License Examiner Annual Background Checks
Customer Service	E350 - Carson City Security Guard
Customer Service	E600 - Budget Reduction for 25 DMV Tech Positions Approved by IFC
Customer Service	E670 - Furlough and Salary Reduction for FY14 & FY15
Customer Service	E671 - Salary Freeze for FY14
Customer Service	E672 - Suspend Longevity for FY14 & FY15
Customer Service	E710 - Replacement Eye Testing Machines, Faxes, Scanners, Shredders, Pin Pads, VIN Markers, Typewriters, Chairs
Customer Service	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Customer Service	E715 -Computer and Printer Replacements
Customer Service	E716 - Q-System Replacement
Customer Service	E750 - Budget Restoration - Retain 25 DMV Tech Positions Approved by IFC
Customer Service	E810 - Reclassification of Manager IV to Unclassified Deputy Administrator
Customer Service	E811 - Reclassification of six (6) Manager III Positions to Unclassified
4740 - Compliance Enforcement	
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E670 - Furlough and Salary Reduction for FY14 & FY15
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E671 - Salary Freeze for FY14
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E672 - Suspend Longevity for FY14 & FY15
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E710 - Replacement Phones, Headsets, Chairs
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E712 - Replacement of Law Enforcement Radios in Investigator Vehicles
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E715 -Computer and Printer Replacements
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E716 - Replacement Case Management Software
Investigation of Fraudulent Activity Related to DMV Documents and Processes	E720 - Live Scan Fingerprinting Equipment
Investigation of Fraudulent Activity Related to DMV Documents and Processes	E721 - Law Enforcement Equipment for Fraud Unit
Regulation of Automobile Industry to Ensure Citizen Protection/Investigation of Fraudulent Activity Related to DMV Documents	E811 - Reclassification of two (2) Chief Investigator Positions to Unclassified Deputy Administrators

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4741 - Central Services	
Customer Service	M501 - Motor Voter Mandate (General Funds)
Customer Service	M800 - Establish a Cost Allocation from Special Plates Trust Account for two (2) Employees
Indirect Customer Service Methods	E225 - Mandatory Electronic Dealer Report of Sale - BDR 13A8101154
Customer Service	E226 - Sub-Plate and Decal Fee
Customer Service	E580 - Upgraded Equipment for License Plate Factory
Customer, Indirect, Invocation of Sanctions and Maintenance of Driver Record Histories	E670 - Furlough and Salary Reduction for FY14 & FY15
Customer, Indirect, Invocation of Sanctions and Maintenance of Driver Record Histories	E671 - Salary Freeze for FY14
Customer, Indirect, Invocation of Sanctions and Maintenance of Driver Record Histories	E672 - Suspend Longevity for FY14 & FY15
Customer, Indirect, Invocation of Sanctions and Maintenance of Driver Record Histories	E710 - Replacement Phones, Headsets, Chairs, Fax Machines, Headsets
Customer Service	E711 - Replace Agency Owned Vehicle with Motor Pool Vehicle
Indirect Customer Service Methods	E712 - Salvage Title Printer Maintenance
Customer, Indirect, Invocation of Sanctions and Maintenance of Driver Record Histories	E715 - Computer and Printer Replacements
Invocation of Sanctions and Maintenance of Driver Record Histories	E802 - Cost Allocation for Supervision from 4711 Records
Customer Service	E900 - Transfer-Out License Plate Factory Costs
Customer Service	E901 - Transfer-Out License Plate Factory Inflation
Customer Service	E902 - Transfer-Out Motor Pool Vehicle Costs
Customer Service	E903 - Transfer-Out License Plate Factory New Equipment Costs
Customer Service	E904 - Transfer-Out License Plate Factory Employees
Customer Service	E905 - Transfer-Out Scrap Sales
4742 - Research and Development	
General Administration	E226 - Training
General Administration	E227 - Support and Maintenance for Scanner Purchased with Grant Funds
General Administration	E230 - American Association of Motor Vehicle Administrators Conference Travel
General Administration	E670 - Furlough and Salary Reduction for FY14 & FY15
General Administration	E671 - Salary Freeze for FY14
General Administration	E672 - Suspend Longevity for FY14 & FY15
General Administration	E710 - Replacement Phones, Headsets, Chairs
General Administration	E715 - Computer and Printer Replacements
4744 - Director's Office	
General Administration	E225 - Operational Review Travel
Payroll/Personnel	E226 - Human Resource Training
Payroll/Personnel	E227 - Articulate Software License Originally Purchased with Grant Funds
Payroll/Personnel	E228 - Moodle Course Management Hosting Originally Purchased with Grant Funds
General Administration, Payroll/Personnel	E670 - Furlough and Salary Reduction for FY14 & FY15
General Administration, Payroll/Personnel	E671 - Salary Freeze for FY14
General Administration, Payroll/Personnel	E672 - Suspend Longevity for FY14 & FY15
General Administration, Payroll/Personnel	E710 - Replacement Phones, Headsets, Chairs
Payroll/Personnel	E711 - Replacement Chairs for Training Rooms
General Administration, Payroll/Personnel	E715 - Computer and Printer Replacements
General Administration	E800 - Administrative Support Cost Allocation from 4711 Records
General Administration	E803 - Administrative Support Cost Allocation from 4731 NV Live
General Administration	E811 - Reclassification of Public Information Officer to Unclassified Public Information Manager

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4745 - Administrative Services	
Collection and Distribution of Taxes and Fees	E225 - Revenue Manager Travel
General Administration	E226 - Training for Telecommunications Coordinator
Payroll/Personnel, Collection and Distribution of Taxes and Fees, Fiscal, and General Administration	E670 - Furlough and Salary Reduction for FY14 & FY15
Payroll/Personnel, Collection and Distribution of Taxes and Fees, Fiscal, and General Administration	E671 - Salary Freeze for FY14
Payroll/Personnel, Collection and Distribution of Taxes and Fees, Fiscal, and General Administration	E672 - Suspend Longevity for FY14 & FY15
Payroll/Personnel, Collection and Distribution of Taxes and Fees, Fiscal, and General Administration	E710 - Replacement Chairs, Fax, Phones, Headsets)
General Administration	E711 - Replace Agency Owned Vehicles with Motor Pool Vehicles
Payroll/Personnel, Collection and Distribution of Taxes and Fees, Fiscal, and General Administration	E715 -Computer and Printer Replacements
General Administration	E720 - New Shrink Wrap Machine and Electric Pallet Jack)
General Administration	E721 - New EDefibrillators for all DMV Offices
General Administration	E800 - Administrative Support Cost Allocation from 4711 Records
General Administration	E803 - Administrative Support Cost Allocation from 4731 NV Live

INFORMATION TECHNOLOGY

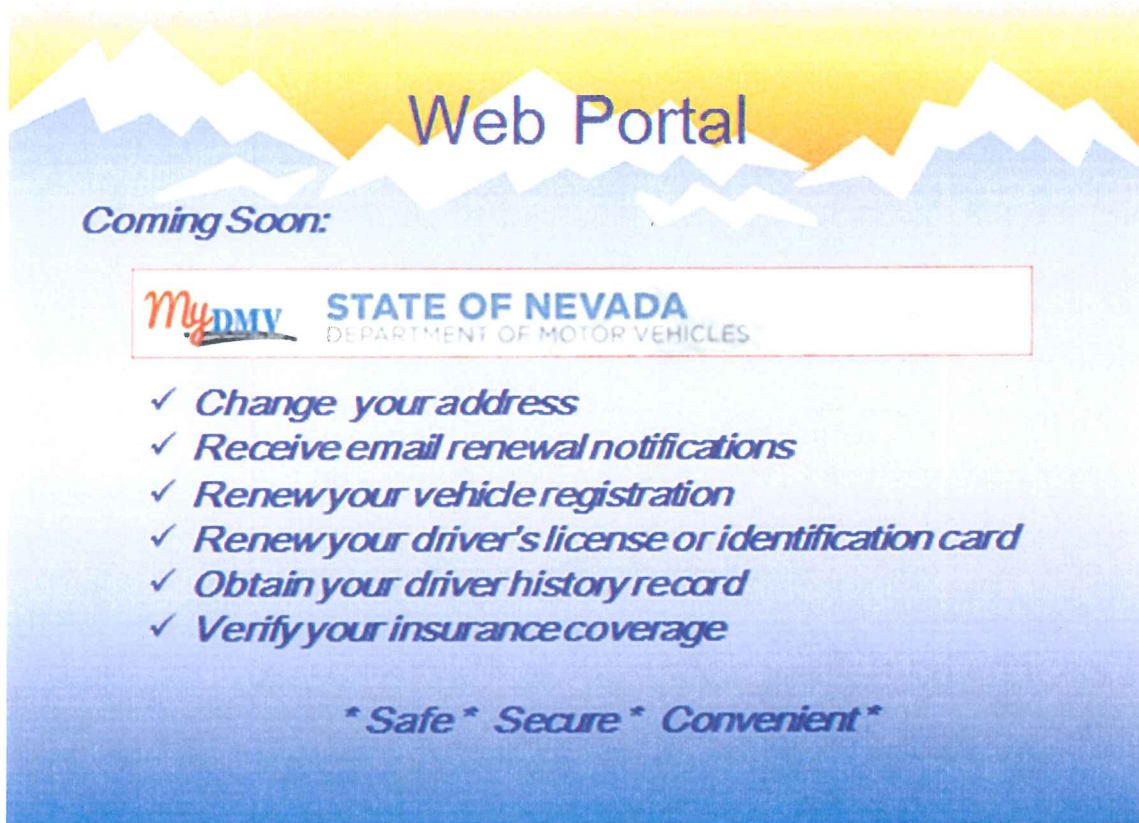
I am not able to express in words the importance of our information technology systems, programs, and resources as they pertain to the operation of the department. The DMV application; initially known as Genesis, is a one-hundred percent custom built application specific to Nevada and its laws, regulations, policies and procedures. Virtually everything the department is responsible in transacting; regulating, overseeing or monitoring is tied to our IT infrastructure.

One of the primary goals of the department is to deliver progressive and responsive services to our customers and to provide continuous, innovative and secure technology services to internal and external customers. Numerous IT initiatives specifically target those goals. Presently the department has a projected seven and a half year backlog of IT projects already on the books given existing resources. The Governor's budget includes four new programmers to assist the department in addressing the needs of our IT demands. These positions are considered critical for ongoing operations.

Veterans Exemptions

A major focus of the department is enhancing services that allow customers to use alternative methods of conducting transactions with the department without having to come to the DMV and enjoy the lines. In February, the department will unveil a new transaction which will allow veterans with tax exemptions to use the internet to renew their vehicle registrations rather than taking the formerly mandatory trip to the DMV. This project is the culmination of cooperative agreements with each county Assessor in modernizing the exemption process and providing enhanced and improved customer service to our veterans and their families.

MyDMV



In addition, the department will be unveiling a new customer portal called "MyDMV". This portal will allow customers to be individually identified and allow never before available transactions to be offered through the internet and eventually on kiosks. MyDMV will allow customers to view and verify all of their information on file with the DMV, from identification cards and drivers licenses to vehicle registrations and insurance coverage. Initially, with the launch of the MyDMV site, customers will be able to enroll in electronic notifications for renewals of vehicle registrations and driver's licenses. In addition, for the first time, customers will be able to conduct an address change without having to visit a DMV office or submit paperwork through the mail. This "green" initiative is not only a convenience for customers but will also save money and resources by

reducing paper and printing demands as well eliminating unnecessary postage costs.

EDRS

The Electronic Dealers Report of Sale program that was launched as a pilot a few years ago, is also being expanded to allow for participation by all dealers. The program allows a customer to avoid the lines at the DMV by conducting a new vehicle registration over the internet; also previously a mandatory in-person trip. In addition, the department has submitted a bill that would require participation in this program by all dealers. The bill is being submitted with the support and approval of the Nevada Franchised Auto Dealers Association.

CMOD

In addition to focusing on initiatives, the IT division must also maintain aging systems and respond to ongoing state and federal mandates for system modernizations. A large scale project that is also being launched in February is the federally mandated modernization of the commercial drivers licensing system. This project has taken more than a year to implement and was necessary to avoid the loss of federal highway fund dollars distributed to the state. The modernization will require all commercial drivers to update their medical clearances with the state and for an electronic copy of the records to be on file and accessible to licensing and enforcement agencies nationwide. Roughly 60,000 Nevada drivers will have to participate in this process by the end of the year.

MVN & NEMO Q

Several other initiatives are also underway, impacting the department's IT resources. They include a new queuing system pilot project that will change the way customers "get in line" at the DMV. The system will allow customers to electronically enter the queue, and hold a place for them notifying them of their expected time of service; thereby, allowing them to better use their time and avoid waiting in a department office. New digital signage is also being installed to

integrate with the queuing system which will direct customers to the appropriate window and provide public information and messages while they wait.

POD

A new system of vehicle registration decal production is also in development and expected to be implemented in the spring. The system known as “print on demand” will directly link a vehicle license plate number and the decal number to help in preventing fraud and reduce waste and resources needed within the current system.

These are only highlights of program initiatives being worked on by the Motor Vehicle Information Technology Division. Numerous other initiatives are being pursued or are contained on a list awaiting their turn to reach priority status.

License Plate Factory

The License Plate Factory (commonly referred to as the Tag Plant), is one of the primary activities of the Department. The License Plate Factory is tasked with designing, manufacturing and delivering license plates to DMV offices and warehousing facilities statewide. The factory is physically located on the grounds of the now closed Nevada State Prison (NSP) in Carson City.

Resulting from the closure of the prison facility, the established inmate workforce previously employed at the factory was replaced with a new inmate workforce from the Northern Nevada Correctional Center (NNCC). These inmates are held under limited custody and have less than two years remaining on their prison sentences. They are transported to and from the Tag Plant on a daily basis by staff from the Department of Corrections (DOC). The new inmate workforce is more aligned with the correctional philosophy of training inmates with skills they may be able to use upon their reintegration into society and fits the prison industries model much better than the previous workforce.

Factory Relocation – Construction of a New Facility at NNCC:

Recently, a proposed Capital Improvement Project to build a new prefabricated facility for the Tag Plant on the grounds of the NNCC has been approved by the State Public Works Board. Construction of this facility would be adjacent to, but outside the perimeter fence of, the NNCC. Relocating to a new facility at NNCC would prove of mutual benefit to both the Department of Corrections and the Department of Motor Vehicles for the following reasons:

- 1) It would eliminate the need to transport the inmates to and from the Tag Plant and puts the new location in close proximity to where they are housed;*
- 2) It would eliminate the DMV's need for a separate storage facility to keep inventories of stocked plates in the event of a prison lock down;*
- 3) Moving the factory is one of the last steps required in closing down NSP and allowing for alternative uses of the facility;*

- 4) Provides career training for inmates that can be used after release;*
- 5) Relocation of the factory to a new facility at NNCC allows for the limited interruption of existing business practices during transition;*
- 6) NNCC relocation enables the factory to continue using proven distribution methodologies which are cost effective and efficient;*
- 7) A new facility at NNCC would be constructed around the many foundation and utility needs of the factory, although other locations were discussed, when weighing all alternatives, we concluded NNCC was the overall best option;*
- 8) Remaining in Carson City allows for direct interaction with DMV Headquarters and enables uninterrupted process flows when developing new specialty license plates.*

Realizing each of these benefits will help the factory meet the divisional goal of providing quality services, enhancing operational efficiencies, ensuring cost effectiveness and promoting productivity.

Self-Funding the Program:

The Department has submitted a BDR for the authority to charge a fee to customers as a means of recovering costs associated with producing license plates. The fees assessed by the department for license plates would be established by regulation. The current estimate of the plate fee would be approximately \$2.50 per plate or a total of \$5.00 for a set.

In recovering the costs of plate production, the License Plate Factory will become a self-funded program and no longer be subsidized with Highway Fund appropriations. The potential savings to the Highway Fund in each biennium equates to an amount of roughly \$4,000,000. In addition, through relocating the facility, changing the funding model and negotiating new service contracts, we hope to transition to digitally embossed plates for most of the available plate styles.

CUSTOMER SERVICE
(Field Services Division)

Customer Service is a primary function and focus of the department and I have to pay compliments to the staff in general but in particular to the Field Services Staff for the extraordinary strides they have made in the last two years. Field Services has been faced with an increasing customer base each of the last two years. However, we asked them to take the extra steps to help customers overcome adversities of which, in the past, they would have been turned away. We asked them to try to resolve customer issues through whatever legally acceptable means available to resolve the issues on their first trip to the office and not require them to return for a follow up. The staff responded to this request and the amount of complimentary notes and letters began flooding in. Not only did they focus on increasing the level of customer service but they accomplished it during increased customer volume while lowering overall customer wait times.

Current Wait Times by Office

Office	Oct	Nov	Dec	Office	Oct	Nov	Dec
Decatur	42	43	36	Henderson	37	42	27
Flamingo	46	45	37	Sahara	34	42	32
Galletti	41	40	23	Carson City	23	22	26
W/O Carson	40	42	31	6 Metro Offices	37	39	30

Wait Time Comparison in the 6 Metropolitan Offices

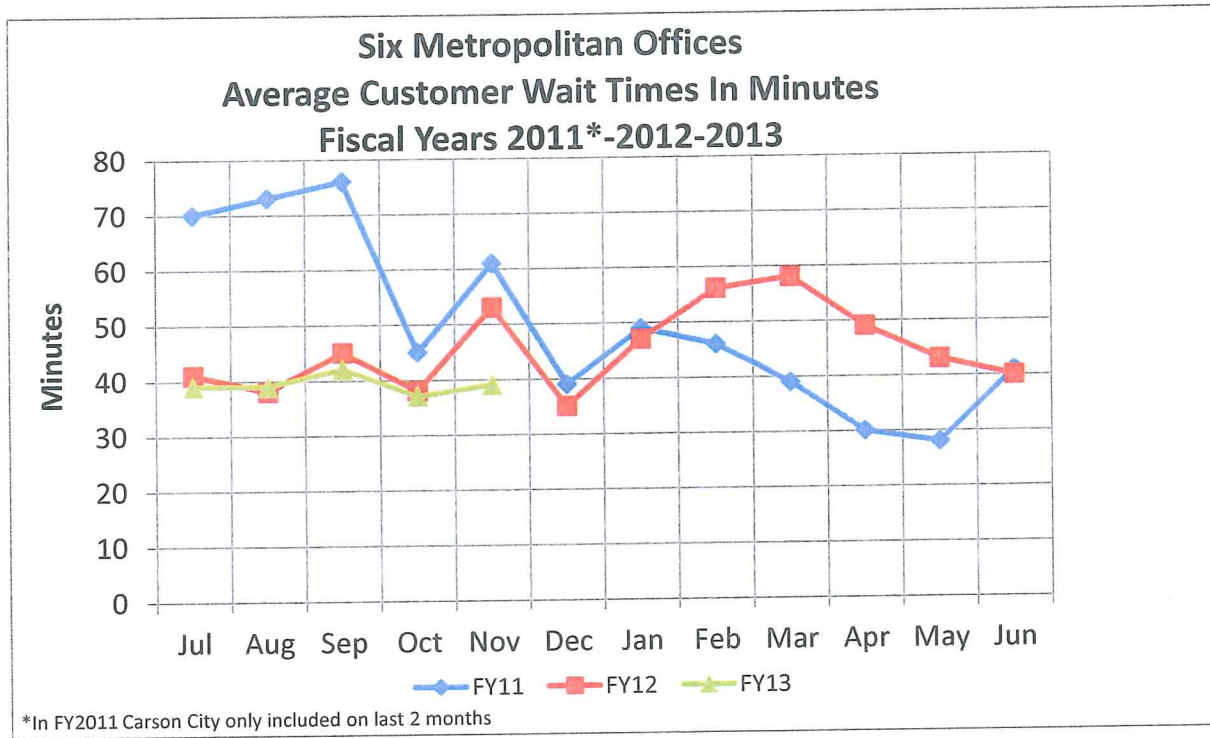
FY2011 = 47 minutes

FY2012 = 45 minutes

YTD FY 2013 = 38 minutes

Overall wait times were reduced from FY11 to FY12 despite an increase in customer counts. The approval of 20 new positions in December 2011 had a positive impact on keeping wait times down.

Total Wait Times



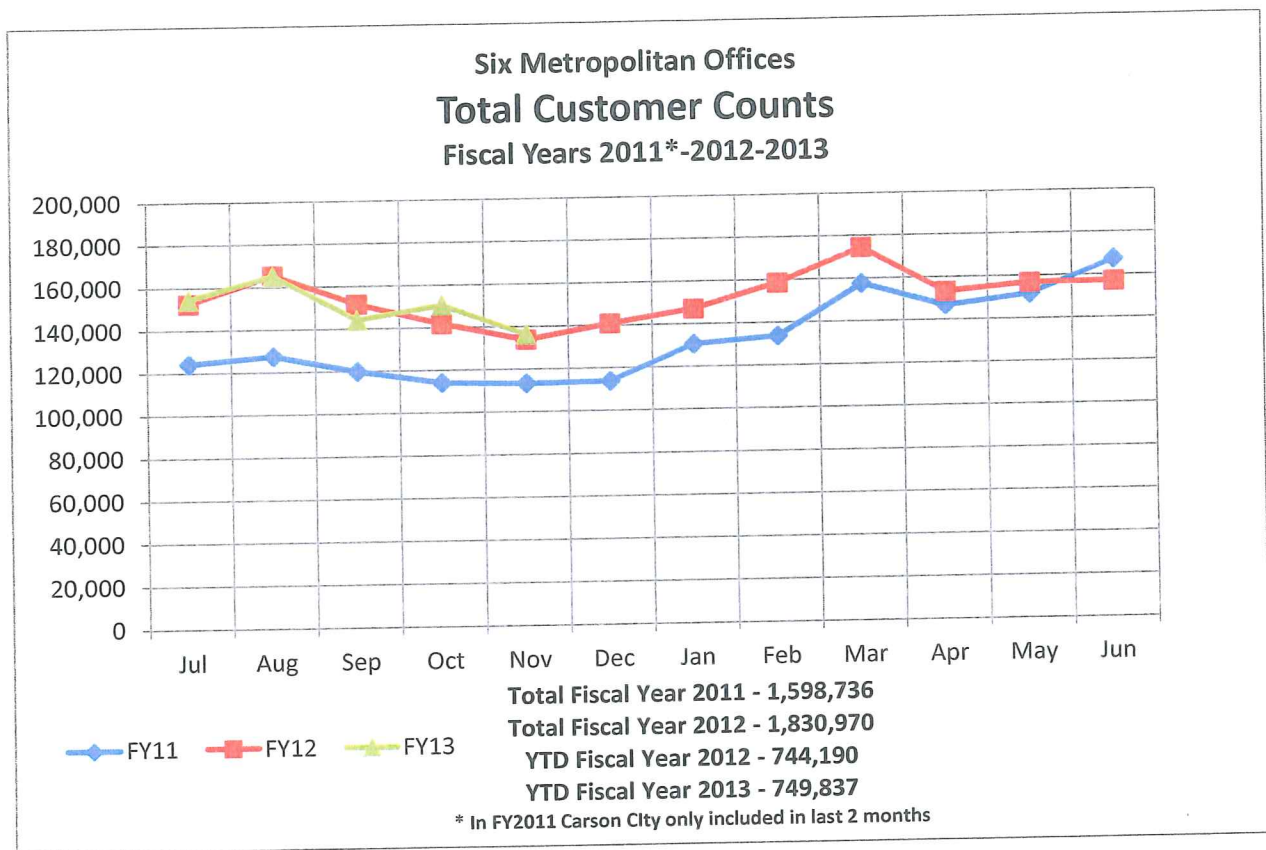
Customer Count Comparison in the 5 Metro Offices

FY2011 = 1,578,272

FY2012 = 1,712,324

YTD FY2013 = 825,035 (Jul 2012-Dec 2012)

Total Customer Counts



From FY2011 to FY2012 there were 134,052 more customers served which equates to an 8.5% increase in customer counts.

During this same time period, transaction counts on the web, kiosks, emission stations and mail in processes also increased.

Even though the department has expanded alternative methods to conduct transactions, Field Services customer counts have continued to rise.

In FY2012 the five metro offices conducted 507,959 transactions just for registration renewal walk-ins. This transaction is available online, at kiosks and by mail.

In the same year, the five metro offices conducted 25,033 insurance reinstatement transactions which are also available through alternative services.

Why the heavy volume of in office transactions when more convenient methods are available? The reason is primarily due to the cash based society that exists within the state. The percentage of cash transactions conducted by customers in department offices constitutes roughly one third of all transactions. The percentage of cash transactions at kiosks within department offices that have cash capability exceeds 38 percent. This issue will become our next big focal point in identifying methods for our cash customers to utilize alternate services.

Ongoing demands and changes to requirements and processes continue to effect the anticipated customer wait times. Some are beneficial, but most require more involvement by the technicians and add to overall transaction times. Some of the potential issues to be considered by the legislature this session that could affect the wait times include, but are not limited to:

- The 8 year issuance of a driver's license
- Registration of mopeds and other nonconventional vehicles
- Real ID
- Driver Privilege Cards
- Voter Registration Processes
- Payment Plans

Prior Budget Reductions

In the 2009 Legislative Session, staffing for the Field Services Division was reduced by 93 full-time positions whereas 85 of them were window technician positions. The staff reduction caused a negative effect on customer wait times. In an effort to keep customer wait times down the Department had to utilize drive examiners to work production windows and support vacant supervisory positions. This resulted in a negative impact to drive test scheduling. As a result, drive examiners have been directed away from the windows and back to focusing on drives tests. Drive tests are now available on an acceptable and timely schedule.

In the 2011 session, 30 technician positions were approved by the legislature and placed in reserve. In December of 2011, IFC approved 20 of the positions for the Las Vegas region. In August of 2012, IFC approved 5 positions for rural offices. The addition of these positions has had a direct impact on wait times in the Las Vegas region and delivery of basic customer services in the rural offices. The Governor's budget contains a decision unit to continue the funding of these 25 positions. Even with these positions, the staffing levels for the division remain well below the 100% staffing model and below historical levels.

An added necessity the 25 positions allow is the ability to train staff in all aspects of DMV products. In order to offer quality customer service the offices operate at higher efficiencies when staff have thorough knowledge of all products. When staffing is low one of the first things offices have to reduce is training time. Though customer counts have risen, the additional staffing mentioned above has had a positive impact on overall wait times, customer service and employee development.

A significant issue contained within the Governor's budget is a replacement customer queuing system. The current customer queue system software and hardware is outdated and no longer supported by the vendor. Recently a failure of the queuing system at the Sahara office in Las Vegas left us without a queue for 7 business days. We are beginning a no cost pilot program at the Reno office in the spring to test the viability of a greatly enhanced and modern queuing system

that we hope will suit the needs of the department and provide added customer convenience for our in person customer base.

SELF-SERVICE KIOSKS

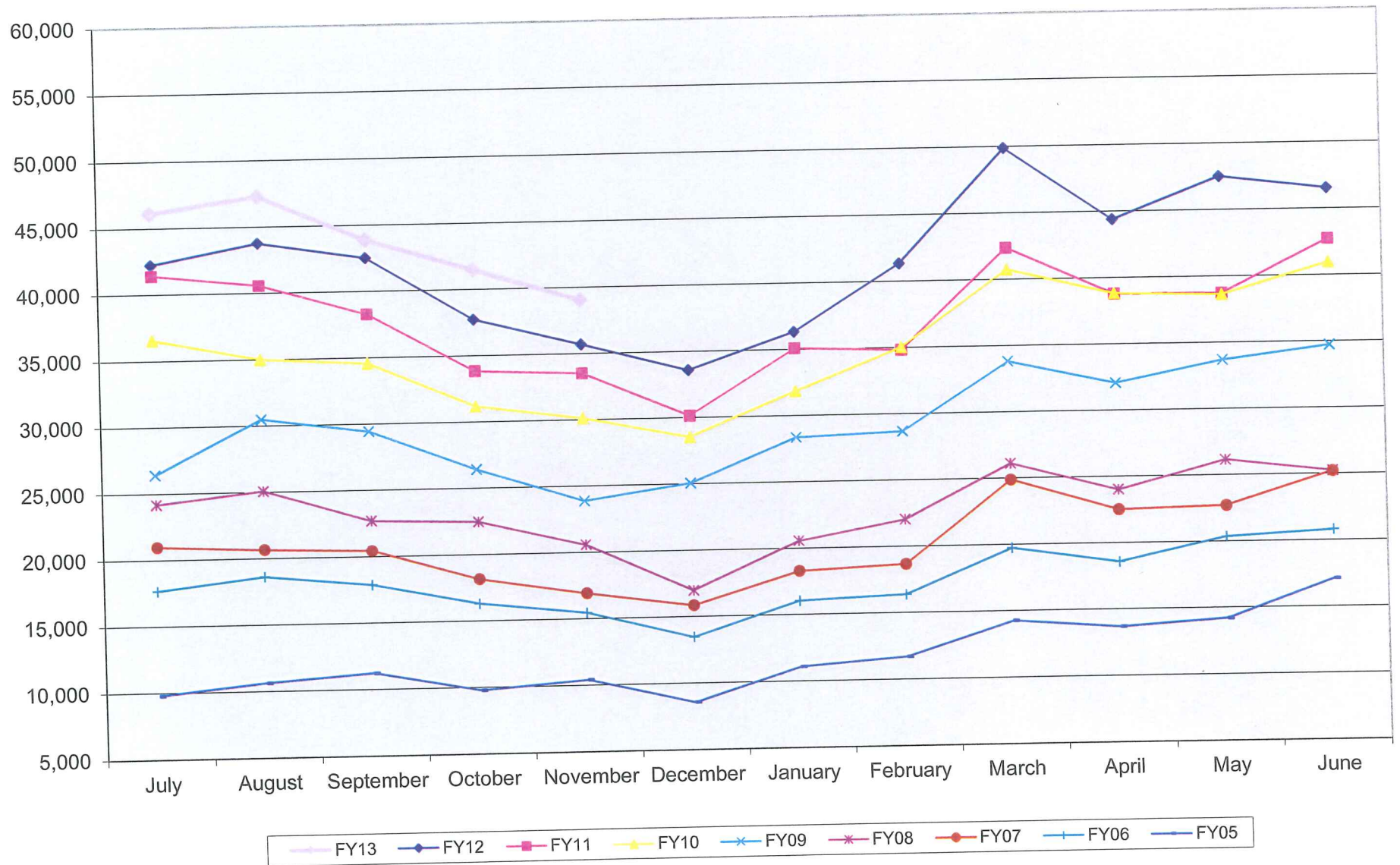
Last session, the department was successful in obtaining the necessary legislative and regulatory changes that moved the kiosk program out of the Highway Fund and into a self-funded program. Customers now pay a processing fee ranging from \$1.00 for a driver history record to \$3.00 for a vehicle registration renewal as a “pass-through” to compensate the vendor for providing and maintaining the kiosks. This legislation also allowed the Department to expand and grow the kiosk program. In March 2011, we deployed 18 new kiosks in community based retail centers, rural areas, and our universities, bringing our total to 45. Our new kiosks were placed in secure areas that offer expanded service hours, including weekends and holidays. There are now 18 kiosks in 12 DMV offices, and 27 kiosks in partner locations. Due to the change in funding mechanisms, we were also able to add driver’s license and identification card renewal transactions to the kiosks. As we projected, kiosk use; despite the new convenience fee, continues to rise.

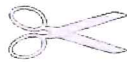
The selection of sites, stores and locations for our new kiosks was driven by many factors. First and foremost was the attempt to geographically cover large population centers where kiosk usage would be expected to relieve customer volumes at department offices. Next came willing partnerships with businesses that were committed to promoting the kiosk services at their location and bearing some of the operating costs without direct compensation. Next vendor approval was required to assess the sites for operability and security. Finally, once sites become operational, they are monitored for performance and underperforming locations are relocated to new sites that have greater potential for benefit.

While there are no immediate plans for another expansion, our Motor Vehicle Information Technology Division is testing a data analysis tool to help in identifying potential future kiosk sites by customer demand in specific geographical areas and payment type. Nevada has a large percentage of the population that use cash as the primary payment method, which limits the use of kiosks for those customers to only the machines located within department offices. We are presently pursuing a cash option pilot program allowing designated partnership locations to enter into agreements with the kiosk vendor to manage the cash stocks and deposits. If successful, we anticipate increased use of the partnership locations and the ability to expand to other underserved areas within the state.

We will also be expanding the available kiosk transactions by adding duplicate registrations and decals, as well as veteran's exemptions to the existing services. Finally, we have begun preliminary discussions with the vendor and other departments about expanding kiosk services to include transactions for other state agencies, to better serve Nevada's needs.

Total Kiosk Transactions: FY05 - FY12





DON'T DO THE DRIVE!
Find a DMV kiosk near you!

- 1 Albertsons - N. Durango & Farm Rd.**
8410 Farm Rd.
- 2 DMV - Las Vegas (North Decatur)**
7170 N. Decatur Blvd.
- 3 Albertsons - Craig & Tenaya**
7151 W. Craig Rd.
- 4 Albertsons - Craig & Decatur**
4850 W. Craig Rd.
- 5 DMV - N Las Vegas (CDL/Motor Carrier)**
4110 Donovan Way
- 6 Albertsons - Lake Mead & Hollywood**
6885 E. Lake Mead Blvd.
- 7 Albertsons - Nellis & Vegas Valley**
2835 S. Nellis Blvd.
- 8 Fabulous Freddys - Summerlin**
9611 Trailwood Dr.
- 9 AAA - Lake Mead & Buffalo**
7501 W. Lake Mead, # 106
- 10 AAA - Charleston & Pavilion Center**
10860 W. Charleston Blvd.
- 11 Albertsons - Rainbow & Charleston**
1001 S. Rainbow Blvd.
- 12 AAA - Charleston & Valley View**
3312 W. Charleston Blvd., # 130
- 13 Albertsons - Maryland & Sahara**
2575 S Maryland Pkwy.
- 14 DMV - Las Vegas East Sahara**
2701 E. Sahara Ave.
- 15 Albertsons - Flamingo & Hualapai**
10140 W. Flamingo Rd.
- 16 DMV - Las Vegas West Flamingo**
8250 W. Flamingo Rd.
- 17 Albertsons - Tropicana & Jones**
5975 W. Tropicana Ave.
- 18 AAA - Durango & Robindale**
7445 S. Durango Dr., # 103
- 19 UNLV Student Union**
4505 Maryland Pkwy.
- 20 DMV - Henderson**
1399 American Pacific Dr.
- 21 AAA - Green Valley & Pebble**
1000 N. Green Valley Pkwy., # 620
- 22 Albertsons - Horizon Ridge & Eastern**
2650 W. Horizon Ridge Pkwy.
- 23 Albertsons - Sun City Anthem**
2910 Bicentennial Pkwy.
- 24 Albertsons - Horizon & College Dr.**
575 College Dr.

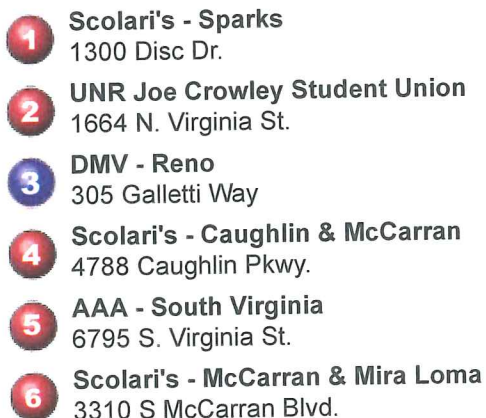
Registration Renewal
Insurance Suspension Reinstatement
Driver History Printout
Driver's License or ID Card Renewal
Duplicate Driver's License, Instruction Permit or ID Card

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-  **DMV - Carson City**
555 Wright Way
-  **Scolari's - Gardnerville**
1329 US Highway 395, # 12
-  **Scolari's - Fernley**
1400 US Highway 95A

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Nevada Department of Motor Vehicles

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NV LIVE

The “*Nevada Liability Insurance Verification Electronically*” program, known as NV LIVE, serves as the Department’s insurance verification program. The NV LIVE program is a primary activity of the Department responsible for the validation and verification of continuous vehicle liability insurance coverage on all registered vehicles within the State of Nevada.

This program electronically submits requests to a registrant’s last known insurance carrier to programmatically verify whether or not they have maintained continuous coverage on their vehicle. If it is discovered a lapse of insurance coverage has occurred, the registration of the vehicle is subject to suspension.

SB323 passed last legislative session, included provisions for tiered fees and fines for vehicle registration suspension reinstatements. Fees and fines assessed for offenses range from \$50.00 to \$1,750.00, and are based on the number of days of a lapse and the number of prior offenses that have occurred per vehicle.

Resulting from tremendous strides made by the NV LIVE program over the past two years, Nevada’s uninsured motorist rate has fallen to roughly seven percent of the vehicles registered with the department; a significantly lower rate than the national average of fourteen percent. Last year NV LIVE collected over \$12 million in reinstatement fees and fines; a significant rise in revenue due to program efficiencies and graduated sanctions for violators.

Postcard Mailings and Books of Business:

With this good news what seems to be the problem with the current program? The primary issue facing the program is the regulatory requirement for the registered owner to notify the DMV of any changes to insurance status. It is unrealistic to expect two million people to notify the department of each and every change to their insurance and it has been proven that they will not. As such, the department recently adopted a regulation change to require insurance companies to provide the department with their policy data files; commonly referred to as “Books of Business”. How will this resolve the problem?

When the NV LIVE system receives an “unconfirmed” response, a postcard is systematically generated by the NV LIVE computer program and sent to the registered owner in question requesting updated insurance information.

In an effort to alleviate the amount of postcards sent, the department will require the Book of Business from insurance carriers to be electronically submitted each month. The Book of Business will satisfy the department’s need to identify the most current insurance information for a specific vehicle registration (i.e., new insurance carrier or change in a policy number) while significantly reducing the amount of verification postcards sent to registered owners.

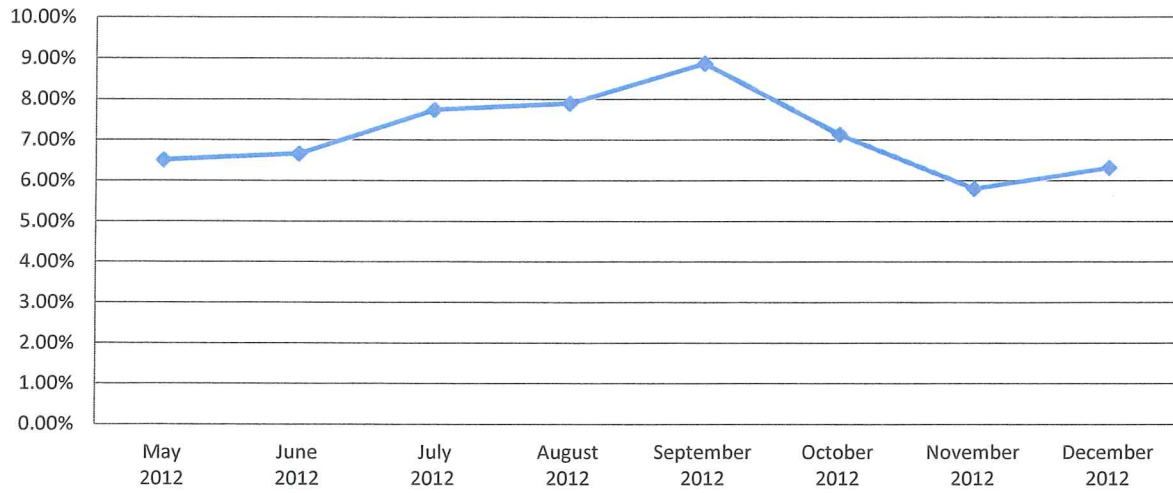
Regulations have been approved mandating the Books of Business be submitted to the department monthly, beginning in March 2013. As most insurance companies are already sending their Books of Business to other states we anticipate this requirement to have minimal impact on the insurance industry.

We have been working with the Nevada Licensed Insurance Companies, testing the electronic acceptance of their Books of Business. To date, approximately fifty percent of the companies have already passed the testing stage and are ready to begin transmitting their Books of Business.

Percentage of Uninsured Motorists in Nevada as Compared to Uninsured Motorists in the United States

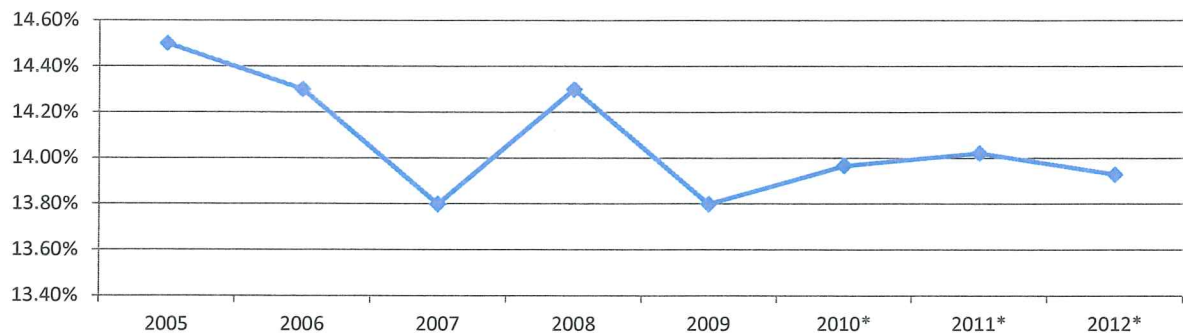
May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012
6.49%	6.64%	7.72%	7.88%	8.86%	7.11%	5.78%	6.30%

Percentage of Uninsured Motorists in Nevada



2005	2006	2007	2008	2009	2010*	2011*	2012*
14.50%	14.30%	13.80%	14.30%	13.80%	13.97%	14.02%	13.93%

Percentage of Uninsured Motorists in the United States



* Forecasted percentages based on a three year rolling average

REAL ID

The Real ID Act of 2005 requires States to comply with a set of standards for the issuance of drivers' license or identification cards in order for those cards to be accepted for certain official purposes by the federal government. The Act required states to be in full compliance by January 15, 2013.

On September 21, 2012, the department submitted their Real ID Certification Package to the Department of Homeland Security (DHS) for review. The package outlined our current issuance practices for DHS to determine if Nevada would be considered compliant with the federal requirements. On October 15, 2012, a certification checklist document was requested by DHS to be completed that required the department to show which sections of the Act Nevada is in compliance with. On December 20, 2012, DHS requested more information from the department regarding six requirements and this information was submitted in January. The department is currently waiting for DHS to finish their review of our current practices in order to determine compliance status. During this time, Nevada and all other states that have not yet been declared to be in full compliance with the Act, have received notice that DHS will delay enforcement of the provisions of the Act until their reviews are completed at some point in the fall of 2013.

On December 20, 2012, the department was successful in adopting regulations moving existing issuance processes from statute into regulations, which allows the department to comply with statutory language that was added to NRS Chapter 483 during the 2007 Legislative Session. The statute required the department to transfer information currently in NRS into Nevada Administrative Code upon expiration of any extension of time granted by the Department of Homeland Security to implement the provisions of the Real ID Act of 2005.

We intend to submit language during the session to address a matter of statutory legal interpretation regarding the issuance of driver licenses and identification cards to clarify that Nevada's residents will have a choice to be issued an Act compliant card or a non-compliant card. Current interpretations of the existing statute differ and the language should be clear as to the intent in order to allow our residents the choice.

The department continues to move forward with system enhancements and upgrades to become fully compliant with the federal law. Existing federal grant funds will continue to pay for the necessary work to fulfill the requirements. In addition regulation modifications will be submitted in July to fully implement all remaining requirements of the Act.

If the Department of Homeland Security does not certify the State of Nevada as being in compliance with the Real ID Act of 2005 under our current issuance processes, and the needed regulations are not adopted, the most significant impact to our citizens and residents is that a Nevada driver's license or identification card may not be accepted for the purposes of travel on commercial airlines or entry into federal buildings.

Off-Highway Vehicle (OHV) Registration and Titling

The OHV program became effective July 1, 2012, mandating OHVs purchased after July 1, 2012 obtain a registration decal and title; all OHVs owned prior to July 1, 2012 have until July 1, 2013 to obtain an OHV registration decal.

While the Off Highway Vehicle program is governed by the OHV Commission, registration and titling of OHV's remains the responsibility of the Department of Motor Vehicles. Although the department views the OHV program as a Direct Service, performance measurement of program priorities and objectives remains the responsibility of the Commission.

The registration fees collected are divided between the Commission and the DMV. The Commission receives 15% of the registration fees in the first year of the program and 85% of registration fees in all subsequent years, while the Department receives 85% of the registration fees the first year and 15% in all subsequent years.

To date, the Department has licensed 45 OHV dealers; issued 4167 registrations and processed 2742 OHV titles. Those numbers are not reflective of the program sponsors estimates of greater than 250,000 vehicles that would be subject to registration.

As the first year deadline approaches, we anticipate an influx of OHV registrations in May and June of this year. However, it is difficult to predict the actual number of registrations the department will process and we aren't likely to know how many of these vehicles there are, until the program has been fully implemented and law enforcement begins issuing citations to OHV owners who have not obtained a registration decal.

It is difficult to determine whether or not the department will have the ability to sustain the OHV program, as financial resources at this time remain unquantifiable. However, in light of the minimal activity demonstrated to date, a decision was made to only hire one full time position dedicated to the program and cost allocate other staff as needed. This is not a long term viable solution, but until true resource demands are known, any other course of action would not be prudent.