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RICHMOND, VIRGINIA 23220

Internal Revenue Service Oversight Board Public Forum
“Pivoting Away from Paper”
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AGENCY BACKGROUND AND HISTORY

- 1906 Vehicles were first required to be registered and licensed. Secretary of the Commonwealth administered motor vehicle laws.
- 1924 The Office of the Motor Vehicle Commissioner was established under the Secretary of the Commonwealth.
- 1932 First driver’s licenses, free and available to those who could prove they had 500 miles driving experience, issued by state police examiners.
- 1948 Driver licensing operations were transferred to DMV, which had only five customer service centers (CSC) located in Richmond, Norfolk, Roanoke, Hampton, and Arlington.
- 1967 DMV began automation of transaction processing at headquarters.
- 1973 Automating CSCs resulted in expansion in number of CSCs. License Agents, monitored by neighboring CSCs, processed paper work and sent to CSCs. CSCs posted transactions to the system.
- 1990 DMV had 73 CSCs and 35 License Agents, and acquired its first mobile office.
- 1992 DMV launched an online dealer program to allow automobile dealers to issue license plates and registration certificates at the point of sale.
- 1995 Legislation shifted the regulation, enforcement, and investigative responsibilities of the state’s motor carrier functions from the State Corporation Commission to DMV.
- 1996 DMV launched its customer service presence in cyberspace. Also, automated telephone service began for customers to renew vehicle registrations.
- 1997 DMV began expanding its fleet of mobile customer service centers to serve citizens in rural and remote parts of the state.
- 1999 Online vehicle registration renewals available through DMV website; Virginia became the first DMV in the world to renew driver’s licenses via the Internet.
- 2001 Public awareness heightened to the importance of secure state-issued driver’s licenses and identification cards.
- 2002 State budget reductions led to the closing of 12 CSCs, elimination of the five mobile customer service centers, and reduction in personnel. DMV anticipated that heightened awareness of driver’s license security would result in higher volume of CSC customer traffic and longer transaction times. As a result, DMV looked to alternative service outlets, including increasing License Agents, for routine transactions.
- 2003 Shuttered CSCs re-opened.
- 2004 License Agent program renamed DMV Select, which had 34 partners.
- 2010 DMV began rebuilding its mobile customer service center program.

- 2012 DMV opens full-service CSC on Fort Lee Army base. DMV Connect became operational using portable equipment to process ID cards for incarcerated individuals pending release. Plans included nursing homes and other locations to serve the incapacitated needing identification.
- 2014 March, DMV became the first DMV in the nation to issue birth certificates. Currently, DMV has 75 CSCs, five mobile customer service centers, 57 DMV Selects, 13 permanent motor carrier service centers (weigh stations), 12 mobile weigh crews, three telephone call centers, automated telephone service, two DMV Connect teams, two mobile apps, and a website that offers more than 30 transactions.

Convenience and Efficiency

Online Services

Virginia DMV was the first in the nation to offer secure online driver license renewal, and that trend continues as the agency currently offers more than 30 online transactions, including:

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|----------------------------------------|---------------------------------------|
| View Your Account | Registration Card Replacement |
| Email and Phone Reminders Sign Up | Report a Vehicle Sold or Traded |
| Create Account | Insurance Verification |
| Forgot Your PIN? | Souvenir Plate Orders |
| Activate Account | Title Replacement |
| What Have I Done Online? | Title and Registration Fee Calculator |
| Practice Online Transactions | webCat (Full Service IRP and IFTA) |
| Vehicle Registration Renewal | Complaints on Salvage Dealers |
| Abandoned Vehicles | Address Change |
| License Plate Delivery Status | Driver’s License/ID Delivery Status |
| Original Electronic Title Print | Driver’s License Renewal |
| Plate Purchase | Driver’s License Replacement |
| Prospective Purchaser Inquiry | ID Card Renewal |
| Organ Donor Status Change | Overweight Citation Permit |
| Record At-a-glance | Complaint Against a Motor Carrier |
| Record Request | Disabled Parking Placard Renewal |
| Reinstatement Fee Payment | 5% Overload Permits |
| Veterans ID Card | Trip Permit Purchase |
| Administrative Hearing Request | Invoice Payments |
| Compliance Summary Request | Fuels Tax Payments |
| Overweight Citation Payment | Fuels Tax Refunds |
| Calculate and Print an IFTA Tax Report | Diesel Vehicle Fuel Refund |
| Hauling Permits | |

Online Migration Strategies – No funding available for building brick-and-mortar buildings or adding customer service reps at the counters. So, DMV needed a way to “encourage” citizens to move to the Internet for their DMV business:

- Discounts for web, phone, and mail renewals
- \$5 fee for in-person renewal transactions
- \$10 late fee (more than 1.8 million citizens get automated alerts)
- Provide easy and secure access to 34 online transactions
- Marketing campaign - “Flyers” added to mailings; “Online, not in-line”
- \$9.55 for in-person vehicle renewal vs. \$3.83 online
- \$22.40 for in-person license renewal vs. \$11.26 online

Access to DMV Services

Online Customer Self-Service Initiatives – Starting in 2010, DMV has deployed several key initiatives as part of a larger strategy for improving citizen access to agency information and services through the use of technology. These include:

- eNotifications – Allows customers to sign-up to receive electronic renewal notifications (email, text, or phone) for driver licenses, vehicle registrations, or disabled placards. This program has allowed the agency to expand service delivery by increasing the number of convenient notifications and has already saved the agency over \$2 million in postage alone.
- Online Authentication System Upgrade – A new online process that allows customers to instantly establish a personal identification number (PIN) online and in a secure manner using authentication questions automatically generated from their DMV records. Since implementation, over two million new PINs have been issued using this service resulting in greater online transaction volumes and furthering agency e-commerce goals.
- Delivery Tracking Status – New services allowing customers to log in to the DMV website and check the delivery status of DMV products including driver licenses and specialty license plates. Last year, over 100,000 customers accessed this online service saving agency staff hours through reduced phone call or in-office inquiries. DMV is currently working to provide customers the ability to track the delivery of their disabled parking placards.
- myDMV Account – A new secure dashboard which enables customers to view and manage their key credential information and services. myDMV Account provides at-a-glance information regarding the customer’s issued driver license or ID card, registered vehicles, and contact information. Additionally, myDMV Account provides real-time notifications for upcoming driver license and vehicle registration renewals as well as provides quick access to a host of other supporting services frequently needed by customers including driver transcript purchase, specialty plate purchase, and reporting a sold vehicle. Further, through integration into existing online transactions, myDMV

Account is improving customer data integrity while reducing agency costs from misdirected product mailings through initial review of address and e-notification information. DMV's myDMV Account was a 2011 Commonwealth of Virginia Information Technology Symposium Governor's Technology Award winner.

Together, these online customer self-service initiatives have had a tremendous impact both on customer accessibility and enhanced service, but also on DMV's bottom line. Since implementation of these features starting in 2010, DMV has collectively experienced over a 100% increase in online transactions with some individual transactions increasing three-fold. Additionally, in 2013 DMV rolled out a completely redesigned website, www.dmvNOW.com. Among the positive outcomes was better organized and targeted content to inform and educate customers and promote compliance.

Mobile Technology Development – With the rapid evolution and adoption of mobile technologies by citizens and organizations, DMV is committed to leveraging these new devices and their impact on customer behaviors to transform our business model for the future. These devices are providing the agency with an excellent opportunity to further our e-commerce goals by moving citizens to 24/7 available, cost effective electronic services and away from traditional costlier staff-based operations. DMV has implemented an e-presence strategy to begin this transformation bringing together both web and mobile-based technologies for advancing customer operations through personal computers and mobile devices in a cost-effective and sustainable way. Development is being initiated through the following key phases:

- In 2012, DMV released downloadable mobile apps for the Android and iOS (Apple) platforms. These apps were built around retainable features to entice extended customer usage and developed using hybrid mobile and web technologies to ensure cost-effective and sustainable cross-platform agency development. These apps feature GPS mapping tools to select service locations, driver's manuals, sample knowledge exams, agency news, agency contact methods, and access to 20 online transactions.
- In February 2013, DMV implemented a major redesign of its agency website, www.dmvNOW.com. This redesign included not only many new design improvements and new features, but most importantly, was built using Responsive Design to automatically support any web enabled device display from large screen traditional computers to a growing array of mobile devices such as tablets and smart phones. Citizens can now receive a "mobile app experience" without having to manually download and maintain an app. This provides DMV the ability to dramatically extend its reach without incurring increased development costs per device supported.
- Starting in June 2013, DMV began work to rebuild legacy online transactions using Responsive Design. This will improve citizen access to e-transactions through a wider range of web enabled devices, particularly tablets and smart phones, furthering the agency's e-commerce goals. With 25% of DMV's online customers already using mobile devices, and with that number expected to continue to grow significantly following

industry trends, DMV predicts this will have a profound impact on agency e-commerce as citizens move to conduct DMV business in the moment, from anywhere and at any time.

Commonwealth Authentication Service (CAS)

The CAS project is part of the Commonwealth's eHHR program that will allow Virginia citizens access to a variety of online government services using a single, verified log-on. Eventually, the system will allow agencies to share and update data (such as changes of addresses and names, etc.) across systems. DMV is developing the system, while data will be maintained at the Virginia Information Technologies Agency (VITA). Frequently asked questions about CAS are available at http://www.dmvnow.com/general/news/pdf/cas_faqs.pdf.

Online Driver's License Surrenders

This initiative will allow citizens, particularly elderly drivers, to voluntarily and at no cost surrender their driver's licenses online in exchange for identification cards. Currently, this transaction must be conducted in person.

Online Tracking of Disabled Parking Placards

DMV is contracting with its disabled parking placard vendor to allow customers to track the production and mailing of their placards. This will allow customers the benefit of knowing when to expect the arrival of the placard after making application.

Online Vehicle Registration and Deactivation

House Bill 2042 (2013) formally authorizes the deactivation and reactivation of vehicle registration. A new online transaction will be created to allow customers to complete this transaction online. This program will be especially beneficial to individuals who only drive a vehicle (such as a motorcycle) during certain times of the year, and do not wish to carry insurance during the months that the vehicle remains garaged, or active duty military who are deployed overseas for extended periods of time.

Online Road Test Appointment System (ORTAS)

Once implemented, citizens will be able to schedule in advance a road test appointment at a customer service center either in person, online, or via phone.

Online International Registration Plan (IRP) and International Fuels Tax Agreement (IFTA) Permits

DMV will create an online transaction allowing customers and permitting services to obtain IRP and IFTA trip permits via the agency website.

www.dmvNOW.com Transaction Rebuild

DMV is rebuilding the core online transactions using new infrastructure required to replace end-of-life hardware and new software to support current mobile devices, in line with the agency's e-presence transformation strategy.

Enhanced Partnership with State Board of Elections

DMV is working with the State Board of Elections to improve the voter registration process, both when conducting an online transaction through dmvNOW.com and in person at a DMV customer service center. By law, DMV must provide individuals an opportunity to apply to register to vote when conducting a driver's license transaction.

Electronic Delivery of Hauling Permits

This initiative will allow hauling permits to be transmitted in PDF format, so they are viewable on smart phones and other mobile devices.

Convenient Customer Payments

This program will allow DMV to securely store customer payment method information, similar to most private retailers, allowing customers to pay for DMV products more conveniently and enabling automatic renewals.

Electronic Submissions

Pursuant to Va. Code §46.2-216.1, DMV has the administrative authority to mandate electronic filing of any type of document or payment, provided 12 months written notice is given. In accordance with that authority, DMV continues to streamline interactions with business partners and customers.

Driver Improvement Mandate for Electronic Submission of Driver Improvement Clinic Rosters

Currently, Driver Improvement (DI) Clinic providers submit rosters of customers who have completed a driver improvement clinic either using an Extranet process (electronic submission) and/or by mailing rosters to DMV. Effective August 1, 2014, all DI providers will be required to submit rosters and fees electronically.

Online Dealers

In 1992, Virginia became one of the first states in the nation to implement an online dealer program. Since that time, the program has expanded to include three DMV-authorized online program vendors and 1,566 participating automobile dealers; all but a handful of franchise dealers participate. Effective March 15, 2014, all applications for title and registration of vehicles processed via a franchise automobile dealer must be processed online. At a later date, all other types of motor vehicle dealers will also be required to participate in the online dealer program as well.

Through the online dealer program, Virginia residents may also purchase vehicles at participating Maryland and West Virginia dealers. This cross-border agreement enables those out of state dealers to process Virginia DMV work for customer convenience. Currently, 165 dealerships in Maryland and eight dealerships in West Virginia participate in this program. Virginia dealers, usually those along the borders, may also process the other states' work, as well.

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Technology Brings DMV to You

DMV's award-winning website is an evolving virtual customer service center. Citizens can conduct more than 30 online transactions. And through new mobile operating system applications, customers can access DMV web services through Androids, iPhones and iPads.

www.dmvNOW.com

DMV continues to migrate customer traffic to the agency's lowest cost service channel. Forty percent of customers use the web to renew vehicle registrations. Online migration benefits the Commonwealth since it costs the agency \$9.55 to process a vehicle registration renewal transaction inside a CSC vs. \$3.83 for the same transaction online.

In early 2013, DMV launched its redesigned website. The new design offers many new features to help facilitate customer traffic to existing content and online transactions. Additionally, it features new dynamic web technology which allows content to scale to the accessing device so that customers can more easily consume the website whether at their traditional desktop at home or using a smart phone on the go.

VirginiaDMV App

The VirginiaDMV app has a wide range of features including access to more than two dozen DMV transactions. An office locator feature uses a smartphone's global positioning system (GPS) to locate the customer and display the closest DMV offices and average wait times. If users select a specific DMV office, details such as hours and hazardous materials (HAZMAT) endorsement fingerprinting availability are displayed. Users may tap or select the DMV office address to obtain driving directions. If a customer wants to talk to a DMV representative before traveling to an office, tapping on the DMV phone number will automatically dial it. Other features include news alerts, the Virginia Driver's Manual, online sample knowledge exams, and the create-a-plate interactive tool. Set up and access a personal myDMV Account, create a PIN, and conduct a variety of transactions including renewing decals and driver's licenses, and sign up to receive DMV eNotifications.

eNotifications and myDMV Accounts

Since implementing the popular cost-saving eNotification program in 2011, more than 1.6 million Virginians have enrolled to receive DMV notices via email, text or phone message. Since each piece of U.S. mail not processed by DMV saves 59 cents in printing, processing and postage fees, the savings are more than \$590,000 annually. The agency's myDMV Account feature was recognized by the National Association of State Chief Information Officers (NASCIO) in the Digital Government to Citizen Award category for outstanding achievement in the field of information technology (IT) in state government. Of the 120 nominations submitted

throughout the country, Virginia's myDMV Account was one of 30 state IT initiatives selected as a finalist.

Behind the Scenes

DMV is saving \$5 million annually by improving processes and reducing paper through a variety of employee-suggested initiatives.

Address Verification

At CSCs, the telephone call centers, and DMV Select locations, DMV implemented address verification software in January 2012. This tool helps ensure every address submitted by customers is accurate. If an address is deemed undeliverable, DMV asks detailed questions to capture the address correctly in the system. The software standardizes addresses with the U.S. Postal Service and reduces the number of keystrokes required to enter an address, saving transaction time.

DMV updates addresses nightly on existing customer records which allows for an address alert to display on DMV's system for staff to advise a customer conducting DMV business that his address is identified as undeliverable and needs to be updated.

Workforce Efficiency

DMV formed a team called the Workforce Efficiency Group (WEG) to create faster, more efficient methods to process incoming work received at DMV headquarters, and to greatly reduce the movement of paper within the agency. This work center is the first of its kind in Virginia government. The pilot for WEG was DMV's Insurance Services work center. It has a streamlined workflow operation, no backlog, and work is processed the same day it's received. For example, when insurance monitoring documents are received and scanned, the customer's vehicle and owner information that is stored on the document's barcode is pre-populated instead of being manually entered, which creates increased efficiency and accuracy. WEG is helping other work centers throughout the agency improve operations by eliminating manual counting of incoming mail and documents, and greatly reducing storage space.

Automated Workflow and Document Scanning

All branch office daily reporting became paperless in 2012. Staff can view all reports online instead of printing them. This resulted in over ten million sheets of paper saved.

CSCs scan and upload customers' legal presence documents to headquarters for review instead of sending by fax or mail. Also, documents such as applications that are collected daily in CSCs are now scanned and filed from the point of entry rather than mailed to headquarters for storage.