

**TESTIMONY OF SHARON A. HARRINGTON**

**CHIEF ADMINISTRATOR**

**MOTOR VEHICLE COMMISSION**

Thank you, Chairman Greenwald and members of the Committee, for allowing me to submit the testimony below.

The Motor Vehicle Commission is on its way to becoming the model for excellence in motor vehicle services, which is our Vision Statement.

**HISTORY**

Thanks to the continued support of Governor Codey and the Legislature, unprecedented changes are occurring at the New Jersey Motor Vehicle Commission. Long lines, poor customer service and easy access to fraudulent documents no longer define the New Jersey MVC. All of that changed with the vision and desire to "Fix DMV."

For most New Jerseyans, MVC represents the face of government. Opinions about all of state government often are formed based on a citizen's interaction with our agency when getting a digital driver license, renewing a vehicle registration, or having a car inspected. We take this responsibility very seriously. We understand that taxpayers expect and deserve quality service and quality documents from the Motor Vehicle Commission.

We welcome the results of our first State Audit in more than six years. It proves MVC is heading in the right direction. I feel the findings validate the reforms MVC has worked so hard to implement. The conclusion of the report helps illustrate how far MVC has progressed: "The financial transactions were reasonable and were recorded properly in the accounting system." This doesn't mean our work is done, but rather, that the reforms are working and there is still plenty to do. As always, audits are designed to identify areas for improvement in an organization. Keeping in mind the audit began just one month after the creation of the Motor Vehicle Commission, it's safe to say this is no longer an "agency in crisis," as described by the Fix DMV report of November 2002.

In fact, a second State Audit just began. We welcome this continued oversight. It will help MVC continue in the correct direction.

We have made enormous improvements over the past two years – improvements that are tangible to our customers, such as faster, friendlier and more convenient service. We’ve also made great strides in seeking federal grant money and expect more than \$3 million in federal grants to roll in over the next year. At the same time, we’ve taken bold new steps to enhance security.

Important work remains to be done. The former Division of Motor Vehicles underwent years of neglect, and it will take several more years before the Motor Vehicle Commission is operating at the state-of-the-art level that we all envision. MVC has embarked on a capital project at the Trenton Office Complex that provides upgraded wiring, telecommunications equipment and additional office space including the new Contact Center, a more robust Security & Investigations Unit and an Office of Strategic Planning.

There is substantial proof that we are achieving our vision, which is, “To be the model for excellence in motor vehicle services.” As we like to say, “We are fixing, but not yet fixed.”

Look at what has MVC has done so far to meet Motor Vehicle Security and Customer Security Act mandates:

## **CUSTOMER SERVICE**

### **Business Process**

We’ve adopted a new, customer-friendly business process that includes express registration lines. There are MVC greeters at each agency. Greeters, used by major retail chains, serve a very important function in the agencies. Greeters provide a warm ‘Hello, How Can I Help You?’ They direct customers to the appropriate counters. They also do

a preliminary check of a customer's identification documents *before* they apply for a new license or renew their current one. This preliminary check saves the customer from being told later, after waiting, that the documents presented are unacceptable. The Legislature's backing in this area has made for a remarkably improved experience for our customers.

### **Customer Service Training**

MVC provides customer service training for all agency staff, which in turn provides a pleasant atmosphere in which to conduct business.

### **Renovations**

MVC sites have been evaluated and are scheduled for renovations that include lighting, painting and new furniture. Randolph just opened an expanded, updated site. Newark is undergoing a similar process. The Camden Motor Vehicle Agency closed in mid-March for renovations and is due to reopen in mid-May. The Toms River Motor Vehicle Agency is expected to close for similar renovations in October and re-open eight weeks later. We are searching for more appropriate sites in Runnemede, Cardiff and Washington Township. All the completed and planned renovations are for the customers' benefit.

### **Saturday Hours**

MVC continues to pursue customer service convenience measures for the public – such as re-initiating Saturday hours. On January 24, 2004, more than 14 years after DMV closed its doors on Saturday, MVC opened them again. Since then, more than 700,000 transactions have been completed on Saturdays by thousands of satisfied MVC customers.

### **Contact Center**

Last October, MVC introduced a new, state-of-the-art Customer Contact Center. It features a telephone system that allows us to answer an additional 66,000 phone calls each month. Overall, MVC receives three million Contact Center inquiries a year. This phone center, at one point, experienced 1,600 hang-ups per day because of excessive hold

times. Hold times now are rare and average about a minute-and-20-seconds. This was a phone center that had a 75% busy signal rate. Now, less than 1% of callers get a busy signal and 87% of callers are now able to complete their business upon first contact.

### **On-line Services**

We continue to expand MVC services online. Customers have noticed. More than 400,000 "hits" a month to the MVC Web site are recorded. MVC provides 16 online services to customers on the Web. For instance, more than 20,000 motorists scheduled their road test online last year; more than one million registrations were renewed online; and, more than 10,000 driver history abstracts were ordered online last year. The use of the Internet will allow us to create and implement alternative means of accessing information about MVC's procedures, policies, forms and documentation requirements. We are confident that these online services will dramatically improve customer service by providing information quickly and efficiently, at the click of a mouse. By offering more services online and shifting more routine business to electronic channels, many residents would choose to log on to the MVC Web site rather than drive to one of our facilities. More people on-line result in faster service for our customers and fewer people visiting the agencies. For example, we have seen our online registration renewals climb from 12% in 2002, to 15% in 2003, to 18% in 2004. With roughly a quarter-million hits per month, the MVC Web site is one of the most popular in State government.

### **TVR Process**

Another area that has seen a considerable improvement in customer satisfaction has to do with legal immigrants who are in this country on a temporary visa. Following the 9/11 attacks, these Temporary Visa Restriction customers were limited to applying for a driver license at only four locations...our Regional Service Centers. However, with our improved document verification program and enhanced security measures, MVC has expanded its options for Temporary Visa customers from just four locations...to 39 motor vehicle agencies. We expect to have all 45 motor vehicle agencies on board with this program by the end of May. This has not only improved customer service by

providing more options for customers, but also eased the customer crunch at the original four locations.

### **CDL Permits**

Drivers interested in a commercial driver license (CDL) were once limited to purchasing applying for a CDL permit at the four Regional Service Centers. We've expanded that option to all 45 motor vehicle agencies.

### **Driving School Tests**

MVC is accrediting driving schools to administer the MVC knowledge and vision tests. Our Business License Services unit receives the application from a driving school and then contacts the driving school to schedule a site visit for compliance review. MVC will schedule instructors for training certification. Business License Services will issue endorsements to driving schools meeting facility and instructor certification requirements. In the meantime, MVC continues to offer these services, free of charge, at its Driver Testing Centers. In addition, high schools will continue to administer the knowledge test as part of the school-based driver education programs.

### **Credit Card Payments**

We will improve customer service further by accepting credit cards for payment at Motor Vehicle Agencies. These transactions should be available in our agencies in the fall. How's that for the 21<sup>st</sup> century?

### **Affordability & Fairness**

MVC, along with the Governor's Office, has created the Affordability and Fairness Task Force, which is studying MVC's current point system, fine schedules and fees. The Task Force is considering how driver suspensions unrelated to the point system, such as unpaid parking tickets, effect drivers of varying socio-economic backgrounds. This is also about understanding federal jurisdictional mandates and consequences beyond our sphere of influence, such as suspending driver licenses for non-payment of child support. I feel it's

a critical issue for our customers as we continue trying to remake ourselves and increase the trust New Jersey has in our organization.

### **Customer Survey**

Rutgers University is going to help us gauge how we're doing in the eyes of our customers. A customer survey is being developed to gauge the impact our reforms are having on customers. Honest feedback from focus groups will illustrate what's working well and what's not working well for customers. We expect to have the data by late summer.

## **SECURITY**

### **Digital Driver Licenses**

MVC provides a high level of security. We are committed to continuing this. Of the accomplishments that resulted from your Fix DMV legislation is the digital driver license, which MVC began issuing in January 2004. Our new licenses and non-driver ID cards contain more than 20 high-tech security features, making them virtually impossible to copy or alter. In fact, New Jersey is recognized as having the most secure driver license in the nation, which will help New Jersey citizens fight the ballooning problems of identity theft and document fraud. In May 2004, all 45 Motor Vehicle Agencies had the digital license technology. To date, MVC has issued a digital driver license to more than 1.8 million of the State's 5.8 million drivers. By June 30, 2008, the remaining four million drivers will have a digital license and the easily altered paper license will be a thing of the past.

### **6 Point ID**

MVC has performed extensive public outreach on its new programs. MVC is committed to providing critical information that will prepare the motoring public for changes. A case in point is the "6 Point Identification Verification" program. Prior to issuing the new digital driver license, it was necessary to tighten the license issuance process. This

verification program addresses the growing problems of identity theft and document fraud while protecting MVC customers.

### **Investigators/Arrests**

Having a more secure license and license issuance process has not deterred some customers and employees from fraud and corruption. We continue to arrest dozens of customers each month, and some employees, for trying to illegally obtain licenses. Our current security measures have led to, and will continue to lead to, the rooting out of people who seek to undermine MVC security.

The Commission initially hired 30 new investigators to probe complaints and suspicions of corruption in the 45 motor vehicle agencies. MVC also has a toll-free tip-line to accept calls about suspected criminal behavior in our agencies. From July 1, 2003 through March 2005, nearly 1,500 arrests were made, with 70% related to counterfeit documents. Without your support and trust, those 1,500 arrests would not have been made...and those phony documents would be floating around our state. To further bolster our security efforts, MVC recently hired 10 additional investigators to continue to weed out corruption at agencies that do not yet have a uniformed police presence. Another 10 pairs of eyes to help MVC employees on the front lines of identity theft and the war on terror can't hurt.

### **LEASE Program**

To assist the investigators, the Commission is aggressively implementing our LEASE program – Law Enforcement Agency Security Enhancement. This program will place a uniformed police officer - paid for by the Commission – in every agency. Currently, 31 of our 45 agencies have a uniformed law enforcement presence each business day. And while two-thirds of the agencies now have uniformed police, our newly hired investigators will help monitor agencies that are currently without uniformed police presence.

## **Security Cameras**

Last October, MVC completed the installation of nearly 600 security cameras, spread around all 45 Motor Vehicle Agencies. This new resource will be used for investigative purposes. Customers and employees can feel confident that another visible deterrent to fraud is helping weed out corruption. The presence of security cameras, uniformed police, investigators, and employees trained in document fraud helps ensure that we'll continue to weed out corruption.

## **Automated Driver License Testing**

In January, MVC began using Automated Driver License Testing, or ADLT, which is now available at all 27 Driver Testing Centers around the State. This enabled us to discontinue the old paper exams and replace them with a test comprised of rotating questions given on the computer. The new test is 50 questions, 20 more than the old test. Computer-based tests are far more secure than a paper test. MVC administers the test in 10 languages.

## **BACK OFFICE**

### **Deprivatization**

One of the first steps on the road to reform was the deprivatization of Motor Vehicle agency employees in July 2003. Bringing the motor vehicle agencies back into State jurisdiction has meant a proper level of oversight, a consistent message and uniform standards. Gone is the disjointed and inconsistent service described by the "Fix DMV" report. We are meeting and exceeding our customers' expectations.

### **Bonds**

Another area where your support was critical was allowing the NJ Economic Development Authority to issue nearly \$160 million in bonds for capital improvements that includes \$10 million to the Administrative Office of the Courts for enhancements to the Automated Traffic System.

Let's also look at what still needs to be done:



## **ON THE HORIZON FOR MVC**

### **Strategic Planning**

MVC is engaged in a strategic planning process. MVC's Vision is "To be the model for excellence in motor vehicle services." This vision has been communicated to all employees within the MVC through various channels. This is part of a much larger long-term plan that acts on our mission statement and our core values.

### **Paterson Agency**

Plans for opening a new Motor Vehicle Agency in Paterson later this year are on track. The State Leasing and Space Utilization Committee approved our plan in mid-March. The former Goodyear building will be cleaned and renovated, and a lease needs to be signed. We feel this is a critical customer service initiative, especially for the residents of New Jersey's third-largest city. It will provide an additional option for our customers at a location accessible to public transportation. It will also decrease customer volume at some of the busier Motor Vehicle Agencies in that area.

### **Renovations**

We are in the process of completing a Five-Year Capital Plan that will provide a roadmap for renovating facilities, some that are 50-years-old.

### **Siting Study**

A Siting Study released last December by Standard & Poor's Corporate Value Consulting (S&P CVC) evaluated and assessed the location, size and accessibility of each Motor Vehicle agency. The results of the study provide MVC with the location of agencies that are accessible to the public and mass transit. Based on the recommendations of the study and approval by the State Leasing and Space Utilization Committee, we will develop new facilities or relocate existing ones to locations that would better serve the public. It will

take several years to complete the feasible recommendations, which is part of MVC's long-term strategic plan.

### **Regional Training**

MVC is moving toward regionalized training. Employees continue to receive customer service training and document fraud training. We would greatly improve efficiency if employees did not have to travel far from work for their training. Right now, training is based in Trenton. Regional training facilities will be located closer to existing agencies.

### **S and H Endorsements**

MVC is in the middle of implementing two federal mandates as part of the Federal Motor Carrier Safety Improvement Act. The first mandate involves all school bus drivers. By October 1 of this year, every school bus driver – about 40,000 drivers – must meet new qualifications to transport school children, including passing a knowledge test and a road test, to receive the new “S” endorsement. The second mandate involves Commercial Drivers who transport Hazardous Materials. About 60,000 drivers must now be fingerprinted for a background check every four years when they renew their Commercial Driver License to receive an up-to-date “H” endorsement.

### **Partnerships**

The Motor Vehicle Commission has many business partners, such as car dealers, bus companies, driving schools, and auto body repair shops; and many of MVC's programs impact multiple state agencies, such as the Courts, Law and Public Safety, Vital Statistics, Law Enforcement, Highway Traffic Safety, Transportation, Education, and Homeland Security. We are working to build these relationships to achieve economies of scale by sharing information and resources.

### **Inspections**

MVC is working closely with the Department of Environmental Protection to develop a safe and environmentally friendly inspection system. A consultant RFP has been issued, and the consultant will evaluate the current inspection system and make

recommendations for how the inspection system should look in the future. The current contract with Parsons Infrastructure expires in August 2007.

### **Comprehensive System**

Our plan for technology improvements within MVC is another major initiative that will improve customer service and security. The current technology is over 20 years old and in need of replacement. Technology modernization will result in improved control over document issuance, all types of testing, improved business processes - such as reduced wait times - and secure facilities. Pre-processing of customer paperwork and payments could be the MVC revolution of the future...where Motor Vehicle Agencies become simply “pick up” points for customers. That’s some of the vision for the new Comprehensive Computer System.

Your support has allowed MVC to flourish and begin the redesign of our systems with the conceptual specifications being directed by MVC’s new systems architect. MVC is developing an RFP for a consultant to design the overhaul of our Comprehensive System.

All too often we have asked the legislature to “bear with us” as we renovate our computer system. That renovation is officially underway.

### **Summary**

MVC realizes that only by promoting customers’ needs, securing facilities and documents, and improving technology, will we change the face of MVC. We are making improvements, but much remains to be accomplished. I believe we are headed in the right direction.

Since the New Jersey Motor Vehicle Commission represents the most public face of state government, I know that we will have the continued support of the Governor and Legislature to follow through with the reforms that are making a positive impact on the lives of New Jersey residents.

Thank you.