

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

***Executive Summary***

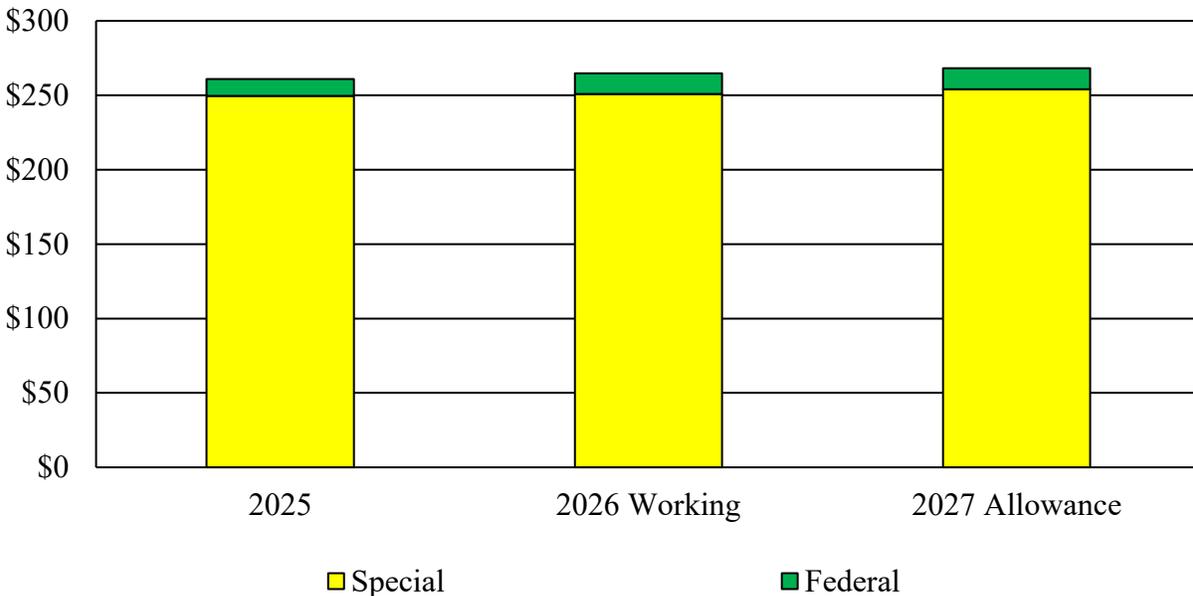
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The Motor Vehicle Administration (MVA) is responsible for supplying motor vehicle services to the citizens of Maryland, including driver license services, registration and titling of vehicles, administering vehicle inspection and driver safety programs,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

***Operating Budget Summary***

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**Fiscal 2027 Budget Increases \$3.4 Million, or 1.3%, to \$268.1 Million**  
**(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

- The fiscal 2026 working appropriation includes a total of \$2.4 million in special funds for proposed deficiency appropriations to provide additional funding for credit card processing fees, postage, law enforcement, and materials required for license plates, drivers' licenses, and identification (ID) cards.

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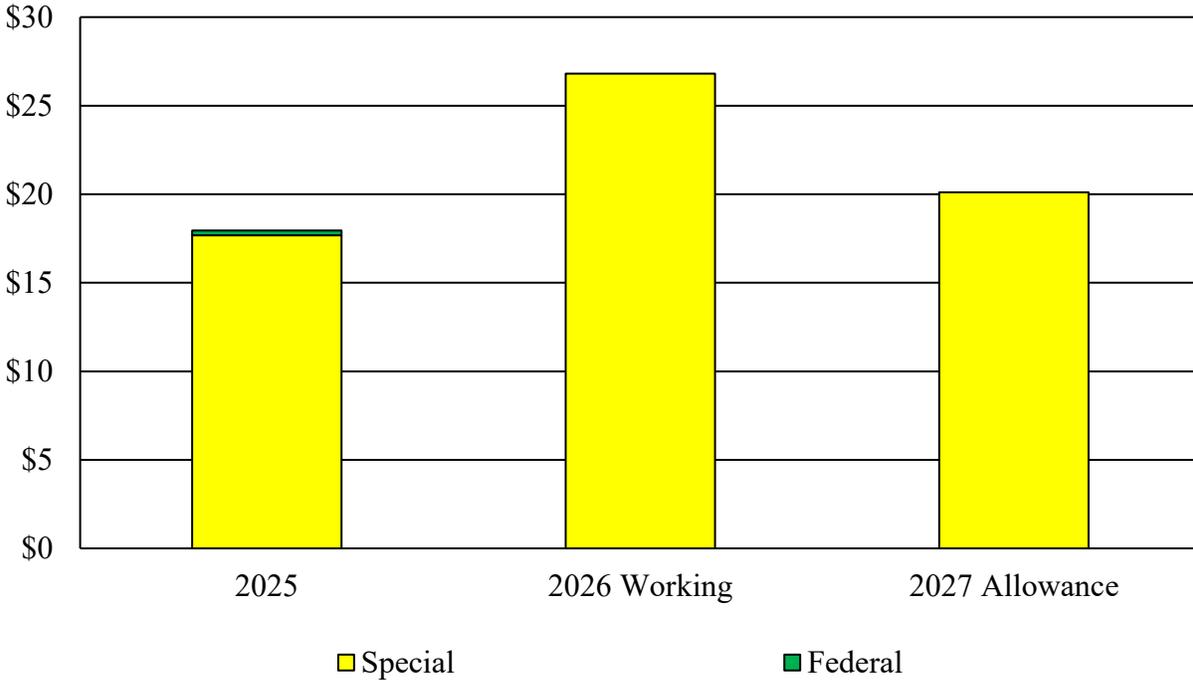
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## ***PAYGO Capital Budget Summary***

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### **Fiscal 2027 Budget Decreases \$6.7 Million, or 25%, to \$20.1 Million (\$ in Millions)**



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

- The fiscal 2027 allowance decreases \$6.7 million from the fiscal 2026 working appropriation due to the schedule completion of the Glen Burnie Headquarters renovation in fiscal 2026 and decreased spending for its minor program.

## ***Key Observations***

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- ***Cost Recovery Expected to Reach 100%:*** The Budget Reconciliation and Financing Act (BRFA) of 2025 increased MVA’s minimum cost recovery rate from 95% to 100%. MVA is on track to achieve 103% cost recovery in fiscal 2026.
- ***Customer Service Metrics:*** Average customer wait time and visit time both increased in fiscal 2025 from the year prior, and the percentage of customers with wait times under 10 minutes dropped slightly to 81% from 82% a year prior.

## **Operating Budget Recommended Actions**

1. Concur with Governor’s allowance.

## **PAYGO Budget Recommended Actions**

1. Concur with Governor’s allowance.

## **Updates**

- Ninety-nine percent of eligible Marylanders have REAL ID licenses or ID cards.

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## ***Budget Analysis***

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### **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 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***

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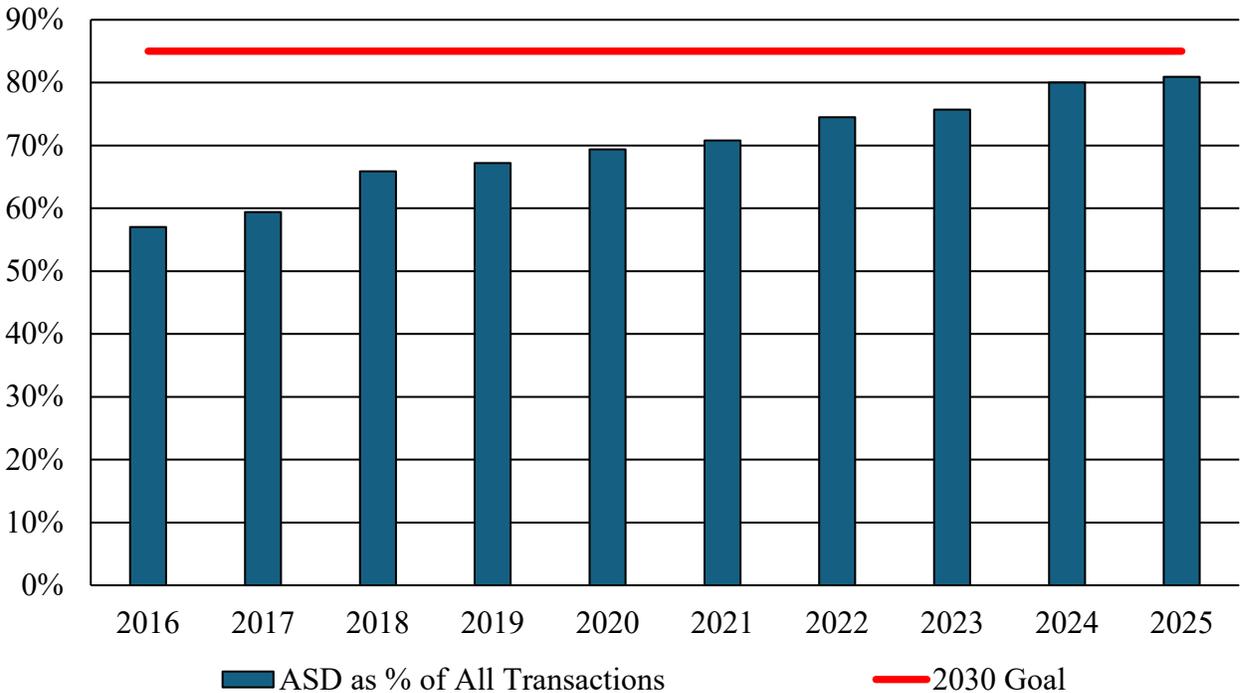
### **1. Efficient Management Practices**

MVA's mission is to provide exemplary driver and vehicle services that provide Marylanders mobility and safety while enhancing processes 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.

MVA has a goal of at least 85% of all transactions being ASD by fiscal 2030. As seen in **Exhibit 1**, the agency has increased the percentage of ASD transactions each year since fiscal 2016. In fiscal 2025, ASD transactions increased slightly to 80.9% from 80.0% in fiscal 2024.

**Exhibit 1**  
**Alternative Service Delivery Transactions as Percentage of All Transactions**  
**Fiscal 2016-2025**

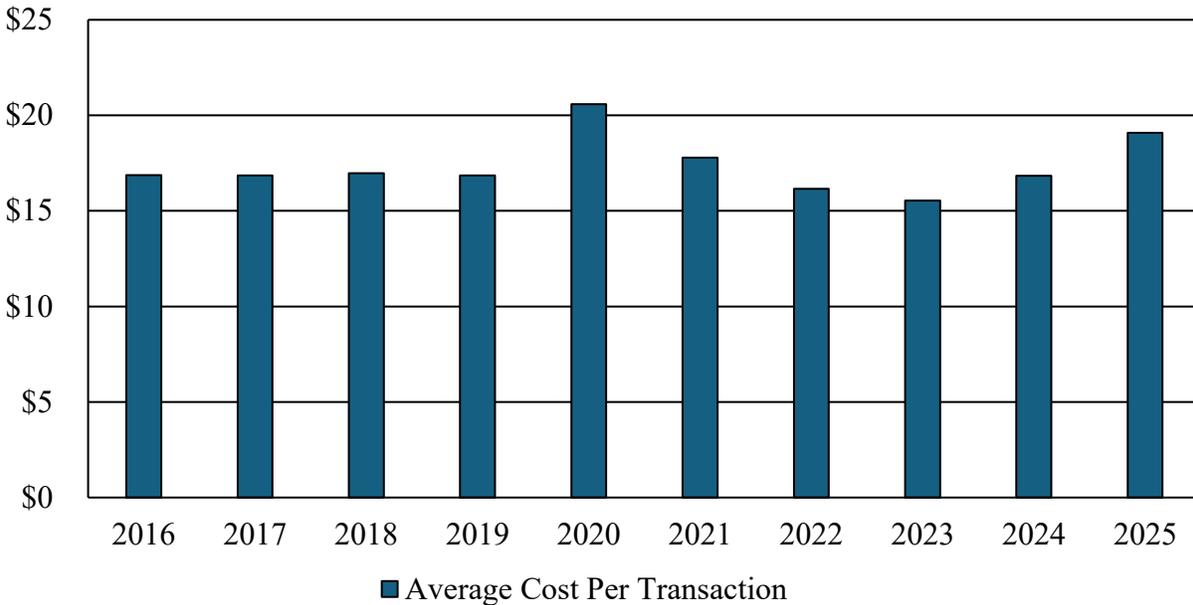


ASD: alternative service delivery

Source: Managing for Results; Department of Legislative Services

Another indicator of the efficiency of MVA’s business practices is the average cost per MVA transaction. As shown in **Exhibit 2**, the average cost per transaction in fiscal 2025 was \$19.09, a 13.4% increase from the previous year. The average cost per transaction spiked in fiscal 2020 due to additional costs of operations during the COVID-19 pandemic but declined each year through fiscal 2023. **MVA should explain why the average cost per transaction increased in fiscal 2025.**

**Exhibit 2**  
**Average Cost Per Motor Vehicle Administration Transaction**  
**Fiscal 2016-2025**

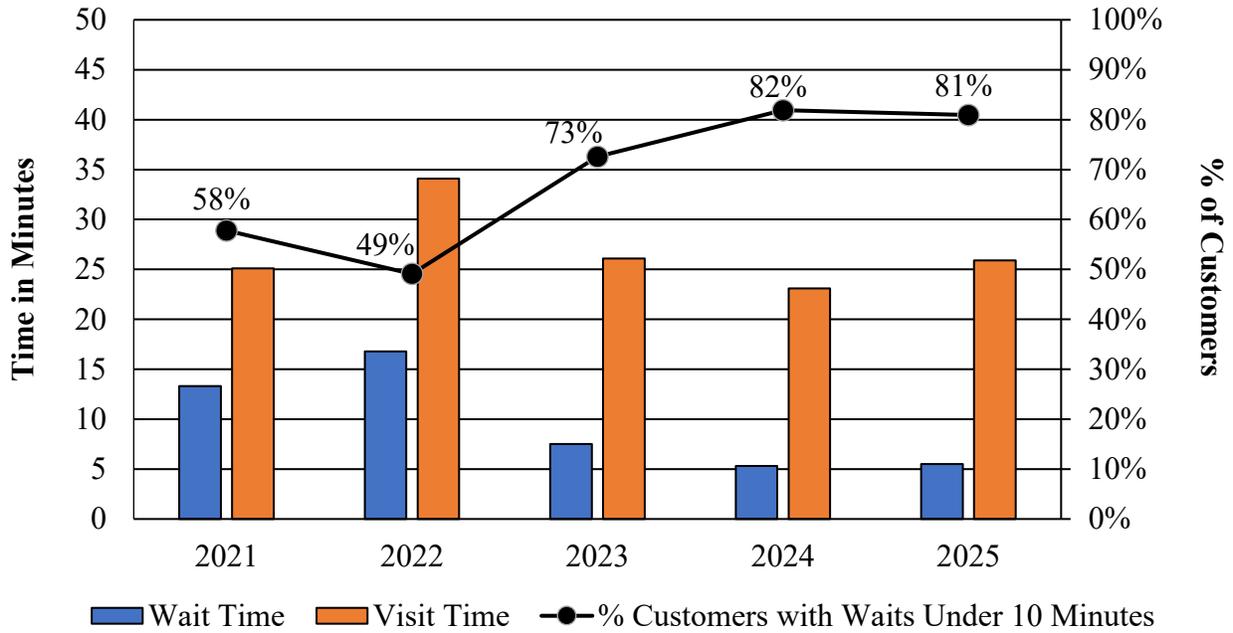


Source: Managing for Results; Department of Legislative Services

## 2. Exemplary Customer Service

MVA strives to minimize customer wait and visit time at MVA branch offices for customers who do not complete their transactions via ASD. A 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 2021 through 2025. The appointment-only system, adopted during the COVID-19 pandemic, has continued to reduce wait times, and the efficiency of service remains far above prepandemic levels. Wait and visit time increased slightly in fiscal 2022 due to the transition to the new Customer Connect IT system, but both measures improved over the following two fiscal years. The percentage of all MVA customers with a wait time of under 10 minutes was 81% with the average wait time at 5.5 minutes in fiscal 2025. In fiscal 2025, visit time increased to 26 minutes from 23 minutes in fiscal 2024. **MVA should explain why customer visit time increased in fiscal 2025.**

**Exhibit 3**  
**Average Customer Wait and Visit Times**  
**Fiscal 2021-2025**



Source: Managing for Results; Department of Legislative Services

## Fiscal 2026

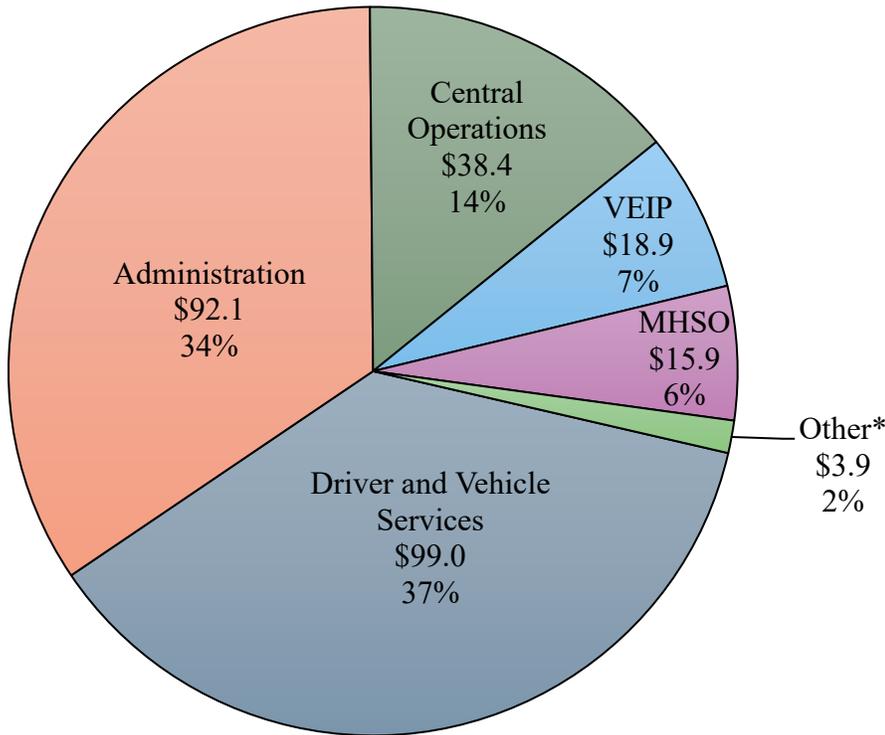
### Proposed Deficiency

The fiscal 2027 budget includes a proposed deficiency appropriation of \$2.4 million in special funds to provide additional funding for credit card processing fees (\$0.8 million), postage (\$0.4 million), law enforcement (\$0.2 million), and materials required for license plates, drivers' licenses, and ID cards (\$1.0 million). **MVA should explain the need for this proposed deficiency.**

### Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance is \$268.1 million. As shown in **Exhibit 4**, about half of the MVA allowance is devoted to driver and vehicle services, safety programs, and vehicle emissions testing, with drivers and vehicle services making up the largest portion at 37%.

**Exhibit 4**  
**Overview of Agency Spending**  
**Fiscal 2027 Allowance**  
**(\$ in Millions)**



\*Other comprises motorcycle safety and insurance compliance.

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

Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2027 Budget Books; Department of Legislative Services

**Proposed Budget Change**

As shown in **Exhibit 5**, MVA's fiscal 2027 allowance increases by \$3.4 million (1.3%) compared to the fiscal 2026 working appropriation after accounting for the proposed deficiency appropriation. Personnel expenses increase by 2.2% over the fiscal 2026 working appropriation. This increase is mostly due to \$7.4 million in employee and retiree health insurance costs that are partially offset by a decrease of \$3.7 million in regular earnings.

**Exhibit 5**  
**Proposed Budget**  
**Maryland Department of Transportation – Motor Vehicle Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Federal</u> <u>Fund</u></b>	<b><u>Total</u></b>
Fiscal 2025 Actual	\$249,351	\$11,410	\$260,760
Fiscal 2026 Working	250,942	13,752	264,694
Fiscal 2027 Allowance	254,021	14,088	268,108
Fiscal 2026-2027 \$ Change	\$3,079	\$336	\$3,414
Fiscal 2026-2027 % Change	1.2%	2.4%	1.3%
 <b>Where It Goes:</b>			<b><u>Change</u></b>
<b>Personnel Expenses</b>			
Employee and retiree health insurance .....			\$7,434
Additional assistance .....			-15
Overtime .....			-359
Regular earnings .....			-3,693
Other fringe benefit adjustments.....			208
<b>Other Changes</b>			
Increased costs for registration stickers and license plates .....			3,575
Advertising .....			1,823
Increased postage spending due to increase in customers choosing one-year registrations leading to more frequent renewal notices .....			398
Fuel and utilities .....			52
Health insurance and Social Security payments for contractual employees .....			-87
Non-Department of General Services rent .....			-119
Decrease in supply costs .....			-130
Security services.....			-150
Insurance .....			-189
Janitorial and grounds maintenance .....			-347
Decrease in VEIP vendor contract .....			-1,497
Credit card fees based on fiscal 2025 actuals with an additional 10% .....			-1,578
Decrease in management studies and consultants spending .....			-1,814

*J00E00 – MDOT – Motor Vehicle Administration*

<b>Where It Goes:</b>	<b><u>Change</u></b>
Other changes .....	-99
<b>Total</b>	<b>\$3,414</b>

VEIP: Vehicle Emissions Inspection Program

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

### ***Operating and PAYGO Personnel Data***

	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 26-27</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	1,637.50	1,692.50	1,626.50	-66.00
Regular PAYGO Budget Positions	<u>2.00</u>	<u>5.00</u>	<u>4.00</u>	<u>-1.00</u>
<b>Total Regular Positions</b>	<b>1,639.50</b>	<b>1,697.50</b>	<b>1,630.50</b>	<b>-67.00</b>
Operating Budget FTEs	7.00	7.00	7.00	7.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total FTEs</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>
<b>Total Personnel</b>	<b>1,646.50</b>	<b>1,704.50</b>	<b>1,637.50</b>	<b>-67.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	81.77	5.03%
Positions and Percentage Vacant as of 12/31/2025	78.50	4.81%
Vacancies Below Turnover	3.27	

- The fiscal 2027 allowance transfers a total of 67 positions to the Secretary’s Office. This transfer is part of MDOT’s efforts to consolidate the modes’ IT functions. MVA’s regular operating positions decrease by 66 positions in fiscal 2027 from 1692.5 to 1626.5. Regular pay-as-you-go (PAYGO) positions decrease by 1 position in fiscal 2027 from 5 to 4.
- In October 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, including vacant positions and positions associated with the Voluntary Separation Program (VSP). The fiscal 2026 budget as enacted included 1,706.5 regular positions for MVA. Of these positions, 8 were abolished for a total of approximately \$601,000 in salary savings. Of the 8 positions, 4 were abolished through VSP and 4 were vacancies.

## PAYGO Capital Program

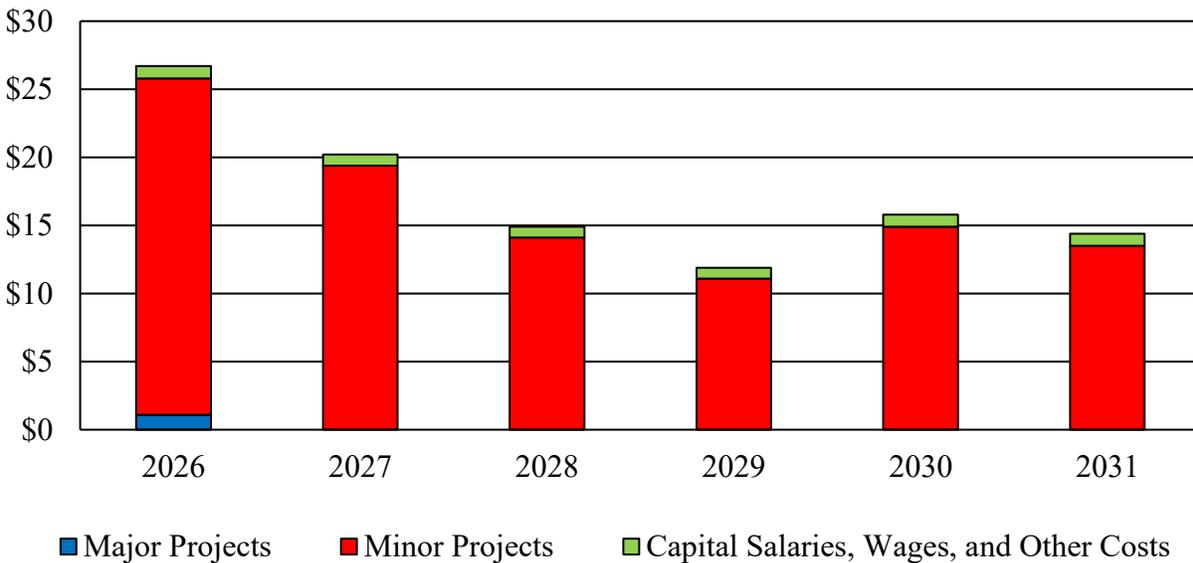
### Program Description

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

### Fiscal 2026 to 2031 Consolidated Transportation Program

MVA’s six-year capital program (fiscal 2026 to 2031) totals \$103.9 million, which is an increase of \$7.2 million over the prior six-year program. **Exhibit 6** shows the six-year funding by fiscal year for the program. With the Glen Burnie Headquarters Renovation as the only major construction project in fiscal 2026, MVA’s capital program from fiscal 2027 through 2031 comprises only minor projects. The minor projects included in the *Consolidated Transportation Program* (CTP) are projects such as a generator replacement, pavement rehabilitation, and telecommunication system preservation and improvement.

**Exhibit 6**  
**Six-year Capital Program**  
**Fiscal 2026-2031**  
**(\$ in Millions)**



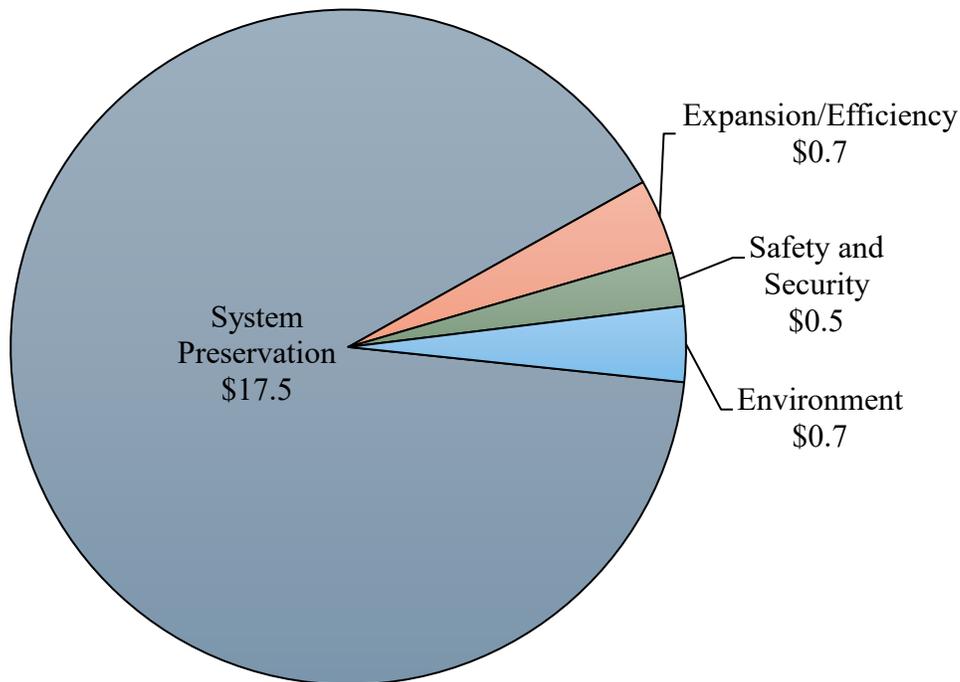
Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

### Fiscal 2027 Capital Allowance

MVA’s fiscal 2027 capital allowance totals \$20.1 million and comprises minor projects and capital salaries and wages. The \$19.4 million in minor project funding is shown by investment category in **Exhibit 7**. Capital salaries and wages total \$800,000 in fiscal 2027.

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**Exhibit 7**  
**Minor Project Funding by Investment Category**  
**Fiscal 2027**  
**(\$ in Millions)**



Source: Maryland Department of Transportation, 2026 *Consolidated Transportation Program*; Department of Legislative Services

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**Issues**

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**1. Cost Recovery**

Before fiscal 2026, § 12-120 of the Transportation Article required MVA to set certain miscellaneous fees so that the total amount of projected revenues from all miscellaneous fees is at least 95% but does not exceed 100% of the sum of (1) the MVA operating budget; (2) the average annual capital program for MVA in the six-year CTP; and (3) MVA’s portion of the cost for the budget year of MDOT data center operations. The BRFA of 2025 increased the minimum cost recovery from 95% to 100% and the maximum cost recovery from 100% to 105%. This change took effect at the beginning of fiscal 2026. **Exhibit 8** shows the cost recovery from fiscal 2025 through 2031.

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**Exhibit 8**  
**Cost Recovery**  
**Fiscal 2025-2031**  
**(\$ in Millions)**

<u>Fiscal</u>	<u>Cost Recovery</u>	<u>Fees Needed to Recover</u> <u>100%</u>
2025	93.3%	\$18.0
2026	103.7%	-10.1
2027	100.3%	-0.9
2028	101.3%	-3.8
2029	95.5%	13.2
2030	93.7%	19.3
2031	90.9%	28.6

Source: Maryland Department of Transportation

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Fiscal 2025 had a cost recovery rate of 93.3%, reflecting the agency’s history of failing to meet the minimum cost recovery rate of 95%. Fiscal 2026 is on track to have a cost recovery rate of 103.7%. MVA expects to meet the minimum cost recovery of 100% for fiscal 2027 and 2028 but would fall below that minimum beginning in fiscal 2029. When MVA fails to meet the minimum cost recovery, the agency will be required to raise miscellaneous fees.

***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

***PAYGO Budget Recommended Actions***

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1. Concur with Governor's allowance.

## ***Updates***

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### **1. REAL ID Act Enforcement Effective May 7, 2025**

Effective May 7, 2025, having a REAL ID compliant driver's license or ID card is necessary to board a commercial aircraft or gain access to federal facilities. As of January 2, 2026, there were 4,893,538 REAL ID holders in the State. Over 99% of those eligible for REAL ID are compliant.

**Appendix 1**  
**2025 Joint Chairmen’s Report Responses from Agency**

The 2025 *Joint Chairmen’s Report* (JCR) requested that MVA prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Insurance Coverage Verification:*** The 2025 JCR requested a report on the new insurance verification that went into effect January 2025. MVA submitted the requested report in October 2025. The report details the lapse insurance process, the history of insurance verification, and how the new verification process has been implemented. MVA reports that the new process has allowed the agency to identify more uninsured vehicles and close cases faster than previously due to an updated book of business from insurance companies.
  
- ***Impact of Electric Vehicle (EV) Adoption on VEIP:*** MVA indicates that the impact of the adoption of EVs on VEIP is minimal due to EVs comprising less than 1% of vehicles within the VEIP model year range. The report explored the feasibility of expanding VEIP to jurisdictions exempted from VEIP and determined that it would not be in the best interests of the agency to do so. The areas without VEIP are currently meeting air quality standards under the federal Clean Air Act, making the associated costs to build either full VEIP stations or self-service kiosks not worthwhile. For example, the cost of a VEIP station in St. Mary’s County could range from \$2.3 million to \$5.9 million. Self-service kiosks cost \$45,000 to construct, but that does not include the costs of land acquisition and installing utilities and other infrastructure.

**Appendix 2**  
**Budget Amendments for Fiscal 2026**  
**Maryland Department of Transportation**  
**Motor Vehicle Administration**

<b>Capital</b>			
<b><u>Status</u></b>	<b><u>Amendment</u></b>	<b><u>Fund</u></b>	<b><u>Justification</u></b>
Pending	\$1,351,138	Special	Adjusts special appropriations to agree with anticipated expenditures for the current year as reflected in the MDOT's Final Fiscal 2026 to 2031 CTP

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

<u>Object/Fund</u>	<u>FY25 Actual</u>	<u>FY 26 Work Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
<b>Positions</b>					
01 Regular	1,706.50	1,697.50	1,630.50	-67.00	-3.9%
02 Contractual	7.00	7.00	7.00	0.00	0.0%
<b>Total Positions</b>	<b>1,713.50</b>	<b>1,704.50</b>	<b>1,637.50</b>	<b>-67.00</b>	<b>-3.9%</b>
<b>Objects</b>					
01 Salaries, Wages, and Fringe Benefits	\$169,457,417	\$166,660,309	\$170,149,263	\$3,488,954	2.1%
02 Technical and Special Fees	388,661	663,474	576,459	-87,015	-13.1%
03 Communications	9,214,794	8,776,502	9,184,413	407,911	4.6%
04 Travel	192,065	245,414	217,523	-27,891	-11.4%
06 Fuel and Utilities	2,336,221	2,288,227	2,340,251	52,024	2.3%
07 Motor Vehicle Operation and Maintenance	549,351	830,791	438,274	-392,517	-47.2%
08 Contractual Services	62,248,971	60,968,901	62,262,941	1,294,040	2.1%
09 Supplies and Materials	1,439,389	1,233,699	1,104,029	-129,670	-10.5%
10 Equipment – Replacement	192,097	2,455,256	5,429,771	2,974,515	121.1%
11 Equipment – Additional	2,037,228	5,547,945	123,852	-5,424,093	-97.8%
12 Grants, Subsidies, and Contributions	5,914,511	9,671,313	9,671,311	-2	0.0%
13 Fixed Charges	14,420,288	17,948,006	15,976,838	-1,971,168	-11.0%
14 Land and Structures	10,318,476	14,236,504	10,738,848	-3,497,656	-24.6%
<b>Total Objects</b>	<b>\$278,709,469</b>	<b>\$291,526,341</b>	<b>\$288,213,773</b>	<b>-\$3,312,568</b>	<b>-1.1%</b>
<b>Funds</b>					
03 Special Funds	\$267,033,088	\$277,774,295	\$274,126,065	-\$3,648,230	-1.3%
05 Federal Funds	11,676,381	13,752,046	14,087,708	335,662	2.4%
<b>Total Funds</b>	<b>\$278,709,469</b>	<b>\$291,526,341</b>	<b>\$288,213,773</b>	<b>-\$3,312,568</b>	<b>-1.1%</b>

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 4  
Fiscal Summary**

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

<u>Program/Unit</u>	<u>FY25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 26-27</u>	
	<u>Actual</u>	<u>Work Approp.</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
01 Motor Vehicle Operations	247,421,927	248,602,269	252,180,916	3,578,647	1.4%
03 Facilities and Capital Equipment	16,785,649	26,832,215	20,105,305	-6,726,910	-25.1%
04 Maryland Highway Safety Office	13,338,154	16,091,857	15,927,552	-164,305	-1.0%
08 Major Information Technology Development Projects	1,163,739	0	0	0	0
<b>Total Expenditures</b>	<b>\$278,709,469</b>	<b>\$291,526,341</b>	<b>\$288,213,773</b>	<b>-\$3,312,568</b>	<b>-1.1%</b>
Special Funds	\$267,033,088	\$277,774,295	\$274,126,065	-\$3,648,230	-1.3%
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