



March 30, 2004

Service Assessment

 Motor Vehicle
Services
Regional Service Center



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**NEW JERSEY
MOTOR VEHICLE COMMISSION**

P.O. BOX 160
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State of New Jersey

Diane Legreide
Chief Administrator

To: Honorable James E. McGreevey
Governor, State of New Jersey
The State House
125 West State Street
Trenton, NJ 08625

March 30, 2004

Honorable Richard J. Codey
President of the Senate
District 27 Office
449 Mount Pleasant Avenue
West Orange, NJ 07052

Honorable Albio Sires
Speaker of the General Assembly
District 33 Office
303 58th Street
West New York, NJ 07093

As the Motor Vehicle Commission's inaugural year continues, and as advances in enhanced security and customer service continue to be made pursuant to The Motor Vehicle Security and Customer Service Act of 2003, I hereby transmit the March 30, 2004 Service Assessment of the New Jersey Motor Vehicle Commission (MVC), dated today.

This Service Assessment describes the initial steps that have been implemented to improve an agency whose problems were documented in the November 2002 Fix DMV Commission's Final Report, "An Agency In Crisis."

MVC is undertaking a complete overhaul of the security, structure, governance, business processes and customer service practices of the now-abolished DMV. The old agency was ripped up by its roots and is being replaced with a more high-profile, sophisticated and responsive organization. We continue our mission to make a better MVC for the ultimate beneficiaries of motor vehicle services, the citizens of New Jersey.

Diane Legreide
Chair and Chief Administrator

c: Ellen Davenport
Secretary of the Senate
The State House
125 West State Street
Trenton, NJ 08625

Christine Riebe
Clerk of the General Assembly
The State House
125 West State Street
Trenton, NJ 08625



(Diane Legreide MVC, Chief Administrator)

(James E. McGreevey Governor, State of New Jersey)

A Message from the Chief Administrator

I am pleased to announce that the last six months have brought significant, unprecedented change in the way the New Jersey Motor Vehicle Commission conducts business.

Indeed, MVC has remained immersed in reform during that time, enhancing all aspects of security and customer service while increasing efficiency. This March 30th assessment will define the organization's successes from the last six months, and also describe our next steps.

Many recent successes merit mention:

- 32 new fraud investigators on staff.
- Full implementation of the 6 Point ID program.
- Uniformed police in motor vehicle agencies.
- Enhanced agency security, including panic buttons and new locks.
- Saturday hours.
- New retail-like business process at MVC agencies.
- Increased online features for Internet customers.
- Expanded public outreach communications.
- Revamped, computer-equipped customer contact center.

And now, MVC's most important enhancement is underway. By June, all 45 MVC agencies will be issuing the state-of-the-art Digital Driver License. The smooth introduction of this technology, arguably the largest project ever undertaken by this state, is showcasing motor vehicle employees' skills and dedication.

Only by being proactive and responsive to customers can we continue to fix the old DMV, as mandated by Governor James E. McGreevey. Thank you for your support and patience.

Respectfully,

Diane Legreide
MVC, Chief Administrator

MVC March 30, 2004 Service Assessment

The New Jersey Motor Vehicle Commission

Chair, **Diane Legreide**, MVC Chief Administrator
Vice Chair, **Pamela S. Fischer**, Public Commission Member

Commission Member, **Peter C. Harvey**, Attorney General
Commission Member, **John F. Lettiere**, Commissioner of Transportation
Commission Member, **John E. McCormac**, Treasurer

Public Commission Member, **Grissele Camacho-Pagan**
Public Commission Member, **Steve Scaturro**
Public Commission Member, **Craig W. Yates**

The Motor Vehicle Security & Customer Service Act, 2003

State law requires the Motor Vehicle Commission (MVC) to compile two reports each year assessing the quality of the services it provides and outlining budget data for the past, present and next fiscal years.

These reports will be submitted on March 30th to the Office of the Governor and to the Presiding Officers of each House of the Legislature; and, again on September 30th.

The March 30th report will contain an assessment of MVC services for the previous six-month period. This report, MVC's second, will assess the organization's quality of service since September 30, 2003.

About this Report

For the purposes of this report, **MVC** and **the organization** shall mean the New Jersey Motor Vehicle Commission; **DMV** shall mean MVC's predecessor; **the Commission** shall mean the eight-member commission of MVC; and, **the Act** shall mean The Motor Vehicle Security and Customer Service Act of 2003.

1 (part one)



TECHNOLOGY

The Motor Vehicle Commission's (MVC) plan for technology improvements is directly related to improving business practices, operations and security throughout the organization.

Technology modernization will serve as the catalyst to bridge any gap between MVC's business and security objectives, resulting in improved control over all types of testing, and over document issuance and physical security, all of which will help to eliminate fraud and promote efficiency.

MVC will implement several new technology solutions, based on three strategic directions established in conjunction with the Office of Information Technology (OIT). These include:

- Improving customer service through the use of innovative information technology that reduces transaction costs and turnaround time.
- Improving internal processes, practices and procedures to simplify interactions between MVC and its customers.
- Building a flexible architecture and a highly cost-effective technology infrastructure that enhances employee productivity while eliminating fraud from MVC's processes.

These strategic technology directions are allowing MVC to move forward with system improvements directly related to security and customer service.

The Digital Driver License (DDL) Program

On January 20, 2004, MVC began issuing Digital Driver Licenses (DDL) at the Trenton Regional Service Center.

Today, this program, an enormous project of the sort never before undertaken by New Jersey State government, continues to be implemented successfully around the state. New Jersey's new generation of licenses and ID cards are safer, "smarter" and more durable.

High-tech security features make these licenses virtually impossible to copy or alter, providing New Jersey citizens with a new measure of defense as identity fraud becomes a more prominent national problem.

DDL has 22 advanced security features. These include a high quality digital photo, a hologram of the State seal preprinted in the overlay, hidden ultra violet text of the driver's name and date of birth, and a color banner that portrays the type of license.

Other security features will not be divulged to the motoring public and will only be known to law enforcement officials. These features protect cardholders against identity theft and protect retailers against fraud.

Minors are quickly identifiable. "Under 21" DDLs and ID cards are printed in vertical format. Prominent text along the right side of the photo indicates the date on which the cardholder will turn 21.

The implementation of this program required MVC to overhaul agencies' infrastructure through the installation of more than 45 local area networks (LANs). In addition, a digital image capturing system was installed. MVC's Image Repository System is capable of storing millions of digital images and signatures, which can then be easily retrieved by law enforcement personnel. An Automated Inventory Management System is part of the DDL program. It tracks DDL cards and other consumables, allowing agencies to order supplies and also provide an inventory of every document issued that includes date, time and issuer.

MVC's existing legacy system was integrated with the new image capture system to accelerate the acceptance of DDL in MVC's network without interrupting MVC services.

Additionally, the DDL project consists of new equipment and training. New "smart" terminals and other related equipment are being installed to replace MVC's current "dumb" terminals. These new terminals will support enhanced security features in the future, such as finger or thumb scans for access control and transaction authentication, and will also result in faster, more effective customer service. Approximately 60% of agency terminals have been upgraded.

Training for this program is advancing efficiently and will continue until completion of the DDL launch, which is scheduled for June 2004. This training will supplement the training provided by Digimarc, the State's DDL vendor.

As of March 13th, MVC has issued nearly **50,000 DDLs**.

(Refer to charts on next page.)



Under 21



Over 21



Back

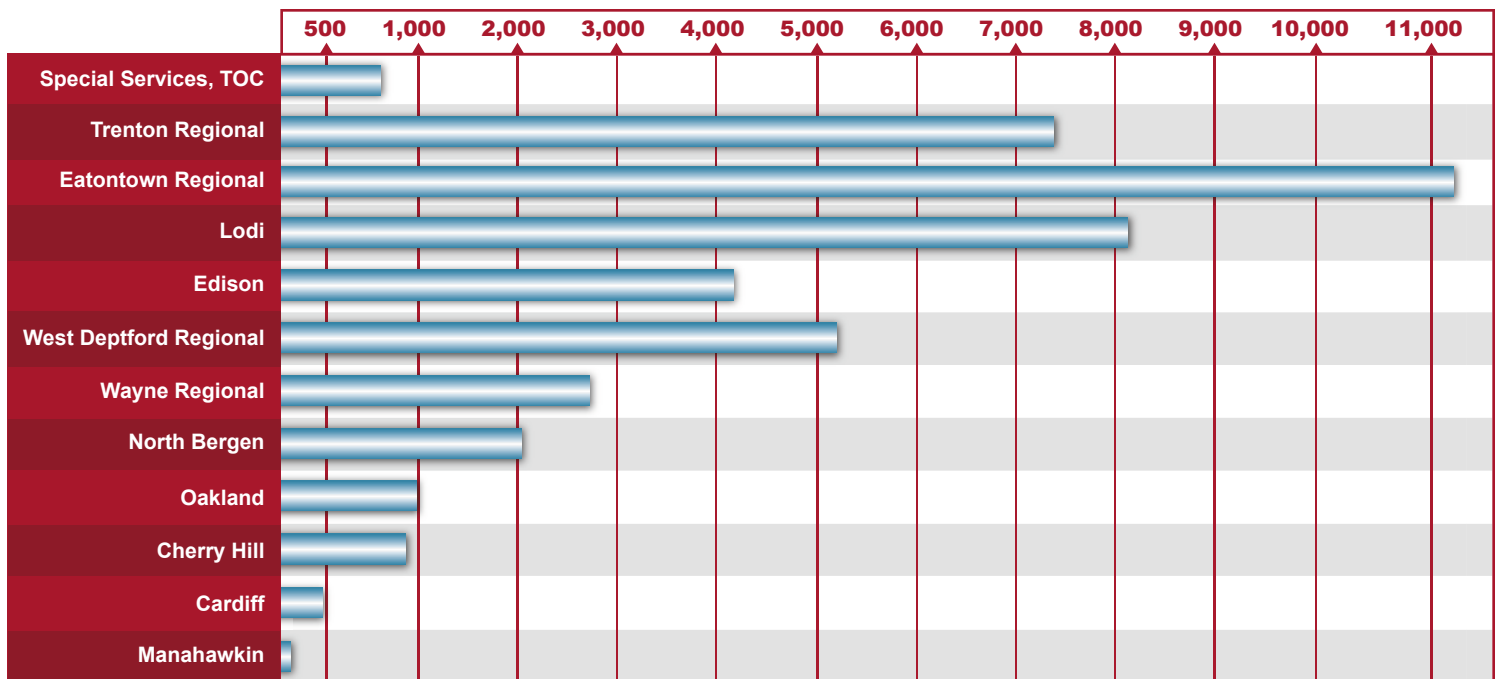
Digital Driver License (DDL) Schedule

(as of 3/13/04)

| Agency | Installation Date | Total DDL | Agency | Installation Date | Total DDL |
|-------------------------|---------------------|-----------|----------------|---------------------|-----------|
| Special Services, T.O.C | December 15, 2003 | 866 | Lakewood | (Wednesday) 4/21/04 | - |
| Trenton Regional | (Tuesday) 1/20/04 | 7,319 | Jersey City | (Thursday) 4/22/04 | - |
| Eatontown Regional | (Monday) 1/26/04 | 11,194 | Toms River | (Tuesday) 4/27/04 | - |
| Lodi | (Tuesday) 2/3/04 | 8,061 | Haddon Heights | (Wednesday) 4/28/04 | - |
| Edison | (Friday) 2/6/04 | 4,150 | Freehold | (Thursday) 4/29/04 | - |
| West Deptford Regional | (Monday) 2/9/04 | 5,160 | Newton | (Tuesday) 5/4/04 | - |
| Wayne Regional | (Wednesday) 2/18/04 | 2,764 | Englewood | (Wednesday) 5/5/04 | - |
| North Bergen | (Tuesday) 2/24/04 | 2,197 | Williamstown | (Thursday) 5/6/04 | - |
| Oakland | (Wednesday) 3/3/04 | 1,244 | Newark | (Tuesday) 5/11/04 | - |
| Cherry Hill | (Thursday) 3/4/04 | 1,082 | East Orange | (Wednesday) 5/12/04 | - |
| Cardiff | (Tuesday) 3/9/04 | 634 | Wallington | (Friday) 5/14/04 | - |
| Manahawkin | (Wednesday) 3/10/04 | 185 | Medford | (Tuesday) 5/18/04 | - |
| Wayne 46 | (Thursday) 3/18/04 | - | Vineland | (Wednesday) 5/19/04 | - |
| South Plainfield | (Monday) 3/22/04 | - | Elizabeth | (Friday) 5/21/04 | - |
| Mount Holly | (Wednesday) 3/24/04 | - | Washington | (Tuesday) 5/25/04 | - |
| Wyckoff | (Tuesday) 3/30/04 | - | Irvington | (Wednesday) 5/26/04 | - |
| Randolph | (Thursday) 4/1/04 | - | Flemington | (Thursday) 5/27/04 | - |
| Bakers Basin | (Tuesday) 4/6/04 | - | Bridgeton | (Wednesday) 6/2/04 | - |
| Rahway | (Wednesday) 4/7/04 | - | Bayonne | (Thursday) 6/3/04 | - |
| Morristown | (Tuesday) 4/13/04 | - | Camden | (Friday) 6/4/04 | - |
| Somerville | (Wednesday) 4/14/04 | - | Salem | (Tuesday) 6/8/04 | - |
| East Brunswick | (Friday) 4/16/04 | - | Springfield | (Wednesday) 6/9/04 | - |
| Matawan | (Tuesday) 4/20/04 | - | Rio Grande | (Thursday) 6/10/04 | - |

Agency DDL Totals

(as of 3/13/04)



Distribution of DDL cameras, as of March 13th, throughout MVC agencies: 11 in Central Jersey, 14 in Northern Jersey, and 11 in Southern Jersey.

MVC is capable of issuing 318 DDLs per hour. This number will rise dramatically as the rollout schedule progresses.

Together, MVC's agencies are averaging about 1,500 DDLs per day. On Saturdays, when agencies operate from 8 a.m. until 12 p.m., that number is approximately 900 DDLs per day.

On average, customers are leaving MVC's service counters with their DDL just seven minutes after arriving there and undergoing an in-depth identification verification process. A digital photograph is taken, a digital signature is captured, and the applicant is issued a DDL.

Web Site Improvements

Two additions to MVC's suite of online services since September 2003 – Request Your Driver History Record and Schedule a Road Test - have proven to be popular with MVC's online customers. From October 2003, when the two applications were launched, until February 29, 2004, the following transactions were processed online: 3,642 driver history records, and 5,817 road test schedules.

In Spring 2004, MVC will add another convenient service: an application called MyMVC, through which motorists will be able to order personalized special and regular license plates.

MyMVC will allow motorists to personalize MVC's online services with the added convenience of e-payment, or paying for services with a credit card over a secure Internet connection.

These types of services allow motorists to complete transactions with MVC without visiting a motor vehicle agency or telephoning the MVC Contact Center, a key ingredient in making MVC's customer service more convenient and efficient.

MyMVC will be deployed under MVC's Service Umbrella Application, which has resulted in reduced development and deployment times for new online MVC services. It's reduced maintenance time for MVC and OIT technology staff.

MyMVC applications will increase citizen users' convenience. Vehicle and registration data, including expiration dates, for all vehicles registered in that motorist's name will be provided to motorists through MyMVC.

MVC will also launch a Six Point ID Application or "Quick ID Picker," this spring. This application will help customers understand MVC's identification verification requirements and help them prepare a list of documents to bring to the motor vehicle agency.

Six Point Identification Program

Prior to the launch of DDL, MVC initiated a new policy to help prevent those who are not legally entitled to a New Jersey driver license from obtaining one through the use of fraudulent documents and other means. The Six Point Identification program, along with MVC's document fraud training for employees, is working.

The arrest of those in possession of phony documents at agencies has risen by approximately 800 percent since October 2003 as MVC has taken a more proactive approach to ridding motor vehicles of fraud.

This policy began on September 2, 2003, and requires all ID applicants who visit a motor vehicle agency to present proof of age, identity and address while applying for identification. The new policy outlines specific personal documents that may be used to verify identity.

Rebuilding MVC Systems

MVC has hired a Systems Architect who is defining the conceptual specifications of the new Comprehensive System. According to the State's bidding requirements, the Systems Architect will select a vendor to outline an overall project plan for a new system.

MVC's current Comprehensive System is built on proprietary, obsolete technology that burdens the State with a high annual maintenance cost. Replacing this system will support MVC's new way of doing business: Through the use of cutting edge technology solutions that help to provide enhanced security and customer service.

Awarding Key Technology Contracts

MVC has several current Request for Proposals (RFPs). Four contracts are scheduled for award in the third quarter of 2004. These include:

- **International Registration Plan** – Ensures the payment of qualifying motor carrier registration fees are apportioned according to miles driven.
- **Automated Driver Testing Scheduling System** – Provides for a Web-based scheduling of driver tests that will alleviate the number of “no shows” at driver testing centers.
- **Contact Center Modernization** – Efforts will include Interactive Voice Response (IVR), direct connections to skill-specific agents, and the monitoring and recording of all calls.
- **Surveillance Systems** – Security cameras and closed-circuit television systems will be installed at each MVC facility as part of ongoing security improvements.

Four additional RFPs are currently being written, including for: an assessment of the Comprehensive and Agency computer systems; Point-of-sale terminals and credit card processing for agencies; central issuance of DDL; and, automation of the foreign language written exam.

These contracts could be awarded as early as the fourth quarter of 2004.

Enhanced Microfilming Process

MVC maintains “images” of millions of documents produced during motor vehicle transactions, as required by state law.

The current imaging center uses microfilm technology to capture documents, such as titles, driver licenses and registrations, along with supporting documentation like passports and birth certificates. Microfilm presently serves as both an archival medium and as a means of inquiry.

Limitations exist with this process. Antiquated, inadequate equipment makes real-time document retrieval a challenge. External organizations depend on MVC's ability to respond quickly to requests for information, but can take up to 45 days to compile an “evidence package” for police departments, local courts and attorneys regarding motor vehicle violations.

To make this process more efficient, MVC's Information Update & Retrieval (IUR) area is now using new Kodak microfilm scanners for microfilm retrieval. This equipment has a security feature for redacting personal information from records, which is often required under state law. It can enhance older microfilm by converting analog images to digital. This produces a quality hard copy beneficial to the Administrative Office of the Courts (AOC), an important MVC business partner.

As MVC's technology improves, IUR will be able to share images over networks, imaging systems or securely over the Internet. This will improve the level of service MVC provides to internal and external customers.



SECURITY

The Motor Vehicle Commission (MVC) is continuing its commitment to enhance security for customers and employees by focusing on operational and business process improvements, securing every facility and hiring sufficient staff to accomplish the organization's mission.

Several major initiatives have been implemented successfully, including 6 Point Identification, document fraud training and DDL.

Nearing completion are several other important initiatives.

Some MVC agencies currently have a uniformed police officer inside the building during business hours. Several will add this important security feature in April. Many other agencies will follow in late spring and summer 2004. Meanwhile, MVC's comprehensive security plan, which addresses security and safety for all who use MVC facilities, is now being reviewed and updated to reflect MVC's most current security goals.

This plan currently follows these goals and objectives:

Goals

- Provide a secure environment to customers and employees at all facilities by equipping sites with enhanced security and safety measures.
- Provide internal controls.
- Consistently quantify all risks to MVC policies and procedures by conducting assessments, vulnerability tracking, threat identification and policy compliance monitoring.

Objectives

- Safeguard MVC documents by providing increased security measures and using technology enhancements.
- Reduce the number of fraudulent documents in circulation.
- Reduce the number of harassment/threatening incidents at MVC agencies.
- Measure the number of fraudulent documents recovered.
- Measure the number of arrests at all facilities.
- Maintain a list of enhanced security measures in place at each agency.
- Increase the number of audits performed and remedy all deficiencies.

Security, Investigations & Internal Audit (SIIA)

Twenty-five new investigators have joined the staff of MVC's Security, Investigations & Internal Audit (SIIA) unit since MVC last assessed its services.

Seven additional investigators, who work for the Division of Criminal Justice (DCJ) but whose salaries are paid by MVC, are collaborating with SIIA.

Each of these new investigators is assisting MVC in its pursuit of enhanced security through risk assessment, vulnerability tracking, threat identification, policy compliance monitoring and internal auditing.

LEASE Program

MVC's Law Enforcement Agency Security Enhancement (LEASE) program aims to place a full-time uniformed police officer in each of the organization's agencies and regional service centers during business hours to cultivate a more safe and more secure work and business environment.

Twelve MVC agencies have implemented this program, and four more agencies will have a police presence soon. LEASE is expected to cost MVC approximately \$5 million annually when fully implemented.

Every local police department whose justification includes an agency has been asked to participate in LEASE.

Under the LEASE agreement, MVC provides \$105,000 to participating departments at the beginning of each fiscal year to fund the program.

(Refer to chart on next page)

Document Fraud Training

MVC has adopted the document fraud detection and training models promoted by the American Association of Motor Vehicle Administrators (AAMVA). These programs have helped improve security and raise fraud awareness at MVC.

MVC has taken other proactive steps to protect New Jersey motorists from the effects of illegal motor vehicle transactions. Among the most important changes is the implementation of the 6 Point Identification program, which requires applicants for licenses and other documents to verify their identity in a new, more rigorous way.

This new requirement has increased the importance of training employees to recognize fraudulent documents. The Document Fraud Training unit within SIIA has trained every MVC employee who inspects customer documents. Law enforcement and MVC business partners have also received this important and necessary training.

Training classes include 'Introduction to Document Fraud,' 'Basic Document Fraud,' 'Advanced Document Fraud,' 'Motor Vehicle Title Identification,' 'Identity Theft and Personal Protection,' and 'Document Fraud for Law Enforcement.'

Training is continuous. In 2003, 475 employees were trained to detect fraudulent documents. The Document Fraud Training unit trained nearly 1,000 New Jersey police officers, 220 FBI agents and 150 New Jersey liquor license holders during the same period.

LEASE Program Security Listing

(as of 3/13/04)

| AGENCY | COUNTY | START DATE SHERIFF/POLICE DEPT. |
|-------------------|------------|---|
| 1.Baker's Basin | Mercer | - |
| 2.Bayonne | Hudson | 03/01/04 Bayonne Police Dept. |
| 3.Bridgeton | Cumberland | - |
| 4.Camden | Camden | - |
| 5.Cardiff | Atlantic | 02/01/04 Egg Harbor Township Police Dept. |
| 6.Cherry Hill | Camden | 04/01/04 Cherry Hill Police Dept. |
| 7.East Brunswick | Middlesex | 03/01/04 East Brunswick Police Dept. |
| 8.East Orange | Essex | 02/17/04 East Orange Police Dept. |
| 9.Eatontown | Monmouth | - |
| 10.Edison | Middlesex | - |
| 11.Elizabeth | Union | Date To Be Determined Elizabeth Police Dept. |
| 12.Englewood | Bergen | - |
| 13.Flemington | Hunterdon | - |
| 14.Freehold | Monmouth | - |
| 15.Haddon Heights | Camden | Date To Be Determined Haddon Heights Police Dept. |
| 16.Irvington | Essex | - |
| 17.Jersey City | Hudson | - |
| 18.Lakewood | Ocean | - |
| 19.Lodi | Bergen | 02/01/04 Lodi Police Dept. |
| 20.Manahawkin | Ocean | 11/24/03 Stafford Township Police Dept. |
| 21.Matawan | Monmouth | - |
| 22.Medford | Burlington | - |
| 23.Morristown | Morris | - |

| AGENCY | COUNTY | START DATE SHERIFF/POLICE DEPT. |
|---------------------|------------|---|
| 24.Mt. Holly | Burlington | - |
| 25.North Bergen | Hudson | 03/01/04 North Bergen Police Department |
| 26.Newark | Essex | - |
| 27.Newton | Sussex | - |
| 28.Oakland | Bergen | - |
| 29.Rahway | Union | - |
| 30.Randolph | Morris | - |
| 31.Rio Grande | Cape May | - |
| 32.South Plainfield | Middlesex | - |
| 33.Salem | Salem | - |
| 34.Somerville | Somerset | - |
| 35.Springfield | Union | - |
| 36.Toms River | Ocean | - |
| 37.Trenton | Mercer | - |
| 38.Vineland | Cumberland | - |
| 39.West Deptford | Gloucester | - |
| 40.Wallington | Bergen | 02/01/04 Wallington Police Dept. |
| 41.Washington | Warren | - |
| 42.Wayne Regional | Passaic | 03/01/04 Wayne Police Dept. |
| 43.Wayne 46 | Passaic | 01/01/04 Wayne Police Dept. |
| 44.Williamstown | Gloucester | 02/01/04 Monroe Township Police Dept. |
| 45.Wyckoff | Bergen | - |

Internal Audit

Internal Audit's role as overseer of MVC policy and procedure is essential to the organization's performance. Whether at the Trenton Office Complex or in the field at one of MVC's many agencies, Internal Audit is continuously monitoring:

Internal control processes
Agency procedure compliance
Accounting
Security practices
Transaction security
Fraud reporting

Four additional staff members have been added to Internal Audit, allowing the unit to increase to 48 the number of agency audits undertaken between October 2003 and February 2004. During the same period in 2002-2003, only 20 audits were completed.

Fingerprinting

More than 2,100 MVC employees have been fingerprinted as part of MVC's enhanced security plan. MVC's contractor for this undertaking is SAGEM Morpho, Inc., of Ewing.

All fingerprints are transferred electronically by SAGEM Morpho to specific law enforcement agencies soon after being taken. Employee backgrounds are checked by running fingerprints through the New Jersey State Police database and an FBI database.

Background checks are ongoing and some employees have been disqualified from employment with MVC for criminal convictions that surfaced during a background check.

Every new MVC employee must be vetted through this process.

Improved Physical Security

More than 60 percent of MVC facilities have received security enhancements that include panic buttons, perimeter alarms and security doors. MVC will award a contract this spring for closed circuit TV cameras in every agency.

Cameras will be placed in front entrances, waiting and clerical areas, hallways leading to rear doors, storage closets and managerial areas.

Incidents and Criminal Complaints

MVC maintains a log outlining the number of criminal or other complaints filed against any MVC employee or other related staff. This log also tracks arrests of customers at motor vehicle agencies for fraud or other criminal activity. The chart below lists the numbers, delineated by MVC agency.

Note that each arrest may have involved more than one charge. Therefore, the number of charges will exceed the number of arrests.

(10/1/03 - 3/10/04)

| AGENCY | A | B | C | D | E | F | G | H | I | J | K | L | M |
|-------------------|----|---|----|---|---|---|---|---|---|---|---|---|---|
| 1.Baker's Basin | 4 | 2 | 2 | | | | | | | | | | |
| 2.Bayonne | 0 | | | | | | | | | | | | |
| 3.Bridgeton | 5 | | 4 | | 1 | | | | | | | | |
| 4.Camden | 1 | | 1 | | | | | | | | | | |
| 5.Cardiff | 37 | | 34 | | 1 | | 2 | | | | | | |
| 6.Cherry Hill | 3 | | 3 | | | | | | | | | | |
| 7.East Brunswick | 19 | | 18 | | | 1 | | | | | | | |
| 8.East Orange | 34 | | 33 | | | | | | 1 | | | | |
| 9.Eatontown | 33 | | 29 | 1 | | | 1 | 1 | 1 | | | | |
| 10.Edison | 2 | | 1 | | 1 | | | | | | | | |
| 11.Elizabeth | 7 | | 7 | | | | | | | | | | |
| 12.Englewood | 1 | | 1 | | | | | | | | | | |
| 13.Flemington | 0 | | | | | | | | | | | | |
| 14.Freehold | 0 | | | | | | | | | | | | |
| 15.Haddon Heights | 0 | | | | | | | | | | | | |
| 16.Irvington | 3 | | 3 | | | | | | | | | | |
| 17.Jersey City | 5 | | 5 | | | | | | | | | | |
| 18.Lakewood | 22 | | 20 | | 1 | | | | | 1 | | | |
| 19.Lodi | 3 | | 2 | | 1 | | | | | | | | |
| 20.Manahawkin | 2 | | 2 | | | | | | | | | | |
| 21.Matawan | 0 | | | | | | | | | | | | |
| 22.Medford | 1 | | 1 | | | | | | | | | | |
| 23.Morristown | 2 | | | | 1 | | | | | | 1 | | |
| 24.Mt. Holly | 4 | | 4 | | | | | | | | | | |
| 25.North Bergen | 3 | | 3 | | | | | | | | | | |

(chart continued on next page)

SECURITY

(key)

| | | | |
|---|----------------------------|------------------------------------|--------------------|
| A Total | E Other | I Disorderly Conduct | M Robbery |
| B Official Misconduct (Theft, Bribery) | F Drug Possession | J Deportation | |
| C Counterfeiting (Knowingly exhibit or possess, tampering w/ records, forgery) | G Warrants | K Trespassing | |
| D Identity Theft | H Assault | L Receive Stolen Property | |

| AGENCY | A | B | C | D | E | F | G | H | I | J | K | L | M |
|---------------------------|----|---|----|---|---|---|---|---|---|---|---|---|---|
| 26.Newark | 9 | | 9 | | | | | | | | | | |
| 27.Newton | 0 | | | | | | | | | | | | |
| 28.Oakland | 1 | | 1 | | | | | | | | | | |
| 29.Rahway | 7 | | 6 | | 1 | | | | | | | | |
| 30.Randolph | 0 | | | | | | | | | | | | |
| 31.Rio Grande | 1 | | 1 | | | | | | | | | | |
| 32.South Plainfield | 3 | | 3 | | | | | | | | | | |
| 33.Salem | 0 | | | | | | | | | | | | |
| 34.Somerville | 4 | | 4 | | | | | | | | | | |
| 35.Springfield | 14 | 4 | 8 | | 2 | | | | | | | | |
| 36.Toms River | 0 | | | | | | | | | | | | |
| 37.Trenton | 7 | | 5 | 2 | | | | | | | | | |
| 38.Vineland | 1 | | | | | | 1 | | | | | | |
| 39.West Deptford | 4 | 1 | 1 | | | | | | 1 | 1 | | | |
| 40.Wallington | 3 | | 2 | | | | | | 1 | | | | |
| 41.Washington | 3 | | 2 | | 1 | | | | | | | | |
| 42.Wayne Regional | 12 | | 9 | | | | 3 | | | | | | |
| 43.Wayne 46 | 13 | | 13 | | | | | | | | | | |
| 44.Williamstown | 4 | 3 | | | 1 | | | | | | | | |
| 45.Wyckoff | 0 | | | | | | | | | | | | |
| 46.CRF INVESTIGATION | 7 | | 7 | | | | | | | | | | |
| 47.N/A | 12 | 1 | 6 | | | | | 1 | | | | 2 | 2 |
| 48.Trenton Office Complex | 2 | 2 | | | | | | | | | | | |
| 49.PARSONS/EDISON | 4 | 2 | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|----------------------|------------|-----------|------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| ARREST TOTALS | 300 | 15 | 250 | 3 | 11 | 1 | 7 | 2 | 4 | 2 | 1 | 2 | 2 |
|----------------------|------------|-----------|------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|



CUSTOMER SERVICE

The New Jersey Motor Vehicle Commission (MVC) is becoming a more customer-oriented organization every business day.

Through better awareness and employee development, customer service training and a new attitude that puts customer needs first, MVC continues to improve in this area after years of deteriorating service.

Saturday hours, new business practices, operational changes and added online service are among the changes MVC has already made. More changes are on the way, all of which will help MVC's employees accelerate the positive change in public perception occurring now.

Enhanced customer service is fast becoming a reality at MVC.



The Governor gets his DDL. (West Deptford Regional 2/09/04)

Hours More Convenient for Customers: Saturday Hours

What motorists wanted most from MVC after experiencing years of diminishing convenience was additional convenience. They wanted enhanced customer service and to visit a motor vehicle agency without taking a day off from work.

Governor McGreevey's Fix DMV Commission recognized this lack of convenience, and mentioned the need for Saturday Hours several times in its Final Report.

Legislation signed by the governor in January 2003 based on the Fix DMV Commission's recommendations for hours more convenient to customers.

In early January 2004, during his annual State of the State speech, the Governor McGreevey announced that Saturday hours would be coming soon to a motor vehicle agency near them.

On January 24, 2004, more than 14 years after DMV closed its doors on Saturdays, MVC opened them again. That day, agencies, Driver Testing Centers and Regional Service Centers throughout the state welcomed customers into increased convenience.

Governor McGreevey visited MVC's Lodi agency on January 24th to talk with customers and employees about the revival of Saturday Hours.

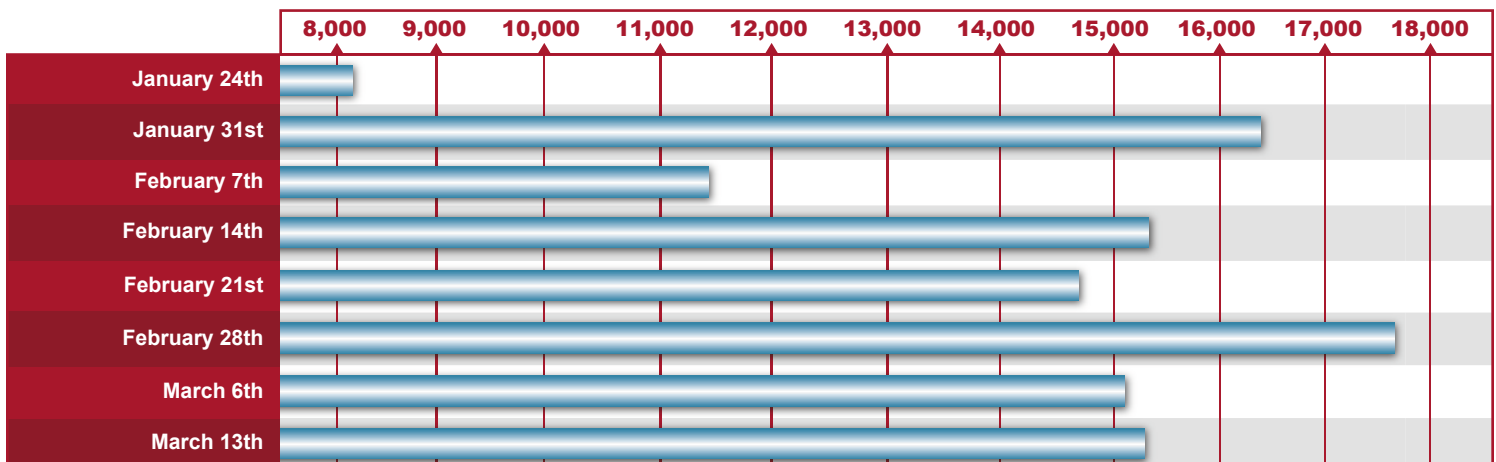
MVC worked hard throughout 2003 and early January 2004 to make Saturday Hours a reality, meeting often with the unions that represent more than 600 agency employees to solidify support for Saturday hours among MVC staff.

MVC is currently among the 30 percent of states that offer motorists and other customers the convenience of a sixth business day at motor vehicle facilities.

The chart below shows that Saturday Hours is a popular option for New Jersey motorists, who are, by the thousands, completing business with MVC on Saturdays. By doing so, they are enhancing customer service for MVC's weekday customers and responding to MVC's reform efforts.

Saturday MVC Transaction Totals

(as of 3/13/04)



“Tiger Team” Deployed



On January 24th, when MVC customers at Lodi and around the state first walked into an agency, a “greeter” or “rover,” members of MVC’s Tiger Team, met them there. These new MVC roles are part of a new business process implemented since MVC last assessed its services. Streamlined, more efficient service and expedited transactions have resulted from these efforts.

Tiger Team members are the front line of an organization that is the front line of state government. Highly skilled and motivated, this group has taught the new business process to every agency. Agency staff members were given new responsibilities after observing, learning and working beside Tiger Team members.

The Tiger Team has helped ensure a smooth transition from DMV’s old way of serving customers. The new process solves potential problems on the spot, allowing customers to avoid extended, unnecessary waiting.

As a microcosm of MVC’s full complement of customer service representatives, the Tiger Team has also succeeded in helping to introduce other new programs in 2003 and this year, such as the 6 Point Identification program and the Digital Driver License program, by streamlining agency business flow.

MVC’s Tiger Team was first in the door at every motor vehicle agency during the implementation of these important customer service initiatives.

The New Agency Business Process



Efficient and less frustrating visits for customers are among the results of MVC’s new business process.

Now, before any customer waits in line for service, an MVC greeter checks their paperwork and directs them to the proper line. Each MVC agency is currently using the new process, through which security surrounding driver license issuance and the service customers experience at a motor vehicle agency has improved.

The old business process moved customers through a single line. Work was completed on a first-come, first-served basis. No consideration was given to the complexity of a transaction, leaving customers with simpler transactions held up behind longer, more complex work.

In the new process, agency counters are configured by transaction type. An express line handles simple registration transactions, while other windows are for driver license, title and registration work.

MVC’s primary concern in this new process is managing the flow of customers by the type of service they require.

Special attention is given to driver license applicants through the 6 Point Identification program. Applicants’ identification documents are reviewed at various checkpoints along the way, decreasing customers’ chances of being turned away at the customer counter after an unnecessary wait.

MVC’s New Customer Service Model

- Puts the customer first
- Puts MVC employees to work on the floor helping customers by answering questions
- Promotes early intervention to determine whether customers have appropriate documentation
- Identifies business and citizen customers, directing them to appropriate counter locations
- Completes simple transactions quickly

Which means:

- Customers experience one line
- Customers are fully prepared to conduct business at the counter
- Better organization and floor management

MVC's New Agency Security Model

- Provides multiple checkpoints for identification documents
- Confines driver license business to one area of the agency
- Keeps customers in the driver license process once they begin
- Deters fraudulent applicants from jumping into the process

Feedback



The public and MVC staff have been receptive to this shift in business processes. Customers are experiencing much quicker service, some without waiting in a line.

The DDL process places much more focus on security and has been well received by customers because:

Agency staff and management are flexible and open to improvements

Managers are taking an active part in effectuating change

Creative solutions are being applied to remove transaction barriers

Employees are positive about change

A Modern Contact Center



MVC's Contact Center, the main telephone contact point between MVC and its customers, has undergone numerous changes in the past few months. Change will continue in the months to come, providing customers more accurate and timely service by telephone.

Avaya has been contracted to rewire the Contact Center with a new telephony solution that uses Interactive Voice Response (IVR) in both English and Spanish. IVR will also provide the capability for future enhancements to enable interactive transactions.

Avaya's platform will also include skill-based routing that will eliminate unnecessary call transfers. To provide enhanced customer service, all calls will be recorded, and customers will have the option to take part in a service quality survey at the end of every call.

This new Call Management System is an integrated solution that will monitor and analyze Contact Center performance. It will provide Contact Center management the ability to make cost-effective decisions, such as planning appropriate staffing levels for enhanced customer service.

Busy signals will be reduced by increasing the number of telephone circuits. This is a priority. This solution will be implemented by August 2004.

To prepare for these changes, the Contact Center has been moved and the new location has been rewired to accommodate PCs for every Contact Center employee. Previously, employees used a cumbersome three-ring binder to find answers and, as a result, the accurate dissemination of information was a challenge.

These PCs will give employees access to MVC's employee intranet site, @MVC, which hosts reference manuals, the Internet, MVC e-mail, and access to the MVC database. All Contact Center staff has received PC training.

Although the average daily call volume at the Contact Center has increased significantly as MVC changes the way it does business and increases programs, staffing levels will be kept constant until new management tools are helping analyze call volumes.

Mandatory customer service training has also helped to enhance the Contact Center. Supervisors have begun to closely monitor and review customer calls, ensuring that training is put into practice. Call monitoring will increase after Avaya solutions have been installed.

The Agency Help Line, an area of the Contact Center, has taken on many new responsibilities to support MVC's customer service initiatives. Additional staff has been added to provide support for Saturday hours and a technical support group has been formed to properly maintain and use MVC systems.

Listening to our Customers

In the summer of 2003, the Eagleton Institute Center for Public Interest Polling at Rutgers University conducted two telephone surveys for MVC. Both focused on customer reaction to and satisfaction with MVC services.

"Recent" individual and business customers who took the survey were asked to express a level of satisfaction with their last visit on a scale of zero to 10, with 10 being 'very satisfied.' Average ratings were 6.9 among recent individual customers, and 7.5 among business customers.

Seventy-two percent of "recent" individual customers rated their experience above five, as did 78 percent of business customers. Eighteen percent of individual customers and 14 percent of business customers rated their visit below five.

For the most part, as the survey's final report of February 2004 indicates, all customers were influenced by similar factors when evaluating their experience at a motor vehicle agency. These factors include:

5 Most Influential Factors

- **Evaluations of the staff** - the most influential factor on giving MVC passing grades, customer opinions are most heavily swayed by how helpful, knowledgeable, courteous and efficient employees are.
- **Length of time spent waiting in line** - customer satisfaction was influenced less by the amount of time a transaction required than by the amount of time spent waiting in line.
- **Number of times waiting in line was required** - the difference in overall satisfaction between those who waited in one line and those who waited in four is about 3.5.
- **Did the customer complete all transactions in a single visit to the office** - the difference in satisfaction between an individual customer who did complete his or her last business with DMV in one visit and one who did not is 3.3 on the scale from zero to 10. The difference among business customers who were not offered drop-off service is 2.2.
- **Evaluations of the facility** - Customers who offered positive evaluations were much more satisfied with their visit overall than customers who offered negative evaluations of the facility.

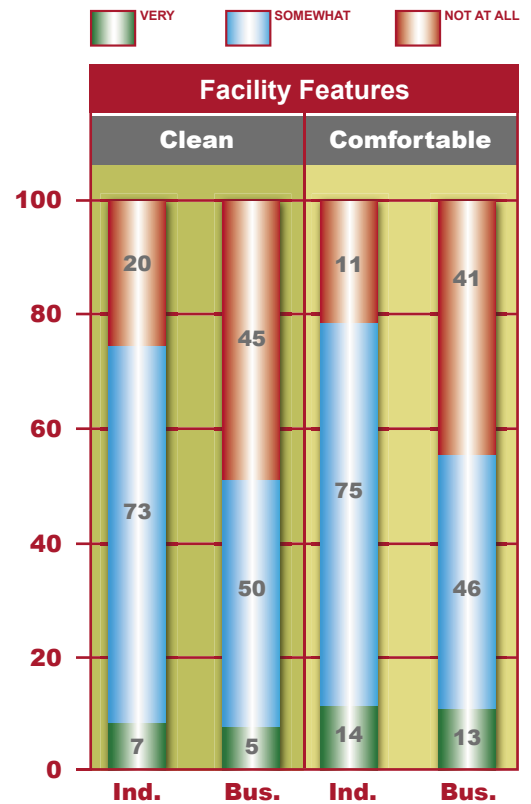
Customer feedback will begin to be collected full-time in Summer 2004. Motor vehicle agencies, as well as the Contact Center, will collect customer comments. Those comments will be analyzed so MVC can **continually** improve specific areas of customer service.

| Why is it you were unable to complete your business in one visit? | | |
|---|-------------|------------------------------------|
| | Individuals | Business Customers, no drop-off |
| 1. Transaction required documents the customer did not have. | 50% | 61% |
| 2. Staff gave inaccurate information / made mistakes | 10% | 24% |
| 3. Customer could not spend the time required | 10% | 0% |
| 4. Staff uncooperative / unhelpful / rude | 4% | 4% |
| 5. Office unorganized / confused | 3% | 2% |
| 6. Office could not provide the service the respondent needed | 3% | 3% |
| 7. Computers were down | 3% | 0% |
| 8. Customer did not pass test/had to come back to take test | 3% | 0% |
| 9. Customer's forms were filled out incorrectly | 2% | 0% |
| 10. Problems with power of attorney | 2% | 0% |
| 11. Problems registering leased car | 2% | 0% |
| 12. Person who vehicle registered to had to come in person | 2% | 0% |
| 13. Other | 5% | 6% |
| TOTAL | 100% | 100% |
| NUMBER OF CASES | 98 | 34 |

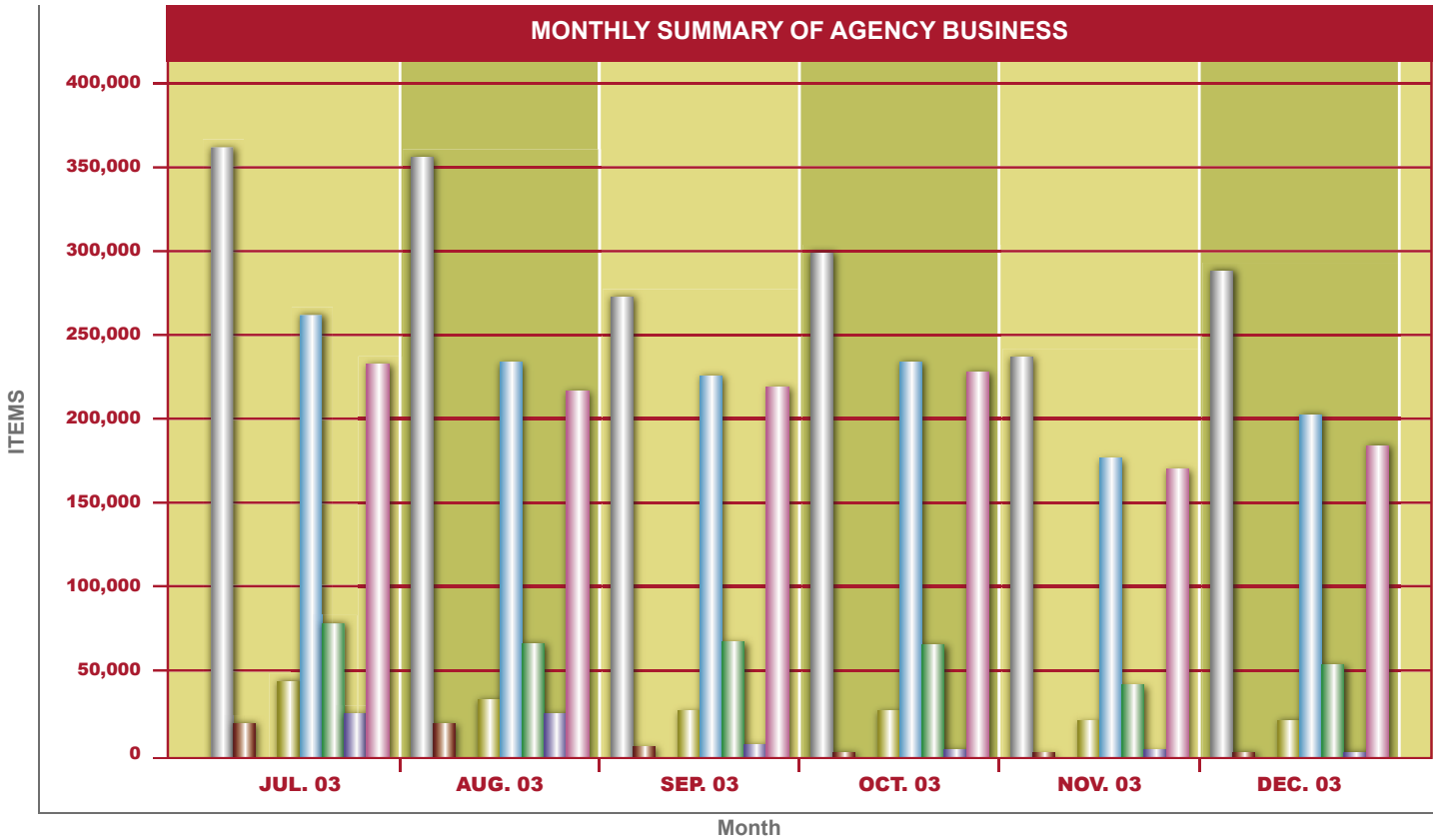
Source: Customer Satisfaction With Motor Vehicle Agency Offices in New Jersey, Eagleton Institute of Politics, Center for Public Interest Polling, for the New Jersey Motor Vehicle Commission, 02/24/04

| Overall, how satisfied were you with your last visit to a DMV office? | | | |
|---|-----------|-----------------------------|--------------------|
| | | Recent Individual Customers | Business Customers |
| Very Satisfied | 10 | 25% | 37% |
| | 9 | 9% | 9% |
| | 8 | 18% | 19% |
| | 7 | 13% | 8% |
| | 5 | 7% | 5% |
| | 6 | 10% | 7% |
| | 4 | 5% | 2% |
| | 3 | 3% | 2% |
| | 2 | 2% | 3% |
| | 1 | 2% | 2% |
| Very Dissatisfied | 0 | 6% | 5% |
| TOTAL | | 100% | 100% |
| NUMBER OF CASES | | 697 | 502 |
| AVERAGE | | 6.9 | 7.5 |

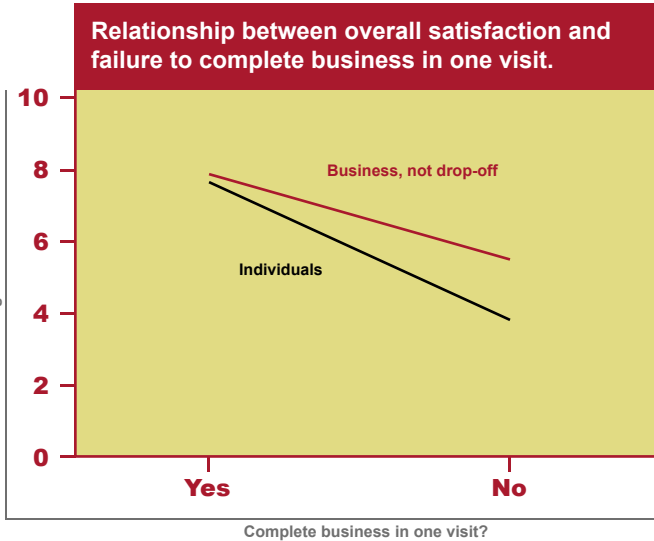
Source:
Customer Satisfaction With Motor Vehicle Agency Offices in New Jersey
Eagleton Institute of Politics,
Center for Public Interest Polling,
for the New Jersey Motor Vehicle Commission
02/24/04



Source:
Customer Satisfaction With Motor Vehicle Agency Offices in New Jersey
Eagleton Institute of Politics,
Center for Public Interest Polling,
for the New Jersey Motor Vehicle Commission
02/24/04



(color key)



Source: Customer Satisfaction With Motor Vehicle Agency Offices in New Jersey, Eagleton Institute of Politics, Center for Public Interest Polling, For the New Jersey Motor Vehicle Commission, 02/24/04

Training and Employee Development

Meeting employee training projections outlined in MVC's last service assessment is a priority. As MVC continues on its "Road to Excellence," the development of a Training Unit continues to be an important way to develop and promote enhanced customer service.

Under the direction of this unit, two of three levels of DDL training have been completed. The remaining level of DDL training will be complete in June, after every motor vehicle agency has received DDL technology. Training for MVC's Social Security Number verification training program has been completed. Document fraud training has been completed. Much of the Agency Business Process and Customer Service Training has been completed.

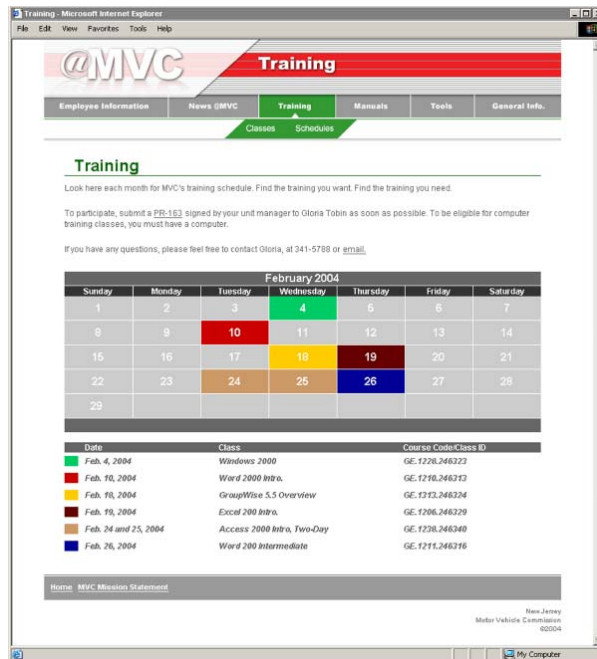
Although the Training Unit has made important strides already, it is still developing. Four employees will be added in April 2004 to bring the unit to eight employees

The Training Unit is developing the following programs:

New Employee Orientation; Supervisor/Manager Mentoring Program; Leadership and Motivation through Customer Service; Lifestyle Seminars; Career Day Fair; Career Counseling; Agency Transactions; Driver Testing Transactions; and Driver History Training.

Starting in July 2004, a quarterly training bulletin will be published. It will communicate organization-wide goals to MVC employees and improve internal communications even more.

Additionally, training, employee development and other information relating to employee enrichment will be posted on @MVC, MVC's employee intranet. Currently, a small-scale intranet is available. In April 2004, MVC will relaunch a larger, more useful employee intranet. The relaunch will include training and class schedules, department contact names and other information important to MVC employees. Weekly updates are planned.



(Employee Intranet: @MVC Training Page)

MVC has continued its relationship with the Department of Personnel's Human Resource Development Institute (HRDI). Future training needs and development strategies are part of ongoing discussions.

Currently, all training is either taking place at the Trenton Office Complex or at individual agencies. Training-specific rooms with mock agency counters and agency technology are planned in Trenton. A Learning Library for career development and enrichment is planned when adequate space becomes available.

Clean, Comfortable Offices at the Right Location



Thoroughly evaluating current MVC facilities and simultaneously planning for future facilities at new locations is an integral part of providing enhanced customer service to the motoring public.

To that end, MVC awarded a contract in October 2003 to Standard and Poors (S&P) Consulting to complete a Siting Study of MVC facilities.

S&P will ultimately recommend a strategy to MVC that suggests ways the organization's facilities can better serve the public. S&P has completed an initial round of information gathering and has moved on to site visits. This portion of the study is slated to be concluded by mid-May.

Identifying new facility locations that would best serve the state's citizens is the primary concern of the study. To reach those conclusions, facility safety, adequacy, parking availability, and access to mass transit will be analyzed by S&P. MVC's goal is to improve customer service throughout the state by providing clean, comfortable agencies in convenient locations.

A Siting Study Working Group meets twice each month to discuss S&P's findings and potential next steps toward increased convenience. MVC staff and S&P representatives comprise this group, which provides status reports to senior MVC management approximately every six weeks.

This study is on track to be completed before the one-year deadline stipulated in the contract with S&P.

Fixing MVC Facilities



Five MVC motor vehicle agencies are state-owned: Bakers Basin, Eatontown, Lodi, Newark, Rahway and Wayne.

Of these facilities, Lodi already has received a cosmetic renovation as suggested in the Fix DMV report. Similar renovations at the remaining five facilities will be completed by July 2004. (Cosmetic renovation includes painting, wall covering, and upgraded lighting.)

MVC Facilities Field Representatives visit agencies and inspection stations twice a month to monitor the general condition of the facility and the janitorial services being provided, as well as any maintenance needs. This new, more proactive approach to resolving problems, particularly at MVC's leased facilities, has been a success.

MVC and Treasury are now taking a more proactive approach toward enforcing lease obligations.

MVC has opened new Manahawkin and Mount Holly agencies since MVC's last service assessment. The Manahawkin site replaced an outdated facility in the same municipality, while the Mount Holly site replaced a dilapidated agency in Burlington.

A process is underway to find appropriate locations for up to 25 new facilities within the next two years.

Additionally, a capital project is underway for roof replacement at Newark.

A feasibility study is planned to evaluate the need and cost of major renovations to the six state-owned agencies. Any renovation would include HVAC and roof replacements.

Each MVC janitorial contractor has been apprised, in writing, of new MVC service criteria. MVC's new janitorial contract will be released for bid in March. This new contract will require a higher standard of service.

Improved Mail Room Operations



MVC's mail processing and mail sorting units move approximately 23 million pieces of mail per year. Since MVC last assessed its services, 1.9 million pieces of mail have been received and 9.5 million pieces have been processed.

Recent organizational programs, like DDL, Social Security Number correction mailings and Internet PIN mailings, as well as a host of MVC public awareness communications, have increased mailroom operations.

MVC will soon contract a consulting firm to develop an enhanced mailroom system. The RFP is being prepared. Recommendations will likely include the purchase of new mailroom equipment and software, project support after implementation of new mailroom design, inventory control management for forms and other equipment, and detailed analysis of mailroom policies and procedures, with an emphasis on a new workflow design.

This project will greatly enhance MVC's ability to improve business and technical systems and improve both internal and external customer service.

On-Board Diagnostics (OBD)



In August 2003, under the guidelines of the federal Clean Air Act (1990), New Jersey implemented a new type of emissions testing for automobiles. When New Jersey's On-Board Diagnostic (OBD) program began, only vehicles manufactured in 1998 or later were tested under this stricter test.

In January 2004, testing began for 1996 model year and newer cars.

Currently, the overall rejection rate throughout this program is 5.3%, which is consistent with rejection rates in other states. New Jersey's rate may increase as the number of vehicles being tested under OBD increases.

Wait times have remained steady across the state. On average, wait times are approximately 10 minutes.

All private inspection facilities (PIFs) that are enrolled in the OBD program have installed the new software required to run OBD. There are more than 1,400 PIFs in the state.

MVC inspection facilities in Newark, Flemington and Deptford have begun a pilot program of OBD-only lanes, which could decrease wait times even more.



ORGANIZATIONAL

The Motor Vehicle Commission (MVC) is implementing a long-range Strategic Plan based on customer input and focused on enhancing security and safety throughout the organization.

Five **strategic directions**, outlined below, have been identified, to help MVC achieve its Vision:

‘To provide the best in motor vehicle services’

- Enhance security and safety •
- Improve customer service •
- Improve MVC’s business practices •
- Sustain a well-trained and motivated staff •
- Maintain fiscal responsibility •

Several MVC directors have been assigned to support each specific strategic direction. Directors will develop and track Key Performance Indicators (KPIs) related to each strategic direction.

KPIs measure results and allow the monitoring of short and long-term progress. MVC has created the following KPIs:

Enhance Security and Safety

- 1a. Percent of sites with enhanced security and safety
- 1b. Percent of additional internal controls
- 1c. Driver/Vehicle Safety composite score

Improve Customer Service

- 2a. Percent of MVC customer satisfaction
- 2b. Average wait times in services

Improve The Way We Do Business

- 3a. Percentage of Fix DMV action items completed
- 3b. Number of new self-service delivery points

Sustain A Well-Trained, Motivated Staff

- 4a. Percent of employee turnover rate
- 4b. Percent of employee satisfaction
- 4c. Percent of career development plans in-place

Maintain Fiscal Responsibility

- 5a. Percent of operating budget vs. percent of year
- 5b. Average cost per service
- 5c. Percent of revenue increased by new initiatives

MVC's Strategic Planning efforts are communicated to employees through a number of channels, including updates in the organization's employee newsletter, FYI. In the near future, @MVC, the organization's employee intranet, will play an important role in further enhancing MVC's internal communications.

The purpose and intent of Strategic Planning elements like these – Vision, Values, Mission, KPIs – is to track and communicate progress MVC has made, how these elements impact employees' work, and how employees have played a part in success MVC has in reaching goals.

Currently, an evaluation of each indicator is being undertaken to determine how to optimize the collection of and reporting on this data. How and when new data will be used will be communicated after this evaluation period. At that time, annual short and long-term goals will be established for each KPI.

These 13 indicators and goals will comprise MVC's **Balanced Scorecard** (BSC), a management tool that focuses on long-term success. BSC data will be analyzed each month and will be used to develop an improvement plan. This data will also be compared to best practices throughout the industry for potential future improvement efforts.

Process teams will focus on critical problems that, when properly addressed, can close any gaps in KPIs' performance. Individual operational measures linked to MVC's KPIs will be developed by the directors, helping to further enhance organizational alignment and ensuring that the right work is in place at the right time.

Currently, the following process teams are in place:

- **Agency Customer Satisfaction** – Developing an approach to collect regular customer data in all 45 agencies, and provide a weekly satisfaction indicator for MVC.
- **Contact Center** – Focusing on collecting customer feedback and average telephone wait times from a new IVR (Interactive Voice Response) system, planned for installation in Summer 2004.

Future teams will be established for all service delivery points where customer satisfaction and average wait times are critical to success. In the future, process teams will be in place for MVC's:

Regional centers

Central office

Vehicle inspection facilities

MVC Web site

Driver testing facilities

Monthly tracking of MVC's Strategic Progress is not enough, so a **Strategic Planning Process** (SPP) is under development.

The purpose of the process is to provide consistent direction. SPP promotes concentration, consistency of purpose and flexibility as the organization strives to achieve its mission.

Additionally, the SPP will put a continuous, systematic process in place that links organizational goals, expenses and IT needs.

Affordability & Fairness Task Force



MVC is establishing an Affordability & Fairness Task Force. This task force will study MVC's current point system, which assigns points to drivers' individual records for traffic and other violations. When a driver accrues a certain amount of points, a suspension occurs.

The task force will consider how driver suspensions unrelated to the point system, such as for unpaid parking tickets or delinquent child support payments, affect drivers of varying socio-economic backgrounds.

Prospective task force members' names have been submitted by MVC to the Governor's office for approval. Once the task force has been formed, initial meetings will be held. The first meeting will likely be held in early June 2004.

Meanwhile, MVC is continuing a partnership with the Transportation Policy Institute in the Bloustein School at Rutgers University to study any fairness issues. An analytical report is expected in December 2004.

Advisory Councils

The five **Advisory Councils** required by state law have been established in the areas of customer service, safety, business, technology, and security and privacy.

NEW JERSEY MOTOR VEHICLE COMMISSION

Business Advisory Council

Daria Gerard, Director, Operations Support
MVC Designee

RESPONSIBILITIES

Advise MVC on improvements in business practices that affect the organization's public and private partners, regulated entities, interest groups, businesses and constituents in providing motor vehicle services.

Develop an agenda that ensures MVC will receive appropriate advice, guidance and recommendations on new business practices.

Develop sub-committees to tackle important issues related to MVC business processes.

RECOMMENDED MEMBERS

One Year Term:

Paul Anzano, Esq., Partner, Pringle Quinn Anzano, P.C

Frank Robinson, New Jersey Business and Industry Association

Two Year Term:

William Hoffman, Federal Highway Administration (FHWA)

Marilyn Milstein, AAA New Jersey Automobile Club

NEW JERSEY MOTOR VEHICLE COMMISSION

Customer Service Advisory Council

Gary Hasenbalg, MVC Strategic Planning Office
MVC Designee

RESPONSIBILITIES

Advise MVC on policies, operating practices, employee communications, regulations and standards in providing appropriate customer service.

Examine benchmarking performance and level of service standards for the Contact Center.

Examine internal communications to ensure consistency and systematic application

Make recommendations regarding marketing and dissemination of public information to re-establish a robust marketing and public information program.

Develop an agenda to ensure that the MVC will receive the appropriate advice, guidance and recommendations on all aspects of MVC's.

RECOMMENDED MEMBERS

One Year Term:

Bruce Waltuck, Administrator, Training and Employee Development, Delaware River Port Authority (DRPA)

Dan Daggendorf, Managing Director, State and Civic Affairs, Continental Airlines

Two Year Term:

Lisa Albitz, Executive Director, Quality New Jersey (QNJ)

Art Guida, Director of External Affairs, PSEG

Advisory Councils



NEW JERSEY MOTOR VEHICLE COMMISSION

Safety Advisory Council

Don Borowski, Director, Driver Control & Regulatory Affairs
MVC Designee

RESPONSIBILITIES

Advise MVC on policies, operating practices, regulations and standards relating to driver, motor vehicle and traffic safety.

Consider new initiatives or legislation to enhance the safety of the motoring public.

Develop an agenda that ensures that MVC will receive the appropriate advice, guidance and recommendations on new safety initiatives.

RECOMMENDED MEMBERS

One Year Term:

Lieutenant John Barber, New Jersey State Police,
Traffic Bureau

Roberto Rodriguez, Director, New Jersey Office of Highway
Traffic Safety

Two Year Term:

Dr. Patricia Klein, Neurologist, MVC Driver Review Medical
Advisory Panel

William C. Margaretta, President, New Jersey State
Safety Council

NEW JERSEY MOTOR VEHICLE COMMISSION

Security Privacy Advisory Council

John Huertas, Director, Security, Investigations
& Internal Audit
MVC Designee

RESPONSIBILITIES

Advise MVC on effectively maintaining secure systems and business processes.

Help address any serious security breaches.

Advise on new or modified programs needed to achieve heightened security.

Recommend methods to curtail fraudulent and criminal activities that present threats to the State's security as well as to protect the privacy of driver information.

Develop an agenda that ensures that the MVC will receive the appropriate advice, guidance and recommendations on new security initiatives.

RECOMMENDED MEMBERS

One Year Term:

Eric Levine, Vice President of Security, Prudential Financial

Captain James Beshada, New Jersey State Police

Two Year Term:

Rick Santoro, Sr. Vice President, Corporate Security,
Trump Hotels/Casino Resorts

Lieutenant Fred Paugh, New Jersey State Police

NEW JERSEY MOTOR VEHICLE COMMISSION

Technology Advisory Council

Adel Ebeid, Director, Management & Systems Development
MVC Designee

RESPONSIBILITIES

Advise MVC on the latest and best technological services and equipment to ensure continued modernization of facilities, equipment, operations, security and customer service.

Develop an agenda that ensures that the MVC will receive the appropriate advice, guidance and recommendations on new technology.

RECOMMENDED MEMBERS

One Year Term:

Pete Poleto, Office of Information Technology,
State of New York

Ted Taukas, Independent Computer Consultant

Two Year Term:

Jame Rebo, New Jersey Administrative Office of
the Courts (AOC)

Jay (John) Maxwell, American Association of Motor Vehicle
Administrators (AAMVA)

Surcharge Amnesty

A Surcharge Amnesty program was held in September and October 2003, and was run by MVC and Treasury. This program excused the interest and penalties accrued by motorists on missed surcharge payments, and allowed them to pay only the principal amount they originally owed.

Treasury Surcharges for New Jersey motorists began in 1984 and requires motorists who accumulate six or more points in a period of three years or less to pay an insurance surcharge of \$100 for the first six points and \$25 for each additional point.

Motorists charged with DUI offences were not eligible for the amnesty program.

More than 245,000 notices were sent to eligible motorists. This effort resulted in 74,139 payments. Almost **\$18 million was collected** of the approximately \$1.2 billion in delinquent surcharge payments.

To run the amnesty efficiently, MVC hired and trained 20 additional staff members. Of these new staff members, 15 of 20 stayed in MVC's surcharge area after the program ended. The five remaining new employees filled vacant positions in other MVC areas.

Integrate MVC and AOC

Nearly \$160 million in bond proceeds was provided to MVC for reform efforts in 2003. Of that amount, \$10 million is required to be spent upgrading systems and networks shared by MVC and the Administrative Office of the Courts (AOC).

These improvements will allow a real-time exchange of automated information, real-time interconnectivity for the payment of surcharges and the settlement of traffic violation fines, as well as the electronic issuance of traffic violations from police vehicles. Court records will be updated in real-time.

AOC awarded a contract to IBM in early March to convert their current database, which provides storage and retrieval of all municipal court records, to a more convenient database compatible with the Internet and other modern technologies.

Intergovernmental Relations (IGR)

This newly established department within MVC has created a review and comment process for all proposed, introduced and pending legislation.

IGR reviews legislation to determine what its impact would be on MVC's operations, technology infrastructure and fiscal integrity, as well as to determine if a potential new responsibility is suitable for MVC to undertake.

MVC continues to evaluate each of its currently required duties, identifying functions that may be outside the organization's core mission.

This evaluation process is as follows:

- 1) What other State department or agency may be better suited for the function in question?
- 2) What impact, if any, will the removal of a particular function have on MVC revenue and personnel?
- 3) How can MVC, if appropriate, properly seek to remove and transfer a particular function to a department or agency better suited to handle it?

5
(part five)



FINANCIAL

The New Jersey Motor Vehicle Commission's (MVC) FY 2005 budget is approximately \$337.3 million, which is comprised of a base budget of \$201.9 million in existing motor vehicle fees, \$51.2 million in new fees, \$42.69 million in capital funds, and \$23.9 million generated from self-funded programs. An additional \$17.7 million has been carried forward from the most recent fiscal year (FY '04) from a surplus kept by MVC that ensures unforeseen expenses do not result in year-end deficits.

MVC's capital funds will contribute to one of the organization's biggest undertakings during FY 2005: rebuilding MVC's Comprehensive System. The current Comprehensive System is more than 21 years old. Rebuilding this System is a priority. This will be a multiyear project, and the capital funding made available through MVC bonds will get this important project underway.

MVC's FY 2005 operating expenditures will increase by \$6.6 million as the organization continues to add additional services and necessary staff, all of which is helping to enhance security and customer service.

Although MVC's operating budget increases, MVC's overall expenditures will decrease by more than \$14 million in FY 2005, a reduction of approximately 4%.

NEW JERSEY MOTOR VEHICLE COMMISSION

ANNUAL BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2005

Resources

| | |
|--|-------------|
| FY 2004 Reappropriation | 17,664,000 |
| MVC Base Budget | 201,885,000 |
| New Fees | 51,208,000 |
| MVC Trust Fund Eligible Capital Proceeds | 42,604,000 |
| Commercial Vehicle Enforcement Fund | 7,100,000 |
| Security Responsibility | 14,874,000 |
| Bus Inspections - School and Commercial | 1,967,000 |

Total Resources ▷ **337,302,000**

Operating Expenditures

| | |
|-------------------------------|-------------|
| Salaries and Fringe | 129,399,000 |
| Materials and Supplies | 2,797,000 |
| Services Other Than Personal | 29,681,000 |
| Maintenance and Fixed Charges | 6,520,000 |

Special Purpose:

| | |
|---|------------|
| Vehicle Inspection Program | 71,723,000 |
| Agency Modernization | 4,172,000 |
| Digital Driver License | 4,316,000 |
| Graduated Driver's License | 1,121,000 |
| Reflectorized Plates | 4,600,000 |
| On-Line Registrations | 3,191,000 |
| Bus Inspections - School and Commercial | 2,885,000 |
| Surcharge Administration | 1,500,000 |
| Additions, Improvements, Equipment | 1,500,000 |

Total Operating Expenditures ▷ **263,163,000**

MVC Trust Fund Capital Projects

| | |
|-------------------------------------|------------|
| Infrastructure | 1,750,000 |
| Systems and Applications | 24,403,000 |
| eMVC | 2,408,000 |
| Supporting Technologies and Process | 968,000 |
| Other | 13,075,000 |

Subtotal MVC Trust Fund Capital Projects ▷ **42,604,000**

Non-MVC Trust Fund Capital Projects

| | |
|-------------------|-----------|
| Technology | 1,168,000 |
| Capital Equipment | 142,000 |

Subtotal Non-MVC Trust Fund Capital Projects ▷ **1,310,000**

Other Fund Supported Expenditures

| | |
|-------------------------------------|------------|
| Commercial Vehicle Enforcement Fund | 7,100,000 |
| Security Responsibility Fund | 14,874,000 |

Subtotal Other Expenditures ▷ **21,974,000**

Total Expenditures ▷ **329,172,000**

Total Resources ▷ **337,302,000**

Total Expenditures ▷ **329,172,000**

Surplus / (Deficit) ▷ **8,130,000**

Acknowledgements

This report, MVC's second to assess customer services and security, highlights real progress the organization has made on its 'Road to Excellence' since September 2003.

The previous pages contain good news and reason for optimism, due in part to continuing support from the Governor and the Legislature.

As MVC makes changes and changes perceptions, it's also proper to spotlight those effectuating reform: the employees of MVC. They are, as MVC's Strategic Planning office likes to say, "Being the Change."

Six days a week, MVC is the face of State government to thousands of customers at dozens of New Jersey locations. Each of those customers is getting a secure, customer-oriented experience.

MVC looks forward to providing another service assessment in six months, when in-depth financial information for the past, present and next fiscal years will also be included.

