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Motor Vehicle Administration
Maryland Department of Transportation

Operating Budget Data

($ in Thousands)

	FY 11 Actual	FY 12 Working	FY 13 Allowance	FY 12-13 Change	% Change Prior Year
Special Fund	$156,965	$163,477	$163,196	-$282	-0.2%
Adjusted Special Fund	**$156,965**	**$163,477**	**$163,196**	**-$282**	**-0.2%**
Federal Fund	378	177	7,531	7,355	4167.0%
Adjusted Federal Fund	**$378**	**$177**	**$7,531**	**$7,355**	**4167.0%**
Adjusted Grand Total	**$157,344**	**$163,654**	**$170,727**	**$7,073**	**4.3%**

- The fiscal 2013 allowance increases $7.1 million, or 4.3%, compared to the fiscal 2012 working appropriation. The increase in the allowance is due to the transfer of the Highway Safety Office, a federally funded office, from the State Highway Administration (SHA) to the Motor Vehicle Administration (MVA).

- Fiscal 2013 special fund spending declines as a result of personnel expenditures declining due to the Voluntary Separation Program and the one-time $750 bonus not occurring in fiscal 2013.

Note: Numbers may not sum to total due to rounding.

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PAYGO Capital Budget Data

($ in Thousands)

	Fiscal 2011	**Fiscal 2012**		**Fiscal 2013**
	Actual	**Legislative**	**Working**	**Allowance**
Special	$16,529	$17,735	$17,219	$23,807
Federal	$693	$0	$118	$354
Total	**$17,222**	**$17,735**	**$17,337**	**$24,161**

- The fiscal 2012 working appropriation decreases by $0.4 million from the legislative appropriation due to cash flow changes in the capital program.

- The fiscal 2013 allowance increases by $6.8 million due to several new projects relating to branch offices being added.

Operating and PAYGO Personnel Data

	FY 11 Actual	FY 12 Working	FY 13 Allowance	FY 12-13 Change
Regular Operating Budget Positions	1,573.50	1,561.50	1,571.00	9.50
Regular PAYGO Budget Positions	0.00	0.00	0.00	0.00
Total Regular Positions	**1,573.50**	**1,561.50**	**1,571.00**	**9.50**
Operating Budget FTEs	57.51	92.71	85.21	-7.50
PAYGO Budget FTEs	0.00	0.00	0.00	0.00
Total FTEs	**57.51**	**92.71**	**85.21**	**-7.50**
Total Personnel	**1,631.01**	**1,654.21**	**1,656.21**	**2.00**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		62.68	3.99%	
Positions and Percentage Vacant as of 1/1/11		46.00	2.96%	

- MVA had 20.0 positions abolished as part of the State's Voluntary Separation Program. It is estimated that abolishing these positions resulted in savings of approximately $1.4 million.

- The department's fiscal 2013 personnel complement increases 9.5 regular positions compared to the fiscal 2012 working appropriation. As part of the transfer of the Highway Safety Office to MVA, 7.0 positions were transferred from SHA to MVA. In addition, MVA converted 7.5 contractual positions to implement legislation from the 2011 session relating to the interlock ignition program. Finally, the agency had 5.0 positions abolished in the fiscal 2013 allowance.

- Contractual positions decrease by 7.5 full-time equivalents due to the conversion to regular positions to implement legislation.

- The fiscal 2013 allowance has turnover budgeted at 3.99%, requiring 62.68 vacant positions. As of January 1, 2012, MVA had 46.0 vacant positions for a vacancy rate of 2.96%.

Analysis in Brief

Major Trends

Alternative Service Transactions Increasing: Since fiscal 2000, MVA has made significant investments in information technology to increase the number of alternative transactions to reduce customer wait time. In fiscal 2011, the level of alternative service transactions reached 34%, less than the goal of 40%. In fiscal 2012 and 2013, the number of alternative service transactions is expected to increase faster than all transactions resulting in alternative service transactions increasing to 39 and 44%, respectively.

Average Customer Wait Time Expected to Increase: By decreasing the number of customer visits to branch offices, MVA hopes to reduce average customer wait times. Since fiscal 2004, the average wait time has been decreasing and reached 28 minutes in fiscal 2011. In fiscal 2012 and 2013, the average wait time is expected to increase above 30 minutes. MVA indicates that this is due to declining resources. **The Department of Legislative Services (DLS) recommends that MVA discuss why resources are declining if the goal is to reduce customer wait times. DLS also recommends that MVA discuss why this would increase wait times since there is an increasing percentage of alternative service transactions.**

Operating Cost Per Transaction Declines: MVA has a goal that the operating cost per transaction should be less than $14.00. In fiscal 2011, the cost dropped from $15.42 to $13.17. **DLS recommends that MVA discuss why the cost decreased so much in fiscal 2011.**

Issues

MVA Cost Recovery Requirements: Statute requires MVA to recover 95 to 100% of its operating budget and the six-year average of its capital budget through the miscellaneous fees it collects for the upcoming fiscal year by either reducing or increasing its fees accordingly. In fiscal 2013, the department's cost recovery rate is 105.1% and is not expected to reach the goal until fiscal 2016. It has been suggested that the cost recovery cap should be removed as a means to generate additional transportation revenue. Another option would be to alter the calculation but keep the cap in place so that an additional $56.7 million could be raised in fiscal 2017. **DLS recommends that MVA discuss the outlook for the cost recovery calculation and if it intends to comply with statute and reduce its fees.**

REAL-ID Update: The REAL-ID Act requires federal agencies to only accept state-issued driver's licenses and personal identification cards which have met certification standards by May 11, 2011. Due to most states having difficulty meeting the full compliance deadline, the Department of Homeland Security extended the deadline to January 15, 2013. MVA has not yet met all the requirements due to a bid protest for the central issuance system and the lack of national searchable databases for electronic verification of certain documents. **DLS recommends that MVA discuss with the budget committees the status of the central issuance procurement. MVA should also**

discuss what happens to Maryland driver licenses if central issuance or electronic verification systems are not ready by the deadline.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Budget Analysis

Program Description

The Motor Vehicle Administration (MVA) is responsible for supplying motor vehicle services to the citizens of Maryland. These services include:

- licensing all passenger and commercial drivers;
- registering and titling vehicles;
- issuing tags and permits for persons with a disability;
- providing photo identification cards for nondriver residents;
- regulating motor vehicle dealers, vehicle rental companies, and driver education schools; and
- administering the compulsory insurance compliance program, vehicle emissions inspection program, and driver safety program.

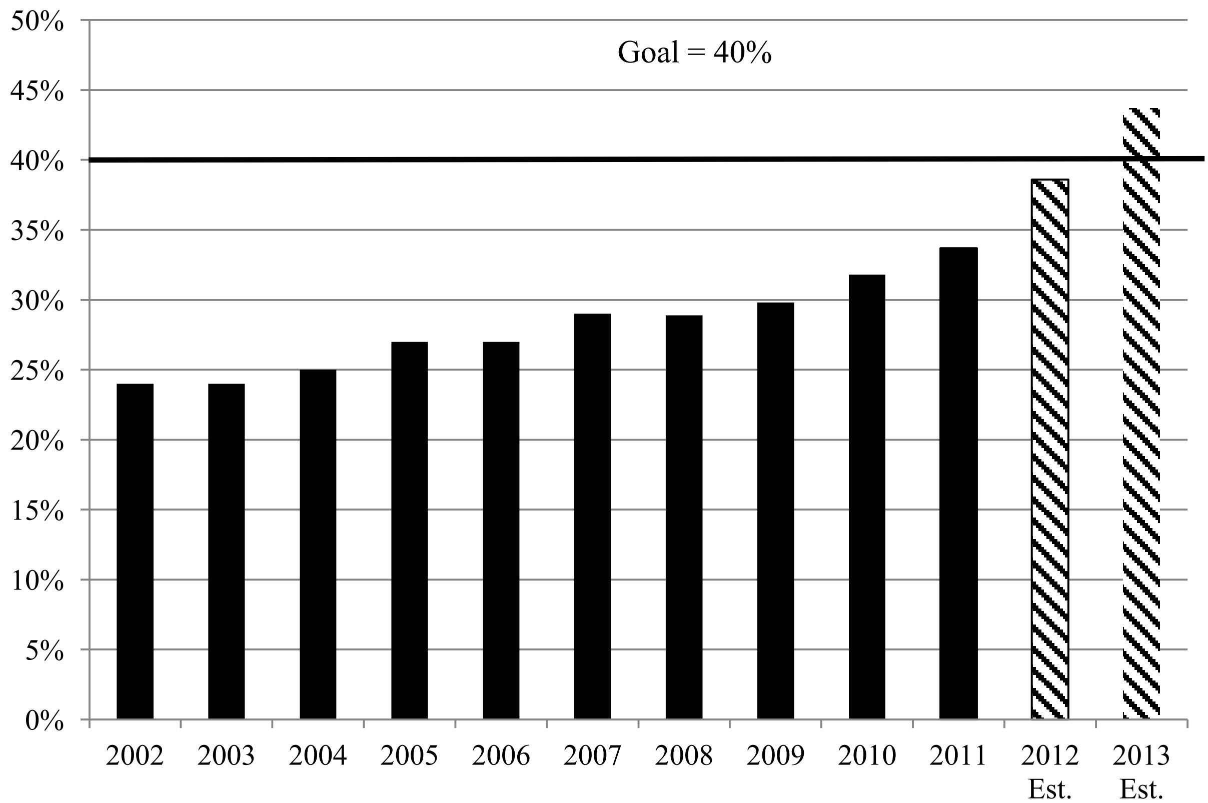
MVA serves customers through a network of branch offices, e-MVA facilities (kiosks and the Internet), a telephone call center, a mobile service center, and Vehicle Emissions Inspection Program stations.

Performance Analysis: Managing for Results

MVA's mission is "to provide efficient and courteous service." To meet this mission, one goal of MVA is to provide effective and efficient business processes. This can be achieved through the increased use of alternative service transactions that are defined as transactions performed online, at MVA kiosks, mail-in, or the telephone call center. (If more transactions are processed through alternative means, individuals will have reduced wait times or not have to visit branch offices.) Overall, total transactions increased in fiscal 2011 due to vehicle sales increasing and a one-time drop in fiscal 2010 due to the transition of the Vehicle Emissions Inspection Program to a new vendor.

Since fiscal 2000, MVA has made significant information technology (IT) investments to increase the number of alternative transactions as a way to reduce customer wait times and improve the customer experience. The department has developed a goal that 40% of all transactions should be completed through alternative means. In fiscal 2011, the level of alternative service transactions increased to 34% as shown in **Exhibit 1**. Total alternative service transactions increased 13.2% compared to fiscal 2010, a greater increase than the overall increase in transactions. In fiscal 2012 and 2013, the number of alternative service transactions is expected to increase faster than all transactions increasing the percentage of alternative service transactions to 39 and 44%, respectively.

Exhibit 1
Motor Vehicle Administration
Alternative Service Delivery Transactions
Fiscal 2002-2013

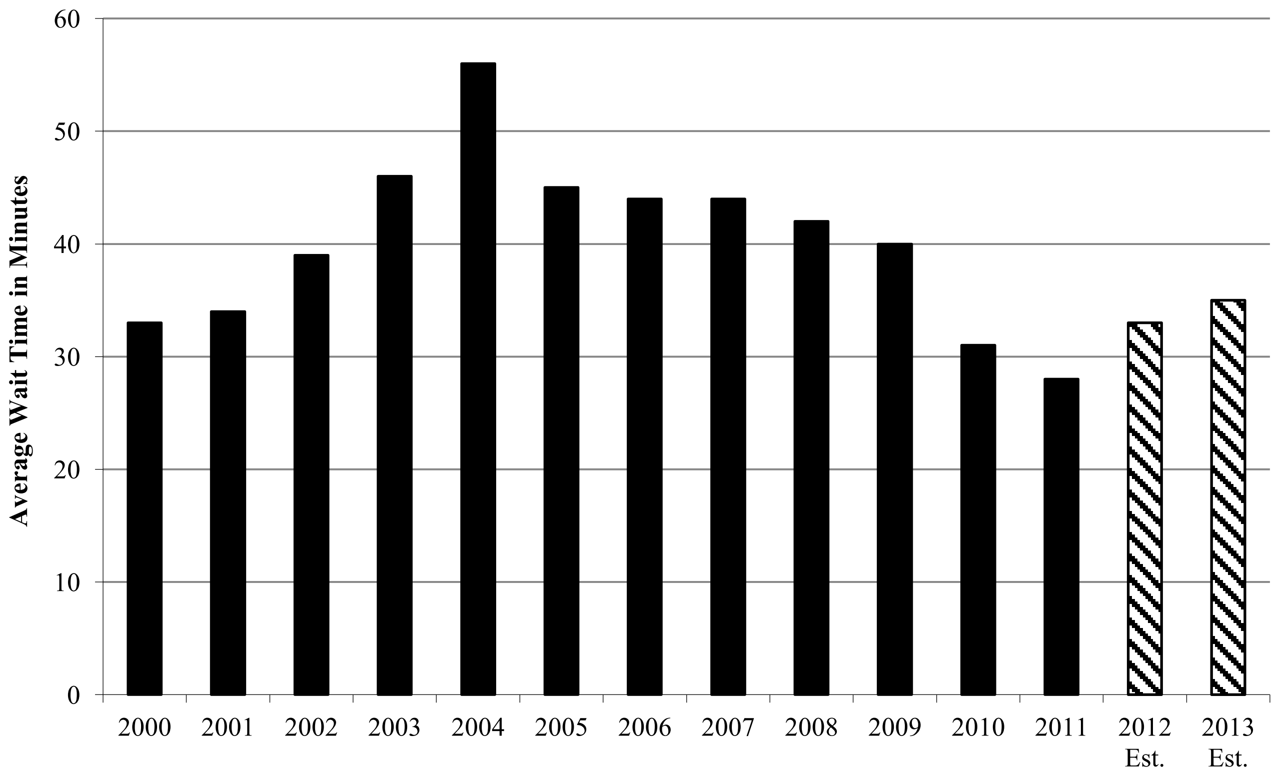


Source: Motor Vehicle Administration

In looking at specific types of services, one can see that certain services are more popular as an alternative service delivery option. Specifically, registrations and new titles each have over 50% utilization for alternative service delivery. The sizable increase in registration renewals can be attributed to an administrative policy announced by MVA that individuals have to use an alternative service delivery mechanism for registration renewals unless there is an administrative flag on their account. Finally, driver license renewals are expected to increase dramatically in fiscal 2013 due to the implementation of an online renewal program.

One goal of increasing alternative service delivery transactions is to reduce costs as well as customer wait times. MVA had been tracking the average customer wait time; however, the measure was changed in the 2011 session from the "perceived" customer wait time to the actual visit time. **Exhibit 2** indicates that the actual average visit time was 28 minutes in fiscal 2011. This is partly due to the number of alternative transactions increasing and the constant monitoring of customer flow. Given the estimated increase in alternative transactions in fiscal 2012 and 2013, one would expect the average wait time to decrease; however, that is not the case. In its explanation, MVA indicates that reduced resources will result in increased wait times. **The Department of Legislative Services (DLS) recommends that MVA discuss what resources are decreasing and if reducing wait times is a priority of MVA. DLS also recommends that MVA discuss why this would increase wait times when the percentage of alternative transactions is increasing.**

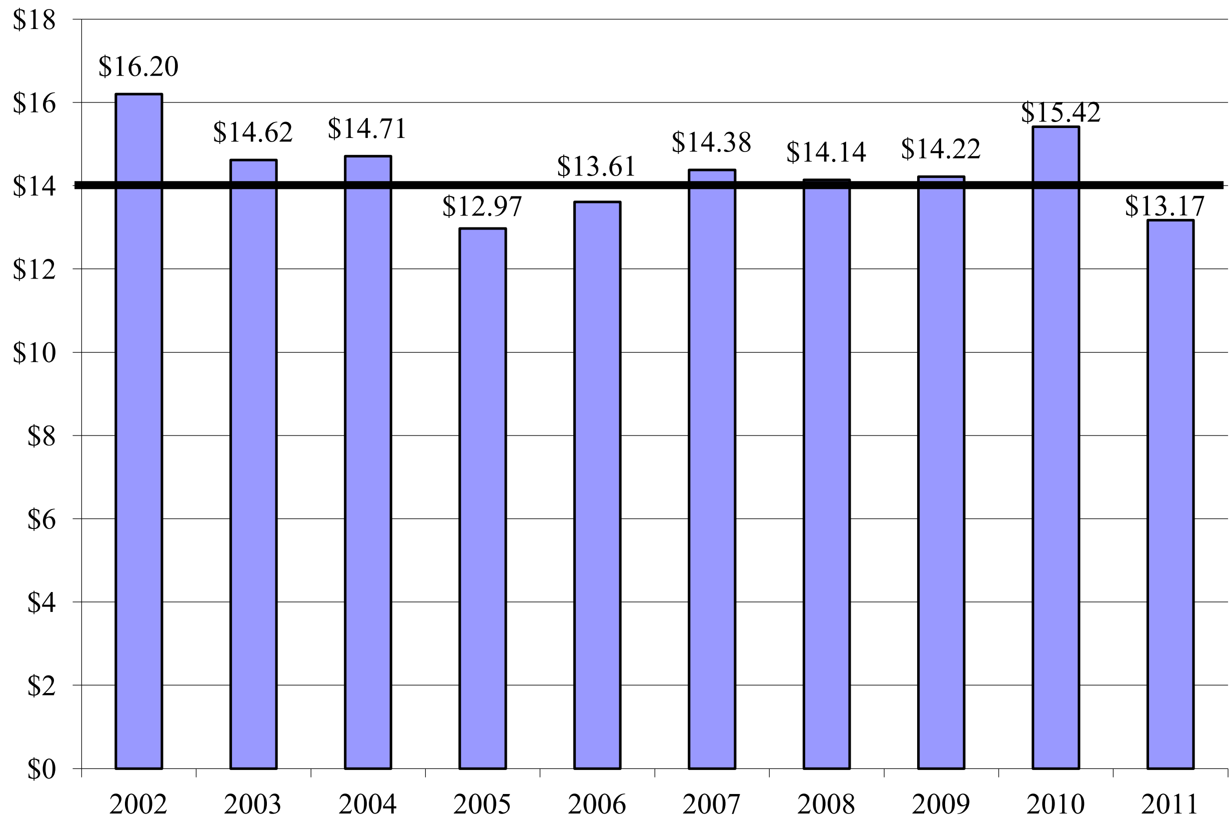
Exhibit 2
Average Customer Visit
Fiscal 2000-2013



Source: Motor Vehicle Administration

The 2011 attainment report notes that the cost per transaction for MVA is an indication of "whether MVA business practices and programs are increasingly cost-effective through the employment of better technology and operational practices." The target goal for MVA is $14.00 per transaction by fiscal 2012. As shown in **Exhibit 3**, the cost per transaction had steadily decreased from $16.20 in fiscal 2002 to a low point of $12.97 in fiscal 2005. Since fiscal 2005, the cost per transaction has been increasing with a sizable jump in fiscal 2010. In fiscal 2011, the cost per transaction dropped to $13.17. **DLS recommends that the department discuss why the cost decreased so much in fiscal 2011.**

Exhibit 3
Operating Cost Per Transaction
Fiscal 2002-2011



Source: Motor Vehicle Administration

Proposed Budget

The fiscal 2013 allowance increases $7.1 million, or 4.3%, compared to the fiscal 2012 working appropriation. As shown in **Exhibit 4**, most of the increase in the allowance is due to the transfer of the Highway Safety Office to MVA. The increase is offset by reductions in personnel expenditures.

Exhibit 4
Proposed Budget
MDOT – Motor Vehicle Administration
($ in Thousands)

How Much It Grows:	**Special Fund**	**Federal Fund**	**Total**
2012 Working Appropriation	$163,477	$177	$163,654
2013 Allowance	163,196	7,531	170,727
Amount Change	-$282	$7,355	$7,073
Percent Change	-0.2%	4167.0%	4.3%
Contingent Reductions	$0	$0	$0
Adjusted Change	-$282	$7,355	$7,073
Adjusted Percent Change	-0.2%	4167.0%	4.3%

Where It Goes:

Personnel Expenses	
7 new positions for ignition interlock program	$374
5 abolished positions	-285
7 new positions for highway safety	629
Increments and other compensation	-1,665
Ending the $750 one-time bonus	-1,199
Employee and retiree health insurance	908
Employee retirement	360
Workers' compensation premium assessment	93
Overtime	227
Additional assistance	-113
Turnover adjustments	8
Other fringe benefit adjustments	-126

Where It Goes:	
Highway Safety Office	
Highway safety grants	6,561
Funding for consultants related to the transfer of the highway safety office	772
Clerical support for the highway safety office	239
Other Changes	
Credit card fees from usage	419
Security service costs provided by the Maryland State Police and the Maryland Transportation Authority	371
System software maintenance	278
Road repair and snow removal	191
Utility expenditures based upon Department of Budget and Management instructions	155
Office of Administrative Hearings	153
National Motor Vehicle Title Information System	94
Conversion of 7.5 contractual positions to regular positions to implement ignition interlock legislation	-352
Telephone expenditures due to cost containment and reduction of toll free number	-375
Software rentals and purchases based upon fiscal 2011 spending	-374
Printing costs decline due to cost containment	-240
Other	-30
Total	**$7,073**

Note: Numbers may not sum to total due to rounding.

Back of the Bill Section

Section 19 proposes to provide resources to the Department of Information Technology (DoIT) to manage web design services and contracts. The objective is to consolidate contracts and personnel so that DoIT manages basic systems while agencies manage their specialized content. Approximately $900,000 and 11.0 regular positions are authorized to be transferred from State agencies budgets into DoIT's budget. With respect to MVA, the section authorizes the Governor to transfer 2 regular positions and $172,921 in special funds from MVA into DoIT. This initiative is discussed in the DoIT budget.

Personnel

There have been several changes to MVA's personnel complement, which have reduced expenditures by $0.8 million compared to the fiscal 2012 working appropriation. The changes in personnel include:

- 20.0 positions eliminated as part of the State's Voluntary Separation Program in 2011 saving an estimated $1.4 million;

- 5.0 positions abolished in the fiscal 2013 allowance saving an estimated $0.4 million;

- 7.5 new positions to implement Chapter 556 of 2011, legislation dealing with drunk driving and the ignition interlock program. It is estimated that these 7.5 positions added $0.4 million; and

- 7.0 new positions associated with the transfer of the Highway Safety Office from the State Highway Administration (SHA) to MVA. These 7.0 positions will add $0.6 million in federal funds to the budget.

Other major changes include a $0.9 million increase for employee and retiree health insurance, $0.4 million for employee retirement costs, and $0.2 million for overtime.

Highway Safety Office

The allowance includes the cost associated with the transfer of the Highway Safety Office from SHA to MVA. The MVA Administrator was named the Governor Highway Safety Representative in October 2011. The representative has the responsibility of working with the National Highway Traffic Safety Administration and other State entities to coordinate the State's highway safety initiatives. This responsibility would also include implementing the Strategic Highway Safety Plan. MVA and the Maryland Department of Transportation indicate that this transfer is consistent with the agency's role to administer safety programs and to license Maryland drivers.

In total, the new program is estimated to cost $8.2 million, with almost all of the funding coming from federal funds. Spending in the program is largely related to highway safety grants to local jurisdictions that total $6.6 million. Other major funding in the office includes $0.8 million for consultants and $0.2 million for clerical support.

Other Changes

The other major increases in the budget include the following:

- $0.4 million in the fee that MVA pays for credit card transactions;

- $0.4 million in increased costs for a private security firm to work at branch offices because MVA is expanding its arrest warrant program from two branches to five additional offices;

- $0.3 million for system software maintenance;

- $0.2 million for road repair and snow removal based upon historical expenditures;

- $0.2 million in increased costs for utilities per the Department of Budget and Management instructions; and,

- $0.2 million for fees to the Office of Administrative Hearings.

The major decreases in the allowance include:

- $0.4 million for the conversion of 7.5 contractual positions to regular positions;
- $0.4 million in telephone expenditures for cost containment and the reduction of toll free numbers;
- $0.4 million in reduced software rentals and purchases based upon fiscal 2011 spending; and
- $0.2 million in printing costs due to cost containment.

PAYGO Capital Program

Program Description

The Facilities and Capital Equipment Program provides funds for new capital facilities, renovations to existing facilities, the development of major new IT systems, and the purchase of capital equipment.

Fiscal 2012 to 2017 *Consolidated Transportation Program*

The fiscal 2013 allowance totals $24.2 million, an increase of $6.8 million compared to the fiscal 2012 working appropriation. As shown in **Exhibit 5**, a majority of the fund is for system preservation and minor projects. The largest major ongoing project is the alternative service delivery systems project which includes the design and implementation of electronic delivery of MVA services through the Internet, kiosks, and telephone Interactive Voice Response systems. The project totals $1.3 million in fiscal 2013.

Exhibit 5
Major Ongoing Motor Vehicle Administration Projects
Fiscal 2013
($ in Thousands)

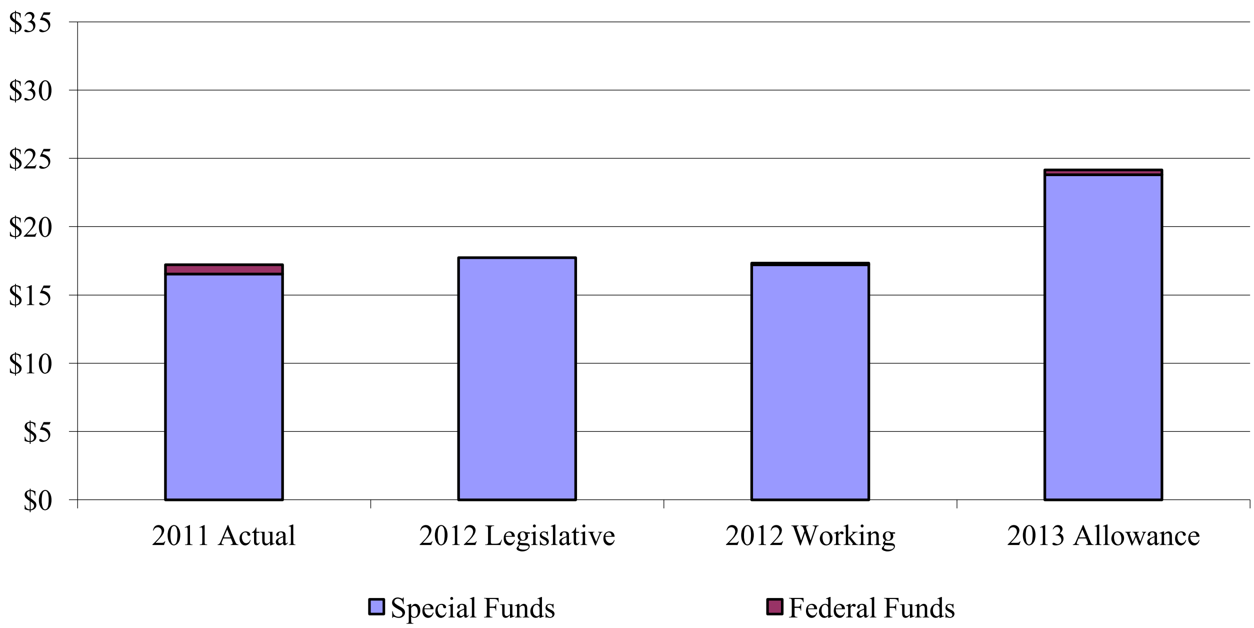
Jurisdiction	Project Description	2013	Total Cost
Statewide	Alternative Service Delivery Systems	$1,255	$19,377
Statewide	System Preservation Minor Projects	19,677	Ongoing
Statewide	REAL-ID Act	620	4,524
Statewide	Development and Evaluation	1,536	2,036
Statewide	Capital Salaries	1,073	Ongoing
Total Major Projects and Capital Facilities		**$24,161**	**$25,937**

Source: Maryland Department of Transportation, 2012-2017 *Consolidated Transportation Program*

Fiscal 2012 and 2013 Cash Flow Analysis

Exhibit 6 shows that the fiscal 2012 working appropriation decreases $0.4 million compared to the legislative appropriation due to cash flow changes in a number of smaller projects. The fiscal 2013 allowance is $6.8 million more than the fiscal 2012 working appropriation. This is due to a number of new system preservation projects including $4.4 million in IT upgrades, $2.3 million for the Essex Branch office relocation, and $1.8 million for the Glen Burnie branch office.

Exhibit 6
Cash Flow Changes
Fiscal 2011-2013
($ in Millions)



Source: Maryland Department of Transportation, 2012-2017 *Consolidated Transportation Program*

Issues

1. MVA Cost Recovery Requirements

By statute, MVA is required to recover between 95 to 100% of its operating budget and the six-year average capital budget through the miscellaneous fees it collects for the upcoming fiscal year. This excludes titling, registrations, and Vehicle Emissions Inspection Program fees. MVA has the authority to set its fees through regulation except for the vanity tag and certificate of title fee. Statute requires the department to reduce its fees in the subsequent fiscal year if the cost recovery rate exceeds 100%. In the department's financial forecast, MVA's cost recovery rate is 105.1% in fiscal 2013. Based upon its financial forecast, the department does not intend to reduce its fees or comply with statute until fiscal 2016 at the earliest. **Exhibit 7** shows how cost recovery is calculated, the cost recovery rates in fiscal 2011, and estimates for fiscal 2012 and 2013.

Exhibit 7
Motor Vehicle Administration Cost Recovery
Fiscal 2011-2013
($ in Millions)

	2011 Actual	2012 Working	2013 Allowance
Revenue			
Motor Vehicle Administration Fees	$176	$176	$182
Expenditures			
Operating Budget	157	164	171
Capital Budget	17	18	18
50% CTIPP Data Operations	9	9	10
Less Vehicle Emissions Insp. Program	-17	-17	-17
Federal Operating Assistance	0	0	-8
Total	**$166**	**$174**	**$174**
Percentage of Cost Recovery	**106%**	**101%**	**105%**

CTIPP: Consolidated Transportation Information Processing Plan

Source: Maryland Department of Transportation

If there is no change in the current structure of the MVA cost recovery requirement, MVA will need to reduce its fees, increase spending, or be in violation of statute. Fees are not expected to be lowered in the interim.

The current structure does create an unusual dynamic whereby MVA is supposed to reduce its fees only to have to likely increase them in subsequent fiscal years or to increase spending. One option would be to increase MVA's cap to 105% of expenditures to allow a degree of flexibility. This would minimize the department's need to increase and decrease fees.

Eliminating the Cap

The Blue Ribbon Commission on Maryland Transportation Funding recommended the removal of the cost recovery cap. By doing so, the department would have the ability to increase its fees as a means to generate additional revenue for the Transportation Trust Fund (TTF). Senate Bill 324 of 2011 would have eliminated the cost recovery cap.

Issues

There are a number of issues relating to eliminating the cost recovery requirement as a means to generate additional revenue:

- **Should MVA Fees Be a Revenue Source?:** Under current law, MVA's costs are required to be recovered by the fees it assesses. By removing the cap, MVA's fees would now not only fund MVA's expenditures but it would also fund other transportation expenditures. The General Assembly will want to consider whether it wants to change existing policy and have MVA fees be used for purposes other than supporting MVA's expenditures.

- **Accountability:** The current structure provides accountability and a limit for what MVA assesses for its fees. If the cap is removed, MVA would have the ability, through regulation, to set the fees at whatever level it wants with little legislative oversight.

- **Certificate of Title Fee Distribution:** During the 2011 session, the certificate of title fee was increased from $50 to $100. The additional revenue would have pushed MVA's cost recovery far above the statutory cap. To avoid this, half of the certificate of title fee is used for MVA's cost recovery calculation and the other half is dedicated to the TTF. The amount of revenue generated from the certificate of title fee is approximately $98 million in fiscal 2013. To avoid confusion, and since the certificate of title fee is a sizable revenue, one option would be to dedicate the entire certificate of title fee to the TTF.

Alternative Option

An alternative option would be to leave the MVA cost recovery requirement in statute; however, the certificate of title fee would be entirely transferred to the TTF. By doing so, MVA's cost recovery requirement would drop from 105% in fiscal 2013 to 75%. To meet the 95 to 100% cost recovery requirement, approximately $45 million in additional revenue would be required, as shown in **Exhibit 8**. To mitigate the impact of this increase on MVA fees in one year, the 95 to 100% requirement could be phased in over time.

Exhibit 8
MVA Cost Recovery Alternative
Fiscal 2013-2017
($ in Millions)

	2013	2014	2015	2016	2017
MVA Fee Revenue for Cost Recovery	$182.5	$189.0	$193.9	$195.5	$196.5
Less Certificate of Title	-52.0	-55.7	-59.0	-61.0	-61.7
Total	**$130.5**	**$133.3**	**$134.9**	**$134.5**	**$134.8**
MVA Eligible Spending	$174.1	$183.1	$190.2	$196.3	$201.6
Difference/Revenue Potential	$43.6	$49.8	$55.3	$61.8	$66.8
Cost Recovery	75%	73%	71%	69%	67%
Phase in Option		80%	85%	90%	95%
Additional Revenue		$13.2	$26.8	$42.2	$56.7

MVA: Motor Vehicle Administration

Source: Department of Legislative Services

The benefit of this approach is that the certificate of title fee would be accounted for in one place within the department's forecast instead of two. In addition, additional revenue would be generated from MVA fees, but a cap on the amount of revenue generated would still be in place.

The General Assembly may want to consider this as an option as part of any transportation revenue package.

DLS recommends that MVA discuss the outlook for the cost recovery calculation and if it intends to comply with statute by reducing its fees.

2. REAL-ID Update

Background

The REAL-ID Act requires federal agencies to only accept state-issued driver's licenses and personal identification cards which have met certification standards by May 11, 2011. The Department of Homeland Security (DHS) promulgated regulations clarifying the Act's provisions in mid-January 2008. The final regulations provide states the opportunity to extend the timeline to implementation, provided that 18 benchmarks were met. States had until December 1, 2009, to apply for an extension that would run through May 11, 2011, but DHS extended the full compliance deadline to January 15, 2013, because most states did not meet full compliance.

By May 11, 2011, states needed to be determined to be fully compliant with REAL-ID. This will involve a statement indicating that compliance has been reached from the state, a letter from the state Attorney General confirming that the state has the legal authority to impose the requirements necessary to meet the standards established, a description of the state's exception and waiver process, and the state's security plan.

To assist states in the enrollment process, DHS regulations provide the following:

- the enrollment of individuals born after December 1, 1964, must be completed on December 1, 2014; and

- all other individuals completed by December 1, 2017.

Status Update

On February 10, 2011, MVA submitted a full compliance package to DHS requesting Maryland's compliance with the REAL-ID Act. In its package, MVA indicated that it met 33 of the 39 benchmarks for full compliance. Of the 6 remaining benchmarks, MVA indicated that it was in partial compliance. In a letter dated April 20, 2011, DHS advised that the State is meeting all of the achievements that can be currently achieved.

Of the 6 remaining benchmarks, full compliance will be achieved with the implementation of central issuance and the availability of national verification systems. Currently, there is a protest of the central issuance procurement that has delayed its implementation. MVA is hopeful that full implementation of central issuance will be done by the DHS deadline of January 15, 2013.

In regard to the national verification systems, MVA continues to work on implementing verification systems as they become available. The four systems that are still not available are:

- **Verification of Lawful Status:** electronic verification of information on United States (U.S.) Visa and immigration status which Maryland hopes to adopt in 2012;

- **U.S. Passport:** electronic verification of information on a U.S. passport which Maryland hopes to adopt in 2012;

- **State to State Verification System:** electronic verification to determine if an applicant has already been issued a REAL-ID or driver's license by another state is not yet ready for implementation; and

- **Electronic Verification of Vital Events Records:** electronically verify the information on birth certificates is not yet ready for implementation.

DLS recommends that MVA discuss with the budget committees the status of the central issuance procurement. MVA should also discuss what happens to Maryland driver licenses if the central issuance process or electronic verification systems is not ready or online by January 15, 2013.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

PAYGO Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
Motor Vehicle Administration
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2011					
Legislative Appropriation	$0	$160,059	$177	$0	$160,236
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	-300	353	0	53
Reversions and Cancellations	0	-2,794	-152	0	-2,946
Actual Expenditures	**$0**	**$156,965**	**$378**	**$0**	**$157,344**
Fiscal 2012					
Legislative Appropriation	$0	$162,278	$177	$0	$162,454
Budget Amendments	0	1,199	0	0	1,199
Working Appropriation	**$0**	**$163,477**	**$177**	**$0**	**$163,654**

Note: Numbers may not sum to total due to rounding.

Fiscal 2011

Fiscal 2011 actual spending totaled $157.3 million, $2.9 million less than the legislative appropriation. A special fund budget amendment reduced spending by $0.3 million due to savings from delays in implementing central issuance. Special fund cancellations totaled $2.8 million in health insurance and a higher than expected turnover rate.

Federal fund budget amendments totaled $0.4 million for the following purposes.

- $235,414 increase needed for the implementation of REAL-ID through the federal Driver's License Security Grant Program;
- $114,803 increase to modernize the Commercial Driver's License reporting process through a federal grant from the Commercial Driver's License Information System program;
- $24,785 increase for contractual services relating to the driver's licensing system through the federal Commercial Driver License's State Program;
- $11,953 increase for the Odometer Fraud Enforcement Program to complete the grant funding through the federal National Highway Traffic and Safety grant program; and
- $33,509 decrease for contractual services that will not be expended in the current year through Commercial Driver License's State Program grant.

Federal fund cancellations total $0.2 million due to spending in a number of federal grant programs for driver's licenses not occurring as planned.

Fiscal 2012

The fiscal 2012 working appropriation increases approximately $1.2 million to fund the one-time $750 bonus for State employees.

Object/Fund Difference Report
MDOT – Motor Vehicle Administration

Object/Fund	FY 11 Actual	FY 12 Working Appropriation	FY 13 Allowance	FY 12 - FY 13 Amount Change	Percent Change
Positions					
01 Regular	1,564.50	1,553.50	1,563.00	9.50	0.6%
02 Contractual	54.97	89.35	81.45	-7.90	-8.8%
Total Positions	**1,619.47**	**1,642.85**	**1,644.45**	**1.60**	**0.1%**
Objects					
01 Salaries and Wages	$ 95,911,627	$ 102,571,596	$ 101,782,604	-$ 788,992	-0.8%
02 Technical and Spec. Fees	3,163,529	3,577,474	3,449,693	-127,781	-3.6%
03 Communication	5,648,197	5,388,129	5,010,921	-377,208	-7.0%
04 Travel	121,974	97,911	119,198	21,287	21.7%
06 Fuel and Utilities	2,289,219	2,258,769	2,397,226	138,457	6.1%
07 Motor Vehicles	549,918	486,425	488,669	2,244	0.5%
08 Contractual Services	42,626,996	41,916,855	43,080,622	1,163,767	2.8%
09 Supplies and Materials	1,081,975	873,940	878,731	4,791	0.5%
10 Equipment – Replacement	50,378	44,341	44,341	0	0%
11 Equipment – Additional	21,893	34,477	34,477	0	0%
12 Grants, Subsidies, and Contributions	13,516	55,513	6,616,828	6,561,315	11819.4%
13 Fixed Charges	5,864,578	6,348,262	6,823,632	475,370	7.5%
Total Objects	**$ 157,343,800**	**$ 163,653,692**	**$ 170,726,942**	**$ 7,073,250**	**4.3%**
Funds					
03 Special Fund	$ 156,965,458	$ 163,477,192	$ 163,195,653	-$ 281,539	-0.2%
05 Federal Fund	378,342	176,500	7,531,289	7,354,789	4167.0%
Total Funds	**$ 157,343,800**	**$ 163,653,692**	**$ 170,726,942**	**$ 7,073,250**	**4.3%**

Note: The fiscal 2012 appropriation does not include deficiencies.

Appendix 2

Fiscal Summary
MDOT – Motor Vehicle Administration

Program/Unit	FY 11 Actual	FY 12 Wrk Approp	FY 13 Allowance	Change	FY 12 - FY 13 % Change
01 Motor Vehicle Operations	$ 157,343,800	$ 163,653,692	$ 162,505,299	-$ 1,148,393	-0.7%
03 Facilities and Capital Equipment	15,012,302	16,836,841	22,125,080	5,288,239	31.4%
04 Maryland Highway Safety Office	0	0	8,221,643	8,221,643	0%
08 Major IT Development Projects	2,210,124	500,000	2,036,000	1,536,000	307.2%
Total Expenditures	**$ 174,566,226**	**$ 180,990,533**	**$ 194,888,022**	**$ 13,897,489**	**7.7%**
Special Fund	$ 173,494,471	$ 180,696,033	$ 187,002,733	$ 6,306,700	3.5%
Federal Fund	1,071,755	294,500	7,885,289	7,590,789	2577.5%
Total Appropriations	**$ 174,566,226**	**$ 180,990,533**	**$ 194,888,022**	**$ 13,897,489**	**7.7%**

Note: The fiscal 2012 appropriation does not include deficiencies.

Appendix 4

Budget Amendments for Fiscal 2012

Maryland Department of Transportation
Motor Vehicle Administration – Operating

Status	Amendment	Fund	Justification
Approved	$1,199,202	Special	Adjusts the appropriation for the $750 bonus

Source: Maryland Department of Transportation

Appendix 5

Budget Amendments for Fiscal 2012

Maryland Department of Transportation
Motor Vehicle Administration – Capital

Status	Amendment	Fund	Justification
Approved	$6,456	Special	Adjusts the appropriation for the $750 bonus
Pending	-523,000	Special	Adjusts the amended appropriation to agree with the anticipated expenditures in the final CTP
	118,000	Federal	
	-$405,000	***Subtotal***	
Total	**-$398,544**		

CTP: *Consolidated Transportation Program*

Source: Maryland Department of Transportation