

**J00E00**  
**Motor Vehicle Administration**  
**Maryland Department of Transportation**

***Executive Summary***

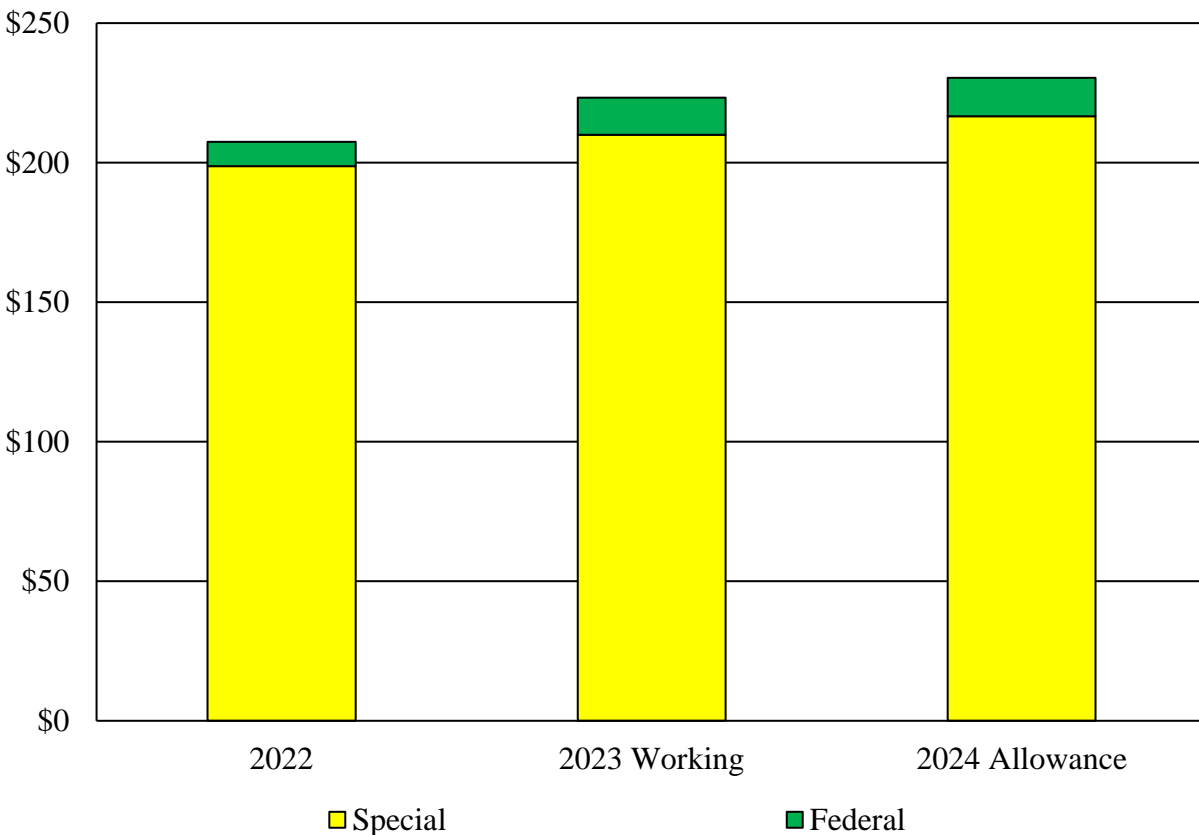
---

The Motor Vehicle Administration (MVA) is responsible for supplying motor vehicle services to the citizens of Maryland, including driver license services, registration and titling of vehicles, administering vehicle inspection and driver safety programs, and the regulation of businesses related to the sale and rental of motor vehicles and the training of drivers.

***Operating Budget Summary***

---

**Fiscal 2024 Budget Increases \$7.2 Million, or 3.2%, to \$230.4 Million**  
**(\$ in Millions)**



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

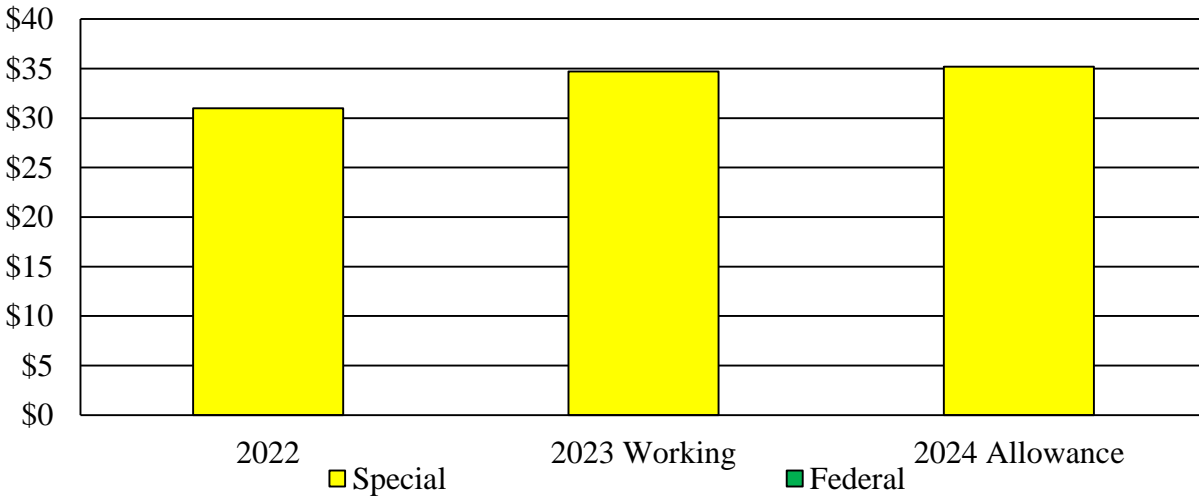
For further information contact: Carrie Cook

Carrie.Cook@mlis.state.md.us

## ***PAYGO Capital Budget Summary***

---

### **Fiscal 2024 Budget Increases \$0.5 Million, or 1.4%, to \$35.2 Million (\$ in Millions)**



PAYGO: pay-as-you-go

Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

## ***Key Observations***

---

- ***Vehicle Emissions Inspection Program Changes:*** New regulations decreasing the number of vehicles subject to emissions testing is expected to reduce revenues.
- ***Mobile Drivers’ Licenses:*** Digital drivers’ licenses are now available for Apple users and accepted at security checkpoints at two airports in the region.

## **Operating Budget Recommended Actions**

1. Concur with Governor’s allowance.

## **PAYGO Budget Recommended Actions**

1. Concur with Governor’s allowance.

**J00E00**  
**Motor Vehicle Administration**  
**Maryland Department of Transportation**

## ***Budget Analysis***

---

### **Program Description**

MVA is responsible for supplying motor vehicle services to the citizens of Maryland. These services include:

- licensing all commercial and noncommercial drivers;
- registering and titling vehicles;
- issuing tags and permits for persons with a disability;
- issuing photo identification (ID) cards for nondriver residents;
- regulating motor vehicle dealers, sales staff, vehicle rental companies, driver education schools, and driver education instructors;
- administering the compulsory insurance compliance program, Vehicle Emissions Inspection Program (VEIP), and driver safety programs; and
- coordinating the State's highway safety efforts.

MVA serves customers through a network of branch offices, e-MVA facilities (kiosks and online), a telephone call center, a mobile service center, and VEIP stations.

## ***Performance Analysis: Managing for Results***

---

### **1. Efficient Management Practices**

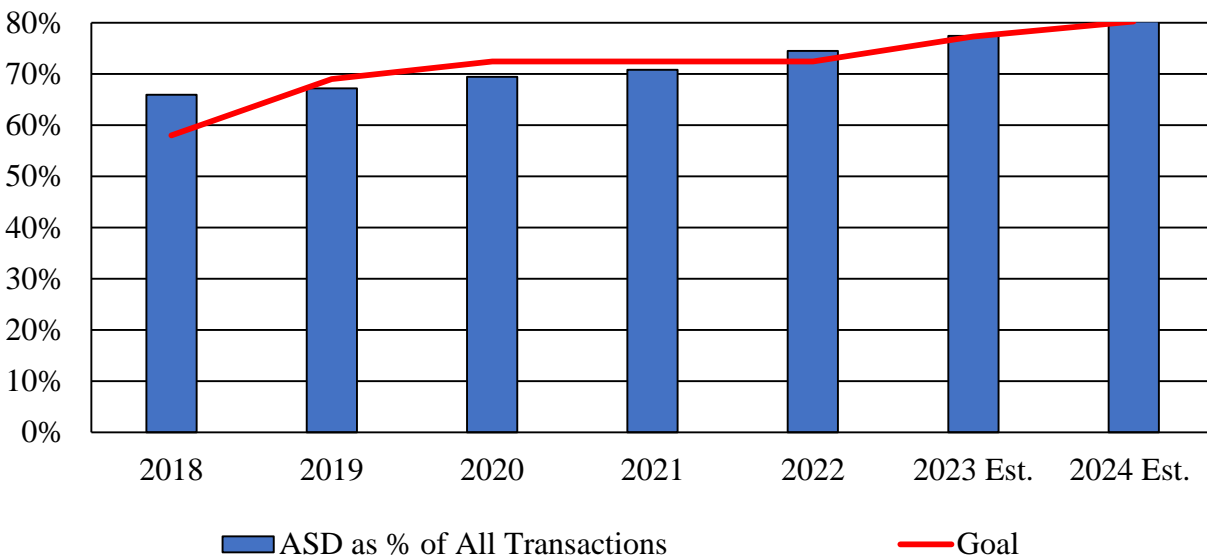
MVA's mission is to provide exemplary driver and vehicle services that provide Maryland mobility and safety while enhancing process and product security. MVA strives to implement efficient and effective management processes in pursuit of this mission.

MVA continues to make significant information technology (IT) investments to improve outdated systems and increase the number of alternative service delivery (ASD) transactions performed to reduce customer wait times and improve the customer experience. This includes increasing transactions performed online via myMVA, at MVA kiosks, by mail, or via the

telephone call center. Examples of ASD services include (1) a REAL ID status look-up tool; (2) the ability to review whether driving privileges are suspended prior to obtaining a copy of one’s driving records as well as the ability to print a list of the applicable suspensions; (3) the sale of CharmCards; (4) provisions through which commercial driver’s license holders can obtain drivers’ services products; and (5) the ability to renew dealer’s tags through myMVA.

In fiscal 2022, MVA aimed to have at least 72.4% of all transactions completed via ASD. The agency exceeded this goal by having 74.5% of its transactions completed via an alternative format, up from 70.8% in fiscal 2021. As seen in **Exhibit 1**, the agency will increase the goal to 77.3% of transactions in fiscal 2023, which it estimates it will achieve. MVA cites operational efficiencies, including the Customer Connect system, as beneficial to reaching these increasingly higher goals.

**Exhibit 1**  
**ASD Transactions as Percent of All Transactions**  
**Fiscal 2018-2024 Est.**



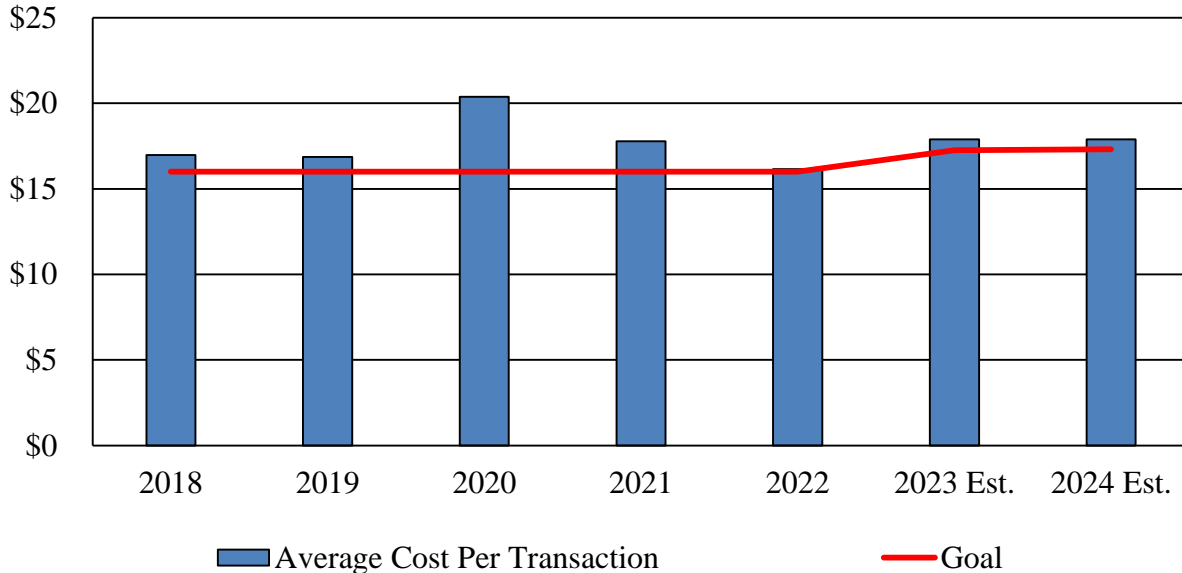
ASD: alternative service delivery

Source: Managing for Results Performance Measures, Fiscal 2024

Another indicator of the efficiency of MVA business practices is the average cost per MVA transaction. As shown in **Exhibit 2**, the average cost per transaction goal in fiscal 2022 was at or below \$16.00, while the actual value was \$16.16. As a result of increasing costs due to inflation, the goal for fiscal 2023 was increased to at or below \$17.26 per transaction. The agency estimates that the actual value for fiscal 2023 will slightly miss the goal at \$17.89. Despite inflationary

impacts, the average cost per transaction remains well below the fiscal 2020 value of \$20.38, which was inflated due to impacts from the COVID-19 pandemic.

**Exhibit 2**  
**Average Cost Per MVA Transaction**  
**Fiscal 2018-2024 Est.**



MVA: Motor Vehicle Administration

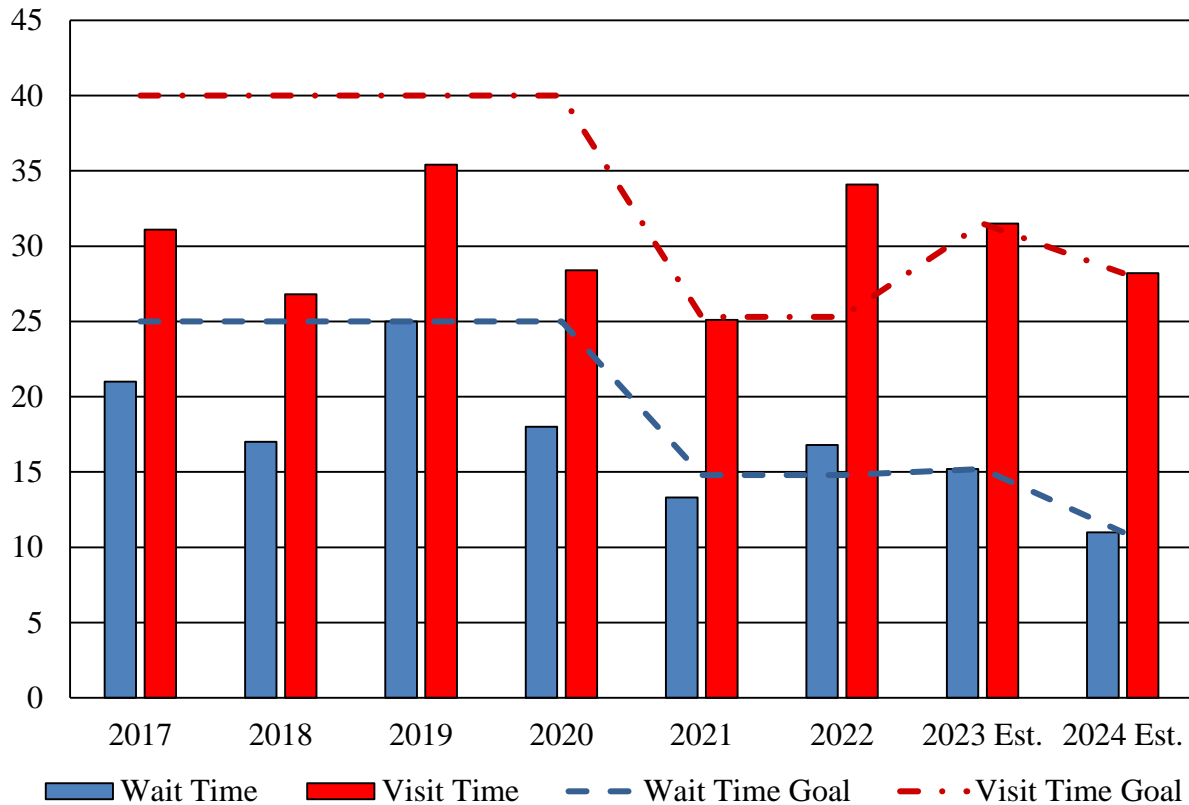
Source: Managing for Results Performance Measures, Fiscal 2024

## 2. Exemplary Customer Service

MVA strives to minimize average customer wait and visit time at MVA branch offices to better customer experience and enhance efficiency for customers who do not complete their transactions via ASD. Wait time is the time from when a customer checks in to their appointment until the time that they are served, whereas visit time is the sum of the wait time plus the time that it takes to complete a customer’s transaction. **Exhibit 3** shows the performance for these measures for fiscal 2017 through the fiscal 2024 estimate. The average wait time in fiscal 2022 increased to 17 minutes from 15 minutes in the prior year. The average visit time also increased from 25 minutes in fiscal 2021 to 34 minutes in fiscal 2022. The agency notes that the transition to an appointment-only system during the COVID-19 pandemic decreased wait and total visit times in fiscal 2021, and the agency accordingly decreased their goals. However, the rollout of the Customer Connect system caused a temporary increase in wait and visit times in fiscal 2022 as

staff became accustomed to the new system. As a result, the agency readjusted the goals, increasing it to a 15.2 minute wait time and a 31.5 minute total visit time. However, the agency notes that the rebound is faster than expected, citing fiscal 2023 wait and visit times to date as 9.7 minutes and 28.6 minutes, respectively.

**Exhibit 3**  
**Average Customer Wait and Visit Times in Minutes**  
 Fiscal 2017-2024 Est.

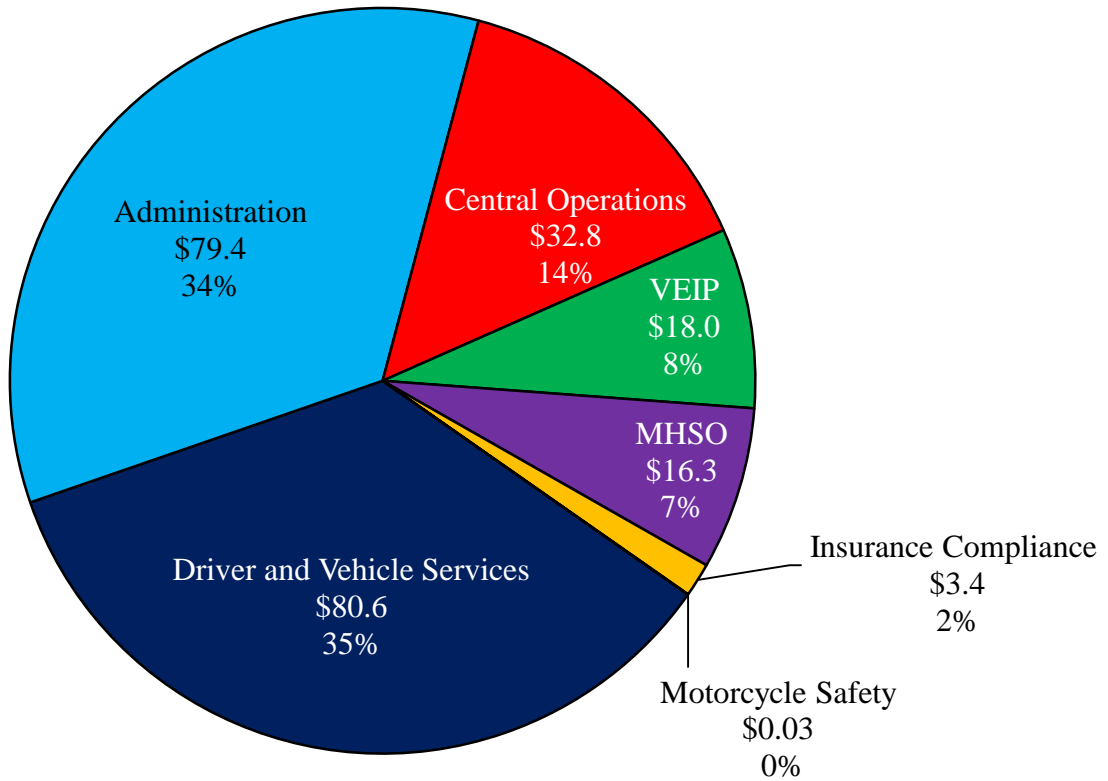


Source: Department of Budget and Management

### Fiscal 2024 Overview of Agency Spending

The MVA fiscal 2024 allowance is \$230.4 million, comprised of special funds from the Transportation Trust Fund (TTF) and federal funds. As seen in **Exhibit 4**, the plurality of the funding supports driver and vehicle services at MVA branch office operations throughout the State.

**Exhibit 4**  
**Overview of Agency Spending**  
**Fiscal 2024 Allowance**  
**(\$ in Millions)**



MHSO: Maryland Highway Safety Office  
VEIP: Vehicle Emissions Inspection Program

Note: Figures may not sum due to rounding.

Source: Governor’s Fiscal 2024 Budget Books

**Proposed Budget Change**

As shown in **Exhibit 5**, personnel costs increase by a net \$3.8 million in the fiscal 2024 allowance, largely due to increased health insurance costs and the annualization of the 4.5% cost-of-living adjustment (COLA). Inflation and rising costs account for a larger budget for standard operational expenses, including rent and security services at MVA branch offices and stickers, tags, and photo IDs supplied to customers. The agency also anticipates spending an

*J00E00 – MDOT – Motor Vehicle Administration*

additional \$3.3 million on software programs and maintenance related to the rollout of Customer Connect. However, streamlined processes allowed by the new system, in addition to other efficiencies such as document digitization, will offset these costs by an estimated \$2.7 million. The agency also plans to reduce highway safety messaging that was specific to the traveling needs and changes that occurred during the pandemic.

**Exhibit 5  
Proposed Budget  
MDOT – Motor Vehicle Administration  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Total</u></b>
Fiscal 2022 Actual	\$198,801	\$8,683	\$207,484
Fiscal 2023 Working Appropriation	209,997	13,227	223,225
Fiscal 2024 Allowance	<u>216,614</u>	<u>13,830</u>	<u>230,444</u>
2023-2024 Amount Change	\$6,617	\$603	\$7,220
2023-2024 Percent Change	3.2%	4.6%	3.2%

<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Personnel Expenses</b>	
Employee and retiree health insurance .....	\$2,928
Annualization of 4.5% COLA .....	1,634
Employee retirement system.....	1,069
Workers’ compensation premium assessment.....	89
Other miscellaneous adjustments.....	11
LEO Pension System .....	-33
Turnover adjustments .....	-258
Increments and other compensation .....	-1,608
<b>Operational Needs</b>	
Postage .....	757
Stickers and tags .....	480
Photo identification.....	477
Office supplies .....	119
Staff cell phones.....	138
Highway safety outreach .....	-264



*J00E00 – MDOT –Motor Vehicle Administration*

<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Customer Connect and Increased Efficiencies</b>	
Software acquisition and maintenance .....	3,406
Credit card fees .....	259
Efficiency improvements and digitization .....	-2,834
<b>Facility Costs</b>	
Security services at branch offices.....	278
Increased rent .....	270
Other maintenance and repairs .....	163
<b>Other Changes</b>	
Motor vehicle operations and maintenance .....	55
Miscellaneous communications charges.....	22
Cost allocations.....	20
Contractual personnel .....	-9
Travel .....	-16
Educational grants and contracts .....	-46
Other changes .....	113
<b>Total</b>	<b>\$7,220</b>

COLA: cost-of-living adjustment  
 LEO: law enforcement officer  
 MDOT: Maryland Department of Transportation

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

***Operating and PAYGO Personnel Data***

	<b><u>FY 22</u></b>	<b><u>FY 23</u></b>	<b><u>FY 24</u></b>	<b><u>FY 23-24</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Operating Budget Positions	1,706.50	1,706.50	1,706.50	0.00
Regular PAYGO Budget Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Regular Positions</b>	<b>1,706.50</b>	<b>1,706.50</b>	<b>1,706.50</b>	<b>0.00</b>
Operating Budget FTEs	0.00	6.50	7.00	0.50
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total FTEs</b>	<b>0.00</b>	<b>6.50</b>	<b>7.00</b>	<b>0.50</b>
<b>Total Personnel</b>	<b>1,706.50</b>	<b>1,713.00</b>	<b>1,713.50</b>	<b>0.50</b>

**Vacancy Data: Regular Positions**

Turnover and Necessary Vacancies, Excluding New Positions	85.23	5.00%
Positions and Percentage Vacant as of 1/1/23	144.5	8.5%
Vacancies Above Turnover	59.27	

- MVA’s vacancy rate increased by 1.1 percentage points over the previous year, with 59.27 vacancies above the budgeted turnover rate.
- The customer agent (CA) and driver license agent (DLA) classification job series have the highest turnover rates and account for nearly 1,000 of the agency’s 1,707 PINs. The agency notes difficulty recruiting for these public-facing positions, as applicants have shown less interest in positions that do not offer telework flexibility.
- Based on internal assessments, departing employees are often moving to comparable positions in surrounding jurisdictions, such as the District of Columbia, that may offer more attractive salaries and benefits.
  - MVA increased the starting salary in fiscal 2022 for all existing and new CA and DLA positions in an effort to attract and retain employees.
- The agency notes that the high vacancy rate has impacted training and cross-training efforts as well as necessitating customers to occasionally reschedule commercial or noncommercial driving skills tests or visit a different branch with fewer vacancies.

MVA should comment on how the salary increase for certain customer-facing positions has impacted recruitment efforts for those positions and how the new compensation levels compare with similar positions in nearby jurisdictions.

## PAYGO Capital Program

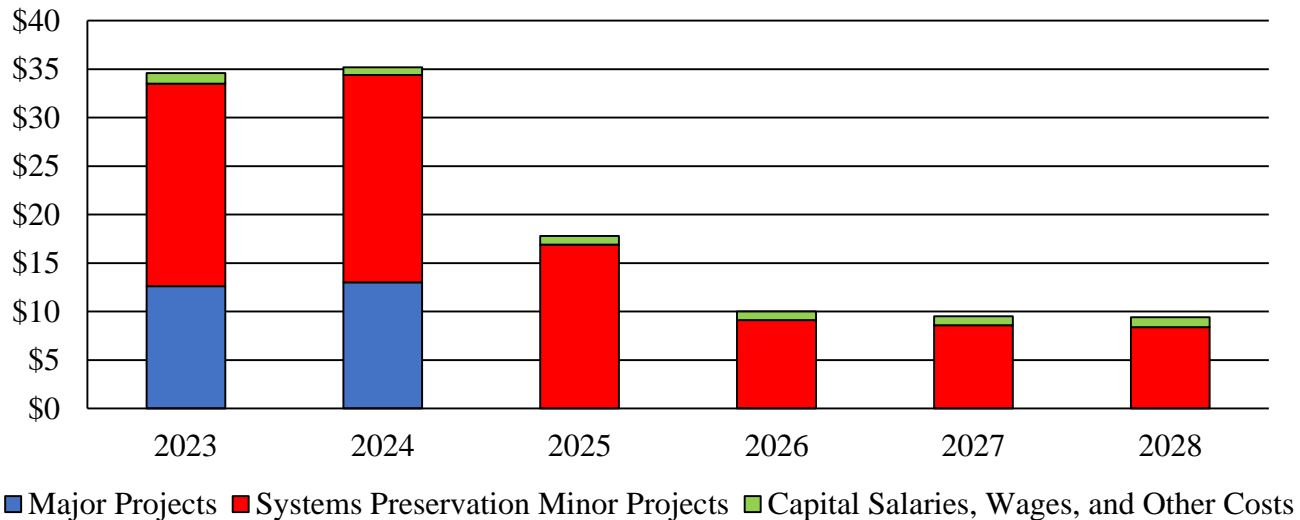
### Program Description

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

### Fiscal 2023 to 2028 Consolidated Transportation Program

As shown in **Exhibit 6**, the fiscal 2023 to 2028 Consolidated Transportation Program for MVA totals \$117 million, which is a decrease of \$5.3 million from the previous six-year program. This decrease is partially attributable to the completion of the ASD project in fiscal 2022, which had a total project cost of \$26.8 million.

**Exhibit 6**  
**Six-year PAYGO Allowance**  
**Fiscal 2023-2028**  
**(\$ in Millions)**



PAYGO: pay-as-you-go

Source: Fiscal 2023-2028 Consolidated Transportation Program, Maryland Department of Transportation

**Fiscal 2024 Capital Allowance**

As seen in **Exhibit 7**, MVA has \$13 million for capital projects programmed in the fiscal 2024 allowance. The ASD system project, which increased the number of kiosks throughout the State, was completed in fiscal 2022. More information about ASD efforts is in the Managing for Results section of this analysis. The allowance also includes \$6.7 million in pay-as-you-go (PAYGO) funding for the Customer Connect project and \$6.3 million for the Glen Burnie headquarters renovation project. While the Customer Connect system is operating with full functionality, funds are budgeted in the fiscal 2024 PAYGO allowance for software modification and enhancement.

**Exhibit 7  
PAYGO Capital Allowance  
Fiscal 2024  
(\$ in Millions)**

<u>Jurisdiction</u>	<u>Project Description</u>	<u>2024</u>	<u>Total Estimated Cost</u>	<u>Six-year Total</u>
<b>Projects</b>				
Statewide	Customer Connect	6,712	95,972	12,087
Statewide	Alternative Service Delivery Systems	\$0	\$26,803	\$0
Anne Arundel	Glen Burnie Headquarters Renovation	6,318	19,039	13,568
Statewide	Alternative Service Delivery Systems	\$0	\$26,803	\$0
<b>Subtotal – Projects</b>		<b>\$13,030</b>	<b>\$141,814</b>	<b>\$25,655</b>
<b>Programs</b>				
Statewide	System Preservation and Minor Projects	\$21,400	n/a	\$85,500
Statewide	Capital Salaries	800	n/a	5,600
<b>Subtotal – Programs</b>		<b>\$22,200</b>		<b>\$91,100</b>
<b>Total – Projects and Programs</b>		<b>\$35,230</b>	<b>\$141,814</b>	<b>\$116,755</b>

PAYGO: pay-as-you-go

Source: Fiscal 2023-2028 Consolidated Transportation Program, Maryland Department of Transportation

## ***Issues***

---

### **1. MVA Reconsidering Major Changes to Vehicle Emissions Program**

#### **Background**

In coordination with the Maryland Department of the Environment (MDE), MVA enacted regulations altering various aspects of the VEIP regulations under COMAR 11.14.08.01 – 20. Among other changes, the regulations:

- extended from 36 months to 72 months the exemption period for initial testing of new, previously unowned vehicles up to 8,500 pounds; and
- established motorist assistance centers.

Under current law, Section 23-202 of the Transportation Article requires that every motor vehicle registered in the State with a model year of 1977 or newer have an emissions test and emissions equipment and misfuelling inspection biennially. There is an exception to this requirement for qualified hybrid vehicles.

Under previous regulations, all vehicles that have not been previously owned or titled in another jurisdiction are exempt from testing and inspection for three years following registration in Maryland. Following the first testing of a new vehicle, or if a vehicle was sold prior to the three-year initial test, testing was required biennially.

#### **Timeline**

The regulations were submitted to the Joint Committee on Administrative, Executive, and Legislative Review (AELR) for initial review in February 2022. The Department of Legislative Services (DLS) published an analysis of the regulations in May 2022 that raised two legal concerns and ultimately recommended that MDE and the Maryland Department of Transportation (MDOT) submit legislation to correct, clarify, and modernize the statute pertaining to the VEIP program. The AELR committee ultimately placed an administrative hold on the regulations in October 2022. In November 2022, the agency provided the AELR committee with notice of its intention to override the administrative hold along with a summary of comments received during the public comment period for the regulations and responses. Among other things, MDOT noted that an MDE analysis of VEIP found that new vehicles have a very low failure rate and, as a result, the exemption extension under the regulations would have a negligible impact on air quality. Further, the expanded exemption for new vehicles would not affect the State’s ability to attain or maintain National Ambient Air Quality Standards for any air pollutant.

In response to MDOT’s notice of its intent to publish the final version of the regulations, on December 8, 2022, the AELR committee voted to oppose the adoption of the regulations during a public hearing. The committee voted to oppose primarily due to concerns regarding the regulations’ potential disproportionate burden on low-income and minority motorists given the expanded exemptions for newer model year vehicles. On January 3, 2023, former Governor Lawrence J. Hogan Jr. informed the AELR committee that he was directing MDOT to adopt the proposed regulations. The letter cited the desire to modernize the VEIP program, which was first implemented in 1984 and to not “unnecessarily burden Marylanders.” The final regulations were published in the January 13, 2023 issue of the *Maryland Register* and took effect on January 23, 2023. The agency plans to begin implementation on March 1, 2023.

The Governor’s letter also cited the need to adopt the regulations so that the State can award a contract to a vendor to oversee VEIP testing. The current contract, which was awarded in 2009 and initially expired in 2019, has been extended multiple times. The current extension ends on September 30, 2024, to allow time for completion of the new procurement. On January 29, 2023, the agency released a request for proposals (RFP) for a new vendor to manage the program. The RFP has a due date of February 14, 2023, but the agency anticipates extending the deadline to March 13, 2023, and releasing an addendum to address questions received from potential bidders. The RFP includes new program elements to modernize VEIP testing, which, according to the agency, requires regulatory action to begin.

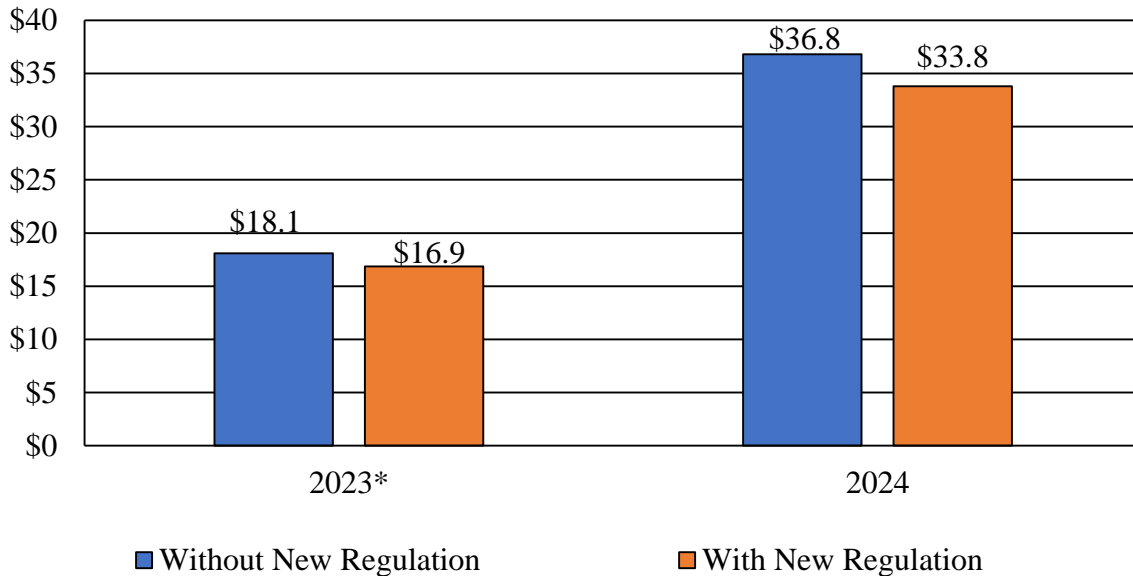
The agency endeavors to lower operating costs to the State by changing the vendor agreement to a per-test fee system in the new procurement, rather than the existing flat rate system. According to MVA, this change to reimburse the contractor per emission test performed, rather than as a fixed amount, would not have been possible under the current contract.

## **Fiscal Impact**

Requiring fewer vehicles to be tested through the VEIP program results in a decrease in State revenue. As a follow up to the public meeting, MVA responded to concerns about this revenue decrease by citing the process in developing the *Consolidated Transportation Plan (CTP)*, the capital spending plan for all MDOT that is adjusted annually based on fluctuating revenues and capital project costs. The TTF, which funds many CTP projects, receives revenues from all MDOT Transportation Business Units and funds projects across the entire agency, meaning that a decrease in MVA revenue may not directly impact MVA operations.

The agency estimates that the change in regulations will reduce revenues by approximately \$1.3 million in fiscal 2023, given the March 1, 2023 effective date, and \$3.8 million in fiscal 2024. The revenue reductions are the results of fewer tests and associated fee revenues at VEIP stations and kiosks in addition to fewer late fees being assessed. These projected revenue reductions are slightly offset by an estimated reduction in expenditures for a fewer number of reminders for emissions tests being mailed. As shown in **Exhibit 8**, the estimated net revenue reduction in fiscal 2023 (from the effective date of March 1 to the end of the fiscal year) is \$1.2 million, and the estimated reduction in fiscal 2024, the first year in which the regulations will be implemented for the entire year, is \$3.7 million.

**Exhibit 8**  
**Projected Revenue Before and After VEIP Changes**  
**Fiscal 2023-2024**  
**(\$ in Millions)**



VEIP: Vehicle Emissions Inspection Program

\*March 1 through June 30, 2023.

Source: Motor Vehicle Administration

These projections are based on several assumptions, including the number of vehicles expected to qualify for the extended exemption, the proportion of those that will be sold during the exemption period and therefore require testing, and the amount of late fees typically collected. The agency also evaluated the historic share of tests performed at VEIP stations (with a \$14 fee) versus kiosks (\$10 fee).

### Reversing Course

On Friday, February 10, 2023, the agency withdrew the advertised procurement for VEIP management and operations. According to the cancellation notice, the RFP did not meet the needs of the agency at this time, and the solicitation will be revised and reprocured. In addition, MVA notes that it is re-evaluating the new VEIP regulations to ensure that they are in the best interest of the State.

**MVA should comment on the future of the VEIP regulatory changes, including the reasoning for the policy change following final publish. The agency should also be prepared to discuss if a new path forward will be determined by the March 1, 2023 implementation date, and when the revised RFP will be advertised.**

## **2. Digital Driver’s Licenses Available for Apple Users, Accepted at Baltimore/Washington Thurgood Marshall International Airport**

In May 2022, mobile driver’s licenses (mDL) became available for Marylanders to access their drivers’ licenses or ID cards on their Apple devices.

When engaging in a transaction that requires identification information, mobile driver’s license holders can use their mDL by navigating to Apple Wallet and tapping the device on a reader. The device will display the specific data points that the transaction is requesting, and the user confirms the transaction before the data is transmitted. Only data needed for the specific transaction will be transferred. For example, if navigating through a Transportation Security Administration (TSA) security checkpoint at an airport, agents will be able to view the holder’s photo, date of birth, sex, and mDL expiration date. If a user needs to prove their age, such as to purchase alcohol, only the photo and current age would be shown. Users do not need to hand their device to an agent to present their information; it is obtained digitally from the scan, similar to the transfer of credit or debit card information when using Apple Wallet in a financial transaction.

Maryland was the second state in the country to enable drivers to access digital drivers’ licenses on their mobile devices, following the passage of Chapter 142 of 2019, which authorized MVA to issue electronic credentials in addition to a physical license or ID card. Mobile driver’s licenses do not replace original identification issued by MVA, and users should continue to carry physical identifications due to the limited circumstances under which mDLs are currently accepted. The program is voluntary, and users that do not wish to have a mDL can simply take no action.

As of December 2022, 13 airports around the country, including Baltimore/Washington Thurgood Marshall International Airport (BWI) and Ronald Reagan Washington National Airport, are accepting Apple Wallet mDLs for identity verification at security checkpoints. Currently, local law enforcement does not accept mobile IDs. If the use of the readers becomes more universal, other transactions where identity information is required may be able to accept mDLs, including liquor store purchases or routine stops by law enforcement personnel. TSA personnel at BWI have 16 devices capable of reading mDLs, with 14 of these deployed at security gates.

As a national leader in this effort, MVA is sharing their expertise by assisting the American Association of Motor Vehicle Administrators (AAMVA) in developing best practices and International Organization Standardization standards for mDL implementation as a resource for other states. According to AAMVA, 13 states have now either implemented or are in the process of implementing interoperable mobile driver’s licenses in some form, and an additional 15 states



and territories have jurisdiction-specific programs or are actively pursuing the option through legislation or studies.

To receive an mDL, users must have an Apple iPhone 8 or later or Apple Watch 4 or later with the latest version of iOS or watchOS installed. For security purposes, users must also have biometric security features (faceID or touch ID) and two-factor authentication enabled with their Apple ID. The process of adding an mDL to a device includes taking photos of the physical ID and taking an additional identification photo. MVA verifies the information prior to issuing a mDL.

According to Apple, identity data is encrypted and protected against tampering and theft, and neither Apple nor the issuing state can see when or where a user uses their mDL in a transaction. MVA notes that the system enhances privacy over conventional cards by enabling users to present only information required for the specific transaction rather than the entire physical ID card. Additionally, Apple device users must confirm the transaction with biometric authentication, such as FaceID or a TouchID, prior to the information transfer.

Currently, only users of Apple devices can access an mDL. MVA is working with Google to offer mDL on Google Wallet. In December 2022, Google launched a mDL public beta for Marylanders currently enrolled in the Google Play Services Public Beta. Participants in this beta program can view their digital IDs and present them at approved TSA checkpoints. The full launch of mobile IDs in Google Wallet is expected around June 2023.

### **3. Continued Impact of COVID-19 on MVA Operations**

MVA closed all regional branch offices in March 2020 in response to the COVID-19 pandemic and granted widespread extensions for numerous services, including driver's license or ID card renewals, vehicle registrations, and emissions testing during calendar 2020 and 2021. In June 2020, offices branch offices began re-opening to customers with appointments only. While the deadline extensions expired in summer 2021, MVA branch offices have continued to operate on an appointment-only basis.

The agency notes that the appointments-only system has created widespread operational efficiencies and provided benefits to customers, particularly as a larger share of customers use ASD to complete transactions. The agency reports that 74% of customers are experiencing a wait time under the target of 15 minutes, and the statewide average wait time in December 2022 was 9.7 minutes. In addition, the new appointment check-in process allows customers to receive appointment reminders by email or text message, if desired, and check themselves in for their appointment. Given the resulting efficiencies and increased opportunities for completing transactions outside of branch offices, the agency plans to continue operations on an appointment-only basis for the foreseeable future.

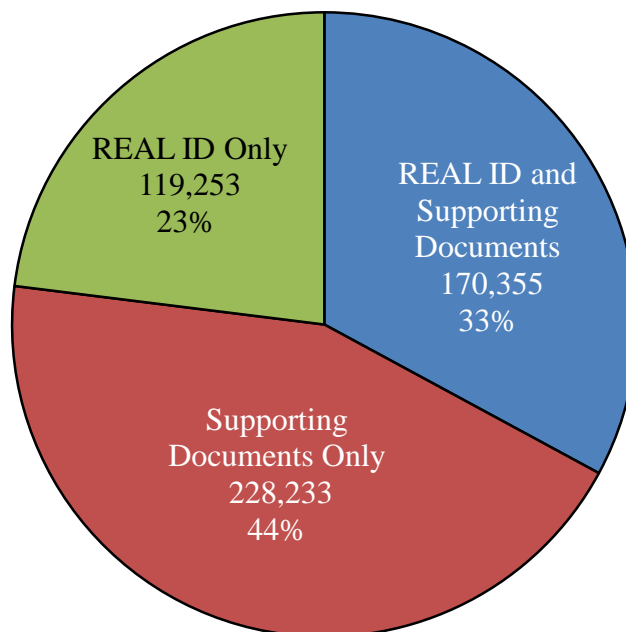
### REAL ID Federal Deadline Extended Again

On December 5, 2022, the U.S. Department of Homeland Security extended the REAL ID Act implementation deadline until May 7, 2025, due in part to backlogs at state motor vehicle agencies caused by the COVID-19 pandemic. The initial deadline set for the enforcement of the REAL ID Act at the individual level was October 1, 2020, but it was postponed to October 1, 2021, and then to May 3, 2023. Once the new deadline passes, federal agencies, including TSA, will only accept REAL ID-compliant IDs for federal purposes such as entering a federal building or boarding a domestic, commercial airplane flight. Maryland, as a State, has been REAL ID-compliant since calendar 2011, but MVA continues to work toward ensuring that all Maryland residents are compliant ahead of the deadline.

To be considered REAL-ID compliant, a customer must have both a new ID (with the star) and have all the required documents on file with MVA. As of December 2022, 89% of State-issued ID holders had compliant IDs, and 11% had noncompliant IDs. The noncompliant IDs belong to 517,841 residents, a 31% decrease from 753,154 in noncompliance in October 2021. As shown in **Exhibit 9**, 33% of those in noncompliance have neither a REAL ID nor supporting documents on file; 44% have REAL IDs without supporting documents; and 23% have no REAL ID but do have supporting documents.

---

**Exhibit 9**  
**REAL ID Noncompliance by Missing Items**



Source: Motor Vehicle Administration

---

*J00E00 – MDOT –Motor Vehicle Administration*

MVA retains status about each ID holder so it can inform the customer at the time of a license renewal or other MVA transaction what actions, if any, are required to come into compliance. Maryland’s individual compliance rate of 89% remains well above the national average of 51% released in late 2022 by the Department of Homeland Security.

***Operating Budget Recommended Actions***

---

1. Concur with Governor's allowance.

***PAYGO Budget Recommended Actions***

---

1. Concur with Governor's allowance.

**Appendix 1**  
**2022 Joint Chairmen’s Report Responses from Agency**

The 2022 *Joint Chairmen’s Report* (JCR) requested that MVA prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Digital Drivers’ License Privacy:*** MVA submitted a report detailing the procedures that protect users’ data surrounding the use of digital driver’s licenses as well as acquisition of the required technology and general implementation concerns. Further discussion of this issue can be found in Key Observation 2 of this analysis.

**Appendix 2**  
**Budget Amendments for Fiscal 2023**  
**Maryland Department of Transportation**  
**Motor Vehicle Administration**

**Operating**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$4,747,766 62,113	Special Federal	Increase for July 2022 COLA for eligible State employees.
Approved	2,349,019 22,792	Special Federal	Increase for annualization of the January 2022 salary increment for eligible State employees.
Approved	1,605,750 26,784	Special Federal	Increase for salary increment for eligible State employees that was effective either July 2022 or January 2023, depending on employees' date of hire.
Approved	39,679	Special	Increase for the 7% COLA provided by the State Law Enforcement Officers Labor Alliance (SLEOLA) collective bargaining agreement.
Approved	13,604	Special	Increase for the increment provided by the SLEOLA collective bargaining agreement.

**Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Projected	\$661,065	Special	Adjust the appropriation to agree with anticipated expenditures for the current year as reflected in MDOT's Final 2023 – 2028 CTP.
Approved	23,409	Special	Increase for July 2022 COLA for eligible State employees.
Approved	9,436	Special	Increase for the salary increment for eligible State employees that was effective either July 2022 or January 2023, depending on employees' date of hire.
Approved	7,753	Special	Increase for annualization of the January 2022 salary increment for eligible State employees.

**Appendix 3**  
**Object/Fund Difference Report**  
**Maryland Department of Transportation – Motor Vehicle Administration**

<u>Object/Fund</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u> <u>Appropriation</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23 - FY 24</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	1,701.50	1,699.50	1,701.50	2.00	0.1%
02 Contractual	0.00	6.50	7.00	0.50	7.7%
<b>Total Positions</b>	<b>1,701.50</b>	<b>1,706.00</b>	<b>1,708.50</b>	<b>2.50</b>	<b>0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 127,240,127	\$ 142,195,806	\$ 149,294,121	\$ 7,098,315	5.0%
02 Technical and Special Fees	321,745	499,929	490,656	-9,273	-1.9%
03 Communication	9,018,819	7,497,711	8,285,976	788,265	10.5%
04 Travel	156,096	176,382	160,215	-16,167	-9.2%
06 Fuel and Utilities	2,221,140	1,905,707	2,201,593	295,886	15.5%
07 Motor Vehicles	489,861	312,162	367,402	55,240	17.7%
08 Contractual Services	50,350,254	46,956,154	48,465,341	1,509,187	3.2%
09 Supplies and Materials	1,208,064	956,001	1,158,932	202,931	21.2%
10 Equipment – Replacement	9,553	62,608	62,608	0	0%
11 Equipment – Additional	12,897	44,852	44,852	0	0%
12 Grants, Subsidies, and Contributions	5,292,604	9,680,831	9,671,314	-9,517	-0.1%
13 Fixed Charges	11,162,442	9,669,177	10,241,131	571,954	5.9%
<b>Total Objects</b>	<b>\$ 207,483,602</b>	<b>\$ 219,957,320</b>	<b>\$ 230,444,141</b>	<b>\$ 10,486,821</b>	<b>4.8%</b>
<b>Funds</b>					
03 Special Fund	\$ 198,800,856	\$ 206,777,104	\$ 216,614,035	\$ 9,836,931	4.8%
05 Federal Fund	8,682,746	13,180,216	13,830,106	649,890	4.9%
<b>Total Funds</b>	<b>\$ 207,483,602</b>	<b>\$ 219,957,320</b>	<b>\$ 230,444,141</b>	<b>\$ 10,486,821</b>	<b>4.8%</b>

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or COLAs.

**Appendix 4**  
**Fiscal Summary**  
**Maryland Department of Transportation – Motor Vehicle Administration**

<u>Program/Unit</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Wrk Approp</u>	<u>FY 24</u> <u>Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24</u> <u>% Change</u>
01 Motor Vehicle Operations	\$ 196,999,982	\$ 203,844,906	\$ 214,171,264	\$ 10,326,358	5.1%
03 Facilities and Capital Equipment	14,201,554	29,321,289	28,534,630	-786,659	-2.7%
04 Maryland Highway Safety Office	10,483,620	16,112,414	16,272,877	160,463	1.0%
08 Major IT Development Projects	16,800,369	5,375,000	6,712,266	1,337,266	24.9%
<b>Total Expenditures</b>	<b>\$ 238,485,525</b>	<b>\$ 254,653,609</b>	<b>\$ 265,691,037</b>	<b>\$ 11,037,428</b>	<b>4.3%</b>
Special Fund	\$ 229,802,779	\$ 241,473,393	\$ 251,860,931	\$ 10,387,538	4.3%
Federal Fund	8,682,746	13,180,216	13,830,106	649,890	4.9%
<b>Total Appropriations</b>	<b>\$ 238,485,525</b>	<b>\$ 254,653,609</b>	<b>\$ 265,691,037</b>	<b>\$ 11,037,428</b>	<b>4.3%</b>

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or COLAs.