



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

**Report to the Governor on the State of Affairs of
the Texas Department of Motor Vehicles
(Transportation Code Chapter 1001.023(b)(3))**

Annual Report 2014



Board Member	Term Expires	Hometown
John H. Walker III, Chairman	2/1/17	Houston
Laura Ryan, Vice-Chair	2/1/15	Cypress
Robert "Barney" Barnwell III	2/1/19	Magnolia
Luanne Caraway	2/1/19	Kyle
Blake Ingram	2/1/17	Sunnyvale
Raymond Palacios Jr.	2/1/19	El Paso
Victor Rodriguez	2/1/15	McAllen
Marvin Rush	2/1/17	Seguin
Joseph O. Slovacek	2/1/15	Houston

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January 23, 2015

The Honorable Greg Abbott
Office of the Governor
Post Office Box 12428
Austin, Texas 78711-2428

Dear Governor Abbott,

In accordance with Transportation Code 1001.023(b)(3), it is my privilege to submit this report on the state of affairs, including the duties, activities, and accomplishments of the Texas Department of Motor Vehicles (TxDMV) in 2014. Statute currently requires the Board Chairman to submit this report quarterly, however, the TxDMV has submitted it annually based on a request by the Office of the Governor. This agency is pursuing a change in the statute for the upcoming session of the 84th Legislature to codify current practice of annual submission, unless your office directs otherwise. The last report was submitted January, 2014.

The agency was established in 2009 by the 82nd Legislature to provide motor vehicle-related services to the great State of Texas. In 2014, the TxDMV Board and agency staff focused efforts on establishing the agency's infrastructure, including information technology, buildings and facilities.

One of the primary priorities of the agency for the upcoming biennium is acquisition of property for its headquarters. Currently the agency is dependent upon property owned by the Texas Department of Transportation (TxDOT) which is in the process of assessing, selling property, including buildings that TxDMV headquarters staff and regional offices occupy. The agency has requested an exceptional item in its FY16-17 Legislative Appropriation Request to acquire a property for relocation as the Legislature deems appropriate.

The agency has focused on improving the delivery of quality services to the motoring public and ensuring stakeholder input is considered in rule-making or agency policy decisions that impact their respective industries. The agency has been proactive in providing information to leadership in the Office of the Governor, the Texas Legislature, local government officials, industry stakeholders, and our agency workforce. The agency will continue in its statewide exchange with its stakeholders to strengthen partnerships. During the past year, as outlined in the following pages of this report, much of this dialogue has resulted in positive returns.

Should you or your staff need to contact us, we are on standby to assist. Contact information is available on the back of the front cover of this report. Thank you for the opportunity to serve on the TxDMV Board and serve the State of Texas under your leadership.

Sincerely,


John H. Walker III

Executive Summary

Each year the agency registers almost 24 million vehicles; regulates vehicle dealers and manufacturers; credentials buses and big trucks for intrastate and interstate commerce; issues oversize and overweight permits; and awards grants to law enforcement agencies to reduce vehicle burglaries and thefts. The agency licenses more than 38,000 motor vehicle dealers and a variety of other entities engaged in the motor vehicle sales and distribution industry, as well as salvage vehicle dealers. The agency credentials more than 50,000 motor carriers, issues more than 800,000 oversize/overweight permits and investigates more than 15,000 complaints against dealers and motor carriers. The agency served close to 1.3 million Texas motorists by phone call, email, letter or in person. It is estimated that in FY14-15, the agency's deposit to the State Highway Fund will account for approximately 30 percent of that fund's total state revenues.

Over the FY 2016-2017 biennium, it is projected that the agency's activities will generate approximately \$3.5 billion for the state -- \$3.06 billion for the State Highway Fund (Fund 006) and approximately \$459 million for the General Revenue Fund (Fund 001).

As background, the agency was created by the state legislature in 2009 (House Bill (H.B.) 3097, 81st Legislature, Regular Session "Relating to the creation, organization, duties, and functions of the Texas Department of Motor Vehicles") and became operational on November 1, 2009. The bill transferred the duties and responsibilities, personnel, furniture, and fixtures, equipment and computers of four Texas Department of Transportation (TxDOT) divisions – Vehicle Titles and Registration, Motor Carrier (other than oversize/overweight permitting, which came over in January 2012), Motor Vehicles, and the Automobile Burglary and Theft Prevention Authority (ABTPA) – to the new Texas Department of Motor Vehicles (TxDMV). Although much has been accomplished towards separating from TxDOT, there is still more to be done. The separation process continues with regards to technology and facilities.

TxDMV Board

The TxDMV is overseen by a nine-member, governor-appointed board that is the agency's policy-making arm and which provides the strategic direction for the agency. To further its mission during 2014, the board conducted seven regularly scheduled board meetings, three Finance and Audit Committee meetings, two Projects and Operations Committee meetings and one Legislative and Public Affairs Committee meeting. In addition, several board members meet regularly with staff to stay informed between meetings and participate in working groups on various projects and issues. Much of the agency's success in rule-making has been because of board members leading committees of stakeholders affected by the proposed rule.

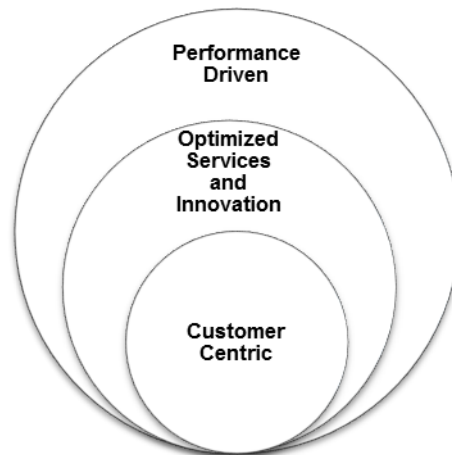
A Board Liaison/Office of Board Support assists the board with daily administrative support, research and communication. Although the board is required by statute to meet at least once a quarter, meetings are called on an as-needed basis with meetings falling on the second Friday

of the month when scheduled. In order to reduce travel costs and make the most efficient use of board members' and agency work, the board has met via video teleconference (VTC) on occasion (as allowed by the passage of H.B. 2414, 83rd Legislature, Regular Session). As you can see from the list below, members travel from various regions of the state. VTC equipment will be installed at the Houston Regional Service Center to facilitate additional VTC board meetings as four of the board members are in the Houston region (other board members may also participate using VTC systems in their regions). In an effort to maximize transparency, accountability and accessibility, board meeting agendas and materials are posted on the agency website. Full board meetings are live-streamed on the internet and video archives of those meetings are available on the agency's website.

Board Member	Term Expires	Hometown	Represents
John H. Walker III, Chairman	2/1/17	Houston	Motor carrier industry
Laura Ryan, Vice-Chair	2/1/15	Cypress	Vehicle manufacturing or distribution industry
Robert "Barney" Barnwell III	2/1/19	Magnolia	Public member
Luanne Caraway	2/1/19	Kyle	Tax assessor-collector
Blake Ingram	2/1/17	Sunnyvale	Independent auto dealer
Raymond Palacios Jr.	2/1/19	El Paso	Franchised auto dealer
Victor Rodriguez	2/1/15	McAllen	County or city law enforcement
Marvin Rush	2/1/17	Seguin	Franchised auto dealer
Joseph O. Slovacek	2/1/15	Houston	Public member

Board Strategy

The board has put into place a strategic plan and key performance indicator (KPI) measures (Appendix A) that are tracked and monitored. These KPIs are in addition to the performance measures reported quarterly to the Legislative Budget Board. The TxDMV Board's strategic focus for the agency is on three distinct but related goals:



Agency Staff

Executive Director Whitney Brewster, with the assistance of Deputy Executive Director Shelly Mellott, oversees the day-to-day operations of the agency which is authorized 763 full time equivalent (FTE) positions. The agency has an organizational structure that consists of Motoring Services Divisions (ex: Vehicle Title and Registration, Motor Carrier, Enforcement, Motor Vehicle, Consumer Relations) and several divisions and offices that support the day-to-day operations of the agency (ex: Executive Office, Human Resources, General Counsel, etc.). The agency also has 16 regional service centers located throughout Texas. The agency organizational chart is in Appendix B and division descriptions are found in Appendix C.

The agency emphasizes organizational development and learning, and this year the executive management team focused on strategic alignment—the vision for the agency and the core competencies leadership must develop in themselves and employees. These efforts support the agency vision that “TxDMV sets the standard as the premier provider of customer service in the nation.”

Internal agency management, communication, and training initiatives are ongoing and strong. The Executive Director holds a monthly open forum, *Conversation Café*, to provide agency updates and an opportunity for employees to ask questions and discuss topics of interest. The *Conversation Café* discussions are live-streamed over the internet for all employees including our 16 Regional Offices. The Executive Director also shares information about projects, activities and accomplishments in an online newsletter, *The Insider*, available to employees on the agency intranet site.

In addition to giving information to employees, the Executive Director is also very interested in hearing what employees have to say. Every two years all agency employees are given the opportunity to participate in The University of Texas Survey of Employee Engagement. The scores in our most recent survey, conducted in November and December 2013, are higher across the board than our 2012 survey scores. Of particular interest to the Board is the agency’s score for Job Satisfaction, a Key Performance Indicator. In 2012, our Job Satisfaction score was 347. In 2013, it increased to 360.

Following the survey, the Human Resources Division conducted focus groups with Austin-based and Regional employees in order to report the survey findings and to receive employees’ input for suggested improvements. The Executive Director, working in conjunction with Human Resources, continues to develop projects and training that focus on the issues and concerns raised by employees in this survey.

For the third straight year, the agency partnered with the Texas House of Representatives, in conjunction with Partnerships for Children, to make a difference in the lives of Texas’ foster children through a holiday gift drive. This year the agency “adopted” 30 foster children. All gift

wishes were immediately fulfilled by TxDMV staff who signed up to donate. The gift drive is coordinated by House Speaker Joe Straus and his wife, Mrs. Julie Straus.

Over 400 persons, including staff and board members, gathered after the November 14, 2014, board meeting to celebrate the fifth anniversary of the agency. Personal donations from the board members and directors helped make the event possible. Special guests included Representative Ruth Jones McClendon who authored the bill that created the TxDMV, former chairman Victor Vandergriff, former Executive Director Ed Serna, and former VTR division directors Randy Elliston and Rebecca Davio. Staff created a video for the celebration to highlight agency accomplishments over the past five years. The video may be viewed at https://www.youtube.com/watch?v=PrKN8V_0jpM&feature=youtu.be.

To mark the occasion each agency employee received a wallet card and commemorative license plate printed with the agency values:



Budget

FY14-FY15

The total 2014-15 appropriation for the TxDMV is \$163.1 million for FY14 and \$135.6 million for FY15, with 763 full-time equivalent positions.

S.B. 1 (83rd Legislature) also contained a rider appropriating \$6.3 million per fiscal year for the purpose of making contract payments to My Plates, the contracted vendor for personalized and specialty license plates. The funding for the appropriation is derived from fees collected for personalized and specialty plates under the contract. These proceeds are used to reimburse My Plates in accordance with the contract.

The agency operating budget includes adjustments for the following appropriation riders: data center services reduction (\$4.5 million); the use of unexpended balances in the Automation capital budget and; additional funding for the employee salary increase.

The 83rd Legislature, Regular Session, enacted two bills—H.B. 2202 and H.B. 6—that significantly affect TxDMV’s revenue disposition for funds collected by the agency and its method of finance.

H.B. 2202, created the TxDMV Fund and directed certain fees collected by or on the behalf of the TxDMV that were previously deposited to the credit of the State Highway Fund to be deposited to the new fund beginning FY14. Subsequently, H.B. 6, the funds consolidation bill, abolished the TxDMV Fund and all revenues that would have been deposited into the newly created TxDMV Fund were re-directed to the credit of the General Revenue Fund.

The enactment of these two bills did not affect the total amount of revenue estimated to be collected by the agency but did affect the disposition of the revenues. The passage of the two bills resulted in a reduction of deposits to the State Highway Fund in the amount of approximately \$121.3 million for FY14 and an increase in deposits to General Revenue in the same amount.

The passage of H.B. 2741, 83rd Legislature, Regular Session, among other statutory changes, also provided the agency with the authority to assess new fees related to the transport of ready mix- concrete and timber, resulting in a modest increase in fee revenue for both the State Highway Fund and General Revenue. For FY14, these fees generated approximately \$2.8 million for the State Highway Fund and approximately \$2.8 million for the General Revenue Fund.

The combined effect of the legislation described above resulted in a net decrease of revenue deposited to the credit of the State Highway Fund in the amount of \$118.5 million and a net increase of revenue to the General Revenue Fund in the amount of \$124.1 million for FY14.

Additionally, the enactment of H.B. 2202 combined with the enactment of H.B. 6 significantly modified the agency’s method of finance. Although the bill did not alter the TxDMV’s appropriations, the bills shifted the funds from which the agency’s expenditures are made. During FY14, approximately 66% of the agency’s expenditures were paid from General Revenue and approximately 34% of its expenditures were paid from the State Highway Fund compared to approximately 90% from the State Highway Fund and 10% from General Revenue in FY13.

During FY14, the agency was appropriated approximately \$23.4 million in its capital budget to continue with its automation efforts, designed to enhance the agency’s operational efficiencies and the refactoring of the Registration and Titling System (RTS). The agency was also appropriated approximately \$33 million in unexpended balances from FY13 for this same purpose. As of August 31, 2014, the agency has expended approximately \$23.4 million of these funds. The General Appropriations Act provides the authority to the agency to spend the remaining automation funds during FY15.

The Registration Titling System (RTS) Refactoring Project (discussed in greater detail later on in this report) is a multi-year project with a total project cost of \$72 million (includes both external

and internal costs). A major portion of the project cost, approximately \$39.5 million, consists of a contract with an outside vendor to assist TxDMV in this effort. The total external project cost is \$62 million. The funding for this project requires the TxDMV to use funds from the previous and current biennia.

The TxDMV experienced one significant variance in actual versus budgeted expenditures during FY14. This variance occurred within the agency's appropriation for Data Center Services (DCS). The TxDMV initially requested a biennial total of \$9.9 million (\$7.5 million for base line and an Exceptional Item of \$2.4 million) for DCS services as part of the 2014/2015 appropriation request. During the 83rd Legislative Session, the \$9.9 million request was reduced to \$7.8 million based on data of prior year usage from the Department of Information Resources (DIR). The adjusted DCS appropriation for TxDMV did not account for additional costs related to new servers necessary for the refactoring of the Registration and Titling System and the increase in mainframe costs due to the separation of TxDMV servers from TxDOT. As anticipated, actual DCS expenditures for FY14 exceeded the available \$4 million in appropriations by \$1.3 million. The TxDMV Board authorized staff to inform the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy that the agency would exceed the 25% limitation for capital budget transfers and to allow the agency to use one-time lapses to fund the deficit.

The TxDMV's expenditures in FY14 increased by 19.8% compared to FY13. This increase is primarily due to additional expenditures for automation related projects of approximately \$15 million for computer programming services, software and equipment. There were also increases in electronic service payments and costs for the Data Service Center. Additionally, the agency experienced increases in the Automobile Burglary and Theft Prevention Authority grants and increased salary costs due to fewer agency vacancies, combined with the legislatively mandated one percent salary increase for all employees. Finally an increase in the number of registered vehicles spurred an adjustment of \$2 million to the contract with Texas Department of Criminal Justice for plate production which also impacted 2014 expenditures.

Overall, the TxDMV's revenues increased by approximately 4.13% compared to FY13, which includes natural growth and additional fees.

The *Annual Financial Report FY14* is available online at http://www.txdmv.gov/reports-and-data/cat_view/13-publications/25-reports-data/73-finance.

FY2016-2017 Legislative Appropriation Request

The TxDMV continues to build upon an innovative infrastructure to provide services to motor vehicle customers. As part of our ongoing efforts to increase efficiencies and services, two major initiatives have been identified as critical to TxDMV's continued success. These items are integrated into the FY16-17 baseline, capital budget and exceptional item appropriation request. They are important steps in establishing TxDMV independence from TxDOT, both physically and systemically as follows:



- Acquisition and relocation of facilities
- Continued enhancement of automation projects

The *FY16-17 Legislative Appropriation Request* (LAR) submitted to the Governor’s Office of Budget, Planning and Policy and the Legislative Budget Board (LBB) on August 18, 2014, is available online at http://txdmv.gov/reports-and-data/publications-reports/cat_view/13-publications/25-reports-data/73-finance.

Facilities

Austin Headquarters

The TxDMV’s headquarters is spread out among seven TxDOT owned buildings in central Austin. The agency is located at 4000 Jackson Avenue (Camp Hubbard Complex) and in five buildings at 4203 Bull Creek Road (Bull Creek Complex). Additional Austin property owned by TxDOT and occupied by the TxDMV in the Austin area includes the Austin Regional Service Center on Parmer Lane and approximately 2,500 square feet of warehouse space at Centimeter Circle.

TxDOT is set to finalize the sale of their Bull Creek property in February, 2015, where 119 TxDMV employees are currently housed. However, TxDOT has committed to a two-year lease back clause with the sale that allows TxDMV to remain in place until March 2017. In addition to the sale of this property, TxDOT has signaled that it is considering the Camp Hubbard campus for their own personnel, which would displace the majority of the agency headquarters staff.

See page 17 of the agency’s *Nonfinancial Data Report FY14* for a breakdown of agency locations and numbers of FTEs working at each: http://www.txdmv.gov/reports-and-data/cat_view/13-publications/25-reports-data/73-finance.

The TxDMV’s FY16-17 LAR includes an exceptional item for acquisition of property for TxDMV headquarters which includes the Austin Regional Service Center and warehouse space. TxDMV engaged TFC for assistance in obtaining an architectural project analysis associated with the relocation request to review space needs and provide a conceptual office layout and cost estimate that the agency could use in addressing the exceptional item in the upcoming session.

In November 2014 the architectural firm commissioned by TFC, O’Connell Robertson, estimated the agency would require approximately:

- 107,500 net usable square feet of office space;
- 9,500 net square feet of warehouse and fleet vehicle space; and,
- 610 parking spaces (505 staff spaces, 90 visitor spaces, and 15 fleet vehicle spaces)

However, the estimates from the architectural firm came back higher than what was estimated in the FY16-17 LAR. The current estimate by the architectural firm is \$55 million (2014 monetary value) and that is equivalent to approximately \$69 million based on 2020 monetary value. The agency is currently working with the LBB to adjust the amounts that were in the FY16-17 LAR to align with current estimates.

Depending on the selected option and property availability, there may also be future opportunities to lease an existing commercial facility with an option to purchase or to purchase an existing facility and not build a new space. The agency also worked with TFC on estimated amount to lease a location and included that estimated amount also in its FY16-17 LAR, although a lease option may not be the best value for the state in the long term.

Regional Facilities

The agency has 16 regional service centers across the state. In October 2014, TxDMV's Houston Regional Service Center was required by TxDOT to vacate the building. As the owner of the property, TxDOT sold the building. Because the notification of the sale occurred in between legislative sessions, TxDMV was required to use money budgeted for other purposes to fund the unanticipated expenditures related to moving and leasing a new facility. The agency worked on a very tight timeline for the relocation of the Houston Regional Service Center, but successfully did so without interruption in service to our customers. There are two other regional service centers TxDOT may require the agency to vacate in the near term. To minimize the risk of another short-notice, high cost office relocation, the agency is including a \$1.4 million exceptional item to relocate two mid-size facilities.

Enterprise Projects

A primary strategic initiative is to continuously improve services for all customers. Since its emergence as a stand-alone agency in 2009, the TxDMV has worked to enhance the way it does business internally and externally. There are many major enterprise projects in progress that are geared toward enhancing existing technology and defining business process improvements. Implementation of these projects will improve both the agency's technology and processes.

In order to properly manage the oversight of these projects an Enterprise Project Management Office (EPMO) comprised of Project Managers and Business Analysts is in place. The Texas Department of Information Resources (DIR) Project Delivery Framework is used as the foundation for project management methodology. Further, the TxDMV employs the use of executive steering committees (ESCs) for major projects in the portfolio providing executive oversight, timely management of the scope, schedule and budget, as well as support for the project objectives and the role of the Project Manager and EPMO.

Public facing projects

webDEALER – eTitles is a new program that allows dealers to process title applications and new registrations online, greatly reducing both the time required to process transactions and the need for dealers to take paperwork for every car sale to their county tax assessor-collector office. In addition, the system includes eTitles, which creates, stores and transfers vehicle titles electronically. eTitles is the next step towards the electronic storage of all TxDMV issued titles, though people can still receive a paper title if they choose. webDealer is available to franchised dealers statewide and used-vehicle functionality testing is underway now. Forty-three counties and 176 dealerships are set up to process titles electronically through webDEALER.

Registration and Titling System (RTS) Refactoring

TxDMV's current Registration and Titling System (RTS) used by the county tax assessor-collectors and deputies to perform registration and title transactions for the motoring public, was developed in the 1980s. The system contains nearly 100 million current and archived vehicle registration and titling records. While the system has served the state well, it has become difficult to maintain and update as policies and processes change. In June 2013, TxDMV entered into a contract with Deloitte Consulting LLP to refactor the existing system by updating the code from a mainframe program to a JAVA web-based system. The contract consists of six separate work streams that will continue through 2018. Maintenance and operations for the current RTS legacy system transferred to the vendor in February 2014. This is a key part of ending the agency's dependency on TxDOT to provide technology support. Key project milestone dates are: Point of Sale implementation will begin April 14, 2015 with a limited rollout to tax assessor-collectors with statewide rollout complete June 12, 2015. The statewide go-live (actual transition off the current mainframe) is August 3, 2015. Post-refactoring enhancements will start after that with go-live of enhancements on December 2, 2015.

Single Sticker

H.B. 2305 (83rd Legislature) requires that, effective March 1, 2015, the state's vehicle inspection sticker be discontinued and the state move to a single sticker program based on the vehicle registration sticker date. The bill makes the issuance of a registration renewal sticker dependent upon the vehicle passing its vehicle safety inspection and any required emissions inspections. Once the new program is fully implemented, a passing inspection will have to occur not more than 90 days prior to the expiration of the registration sticker in order to renew the registration. There are three agencies involved with the implementation of 'single sticker': (1) the TxDMV is responsible for the state's vehicle registration program, (2) the Department of Public Safety (DPS) oversees the state's vehicle safety inspection program, and (3) the Texas Commission on Environmental Quality (TCEQ) administers the state's vehicle emissions inspections. The agencies have developed a media



campaign to educate the public about ‘single sticker.’ The campaign will use a combination of print, electronic and web-based media, as well as radio. Materials will be distributed to county tax assessor-collectors, inspection stations, and other high-traffic TxDMV, DPS and TCEQ facilities. In addition, vehicle registration renewal envelope inserts will be distributed beginning with March 2015 registrants. To date the agency has held 41 webinars with more than 3,800 total participants to explain the law and train tax assessor-collectors and stakeholders. Public outreach and education activities will continue through at least 2017. A unique website for this program has been launched. For more information about ‘single sticker,’ please go to: <http://twostepsonesticker.com>.

Agency Infrastructure – Internal IT Projects

As TxDMV continues its efforts to separate from TxDOT, the emphasis is on establishing a solid foundation for supporting the agency’s core functions. This includes establishing a solid IT infrastructure, migrating existing systems to the State Data Center and locating equipment and resources to stable facilities and buildings. Internal IT projects include: Active Directory, Centralized Accounting and Payroll/Personnel System (CAPPS) Financials and HR/Payroll, Credit Card Fee Solution, Headquarters Communications Infrastructure, Licensing, Administration, Consumer Affairs and Enforcement (LACE) Replacement, Application Migration and Server Infrastructure Transformation (AMSIT), Regional Office Communications Infrastructure, and Website maintenance. Continued funding for these projects is being requested during the FY16-17 baseline, capital budget, exceptional items and rider authority.

Active Directory will implement H.B. 3097, creating a separate Active Directory for TxDMV and separating TxDMV network authentication from TxDOT. Active Directory allows organizations including TxDMV to improve efficiency of network administration, security, and audit capability by creating a central repository of information. Active Directory is being implemented in Austin HQ and all regional offices.

CAPPS (Centralized Accounting and Payroll/Personnel System) is administered by the State Comptroller’s Office. TxDMV is one of the first agencies to successfully deploy the CAPPS Financial system. The CAPPS Financial go-live date was September 1, 2014. The four CAPPS Financial modules the agency is now using include general ledger, purchasing, accounts payable, and asset management. A team of the agency’s Finance and Administrative Services Division staff worked closely during 2014 with the Comptroller’s Office to set up workflow, interfaces, system rules and reporting mechanisms that met the agency’s needs. That team recently completed training agency staff on the new system.

The agency will be deploying CAPPS Human Capital Management (Human Resources and Payroll). The target date to go-live on this Comptroller’s system is scheduled for May 2015. The system will provide modules in human resource, time and leave accounting, payroll, position data management, recruiting solution, performance management and learning management.

Credit Card Fee Solution (Texas.gov Common Checkout Page)

The TxDMV faced a monetary challenge when the Oversize/Overweight Program transitioned from TxDOT in January 2012 to TxDMV. The program included a newly created online system named the Texas Permit Routing Optimization System (TxPROS). TxPROS provided customers the ability to self-issue permits online. The convenience of self-issuing a permit online caused the agency's transaction count volume to increase to 300,800 from 50,600 which in turn increased the amount of merchant service fees the agency projected to pay. The projected cost exceeded the agency's budget by approximately \$2.5 million. The TxDMV contracted with Texas.Gov (as required by Government Code 2054.113) for processing these credit card transactions which removed the financial burden from the agency for the payment of merchant fees associated with credit card transactions. In addition, the agency collaborates with Texas.Gov to transition other agency programs to online payment through the Common Checkout Page. This Common Checkout Page is a web application that redirects a payer to a stand-alone checkout application to complete a payment. Once the payer has completed the checkout process and successfully completes a payment they are redirected to the originating website and presented with a receipt page.

HQ Communications

This project will create a TxDMV telecommunications infrastructure that includes new Cisco hardware and VOIP (voice over internet protocol) for its headquarters located at Camp Hubbard and Bull Creek to separate the TxDMV infrastructure from TxDOT.

Licensing, Administration, Consumer Affairs and Enforcement (LACE) Replacement Project

The project will create a web-based licensing and case management system to replace aging systems used in the motor vehicle, salvage, and motor carrier licensing and enforcement programs. The new system will provide for on-line license application processing that will reduce processing time and be easier for our licensees to use. The consolidated case-tracking system will replace the three different systems currently in use and will be accessible in the field, thereby increasing the efficiency and effectiveness of our investigators operating throughout the state. It will manage the licensing of motor vehicle converters, manufacturers and track litigation and enforcement cases.

Migration to State Data Center

The Application Migration and Server Infrastructure Transformation Project (AMSIT) is designed to identify and move agency applications to the State Data Center. TxDMV is working with Data Center Services, the Department of Information Resources (DIR) and TxDOT on this project. There are 83 servers currently shared with TxDOT that need to be relocated onto servers contained within the State Data Center infrastructure. The agency intends to break the effort down into 14 groups of applications as a strategy to deal with the various levels of effort and dependencies of applications between multiple servers. The activities to relocate the application require coordination from various internal and external entities as well as communications with stakeholders who receive services through the applications. To date, the project activities include the identification of the applications and the creation of a plan to

migrate. The agency is requesting \$9 million in an exceptional item request to fund this project and complete the TxDMV's IT separation from TxDOT.

Regional Office Communications

This project upgrades the technology infrastructure (data and voice) at the regional service centers, enabling TxDMV to separate from TxDOT's network.

Key Accomplishments during 2014

Full implementation of 40 Bills from 83rd Legislative Session

With the actions taken at the July 25, 2014, TxDMV Board meeting, the agency completed full implementation of 40 bills from the last legislative session.

Renewal of My Plates Specialty Plates Program Contract

My Plates is the exclusive marketing vendor for specialty license plates. In January 2014 the board asked staff to enter into negotiations with My Plates to renew the contract for an additional five years because the previous five-year contract expired in November 2014. Staff and My Plates representatives successfully negotiated an amended, five-year contract, and presented it to the board. The board approved it at the March, 2014 meeting. The new terms position the state to receive more than twice the original return in the previous contract's terms and allows for the vendor to remain profitable.

My Plates Hits \$25 Million State Guarantee

On July 17, 2014, My Plates met the \$25 million guarantee in revenue to the state for the specialty license plate program under its five-year contract that was set to end in November 2014. The agency will further enhance this program over the next five years of the new contract.

Established the Office of Administrative Hearings

The 83rd Texas Legislature (H.B. 1692) authorized the transfer of administrative hearings for lemon law and warranty performance cases from the State Office of Administrative Hearings (SOAH) to TxDMV. The agency created a new Office of Administrative Hearings (OAH) to implement the statute. In addition, mediation is now required on all franchise termination and protest cases involving franchise dealers and manufacturers, and lemon law and warranty performance cases. The bill created a position for a new chief hearings examiner to oversee the administrative hearings process. Prior to January 1, 2014, the lemon law and warranty performance hearings were conducted by SOAH. On average, it took SOAH over 200 days from the date a complaint was filed to the issuance of a final order. Since the hearings were returned to TxDMV, the OAH has reduced the time it takes to issue a final order to approximately 137 days, thus providing a more efficient process to the citizens of Texas. No additional funds or positions were requested and the creation of the office resulted in a savings to the state of approximately \$95,000 for FY14.



Title Check, also officially referred to as National Motor Vehicle Title Information System (NMVTIS)

NMVTIS allows TxDMV and Texans to instantly verify the accuracy and legitimacy of title information. The agency worked closely with the American Association of Motor Vehicle Administrators (AAMVA) and the U.S. Department of Justice (DOJ) to implement NMVTIS in April 2014. The initiative, entitled “Don’t Buy a Wreck -- Do a Title Check” emphasizes using the ‘Title Check’ function on the department’s public website as the way for consumers to connect to the DOJ approved list of providers of title history reports prior to purchasing the vehicle and submitting a title application. The system produces a title history report that shows where and what states the vehicle was titled in, previous odometer readings and whether it has a brand that could impact the vehicle’s safety and/or value, such as salvage, junk, rebuilt or flooded. The agency trained more than 900 county tax office employees on NMVTIS over 13 meetings before rollout. The education and outreach campaign continues. Also, the state will have technology and program participation related operational and maintenance costs associated with full participation in NMVTIS. Now that NMVTIS is implemented, the state is in full compliance with federal law, which requires all states to participate in NMVTIS. For more information on Title Check, go to <http://txdmv.gov/motorists/buying-or-selling-a-vehicle/title-check-look-before-you-buy>.

The TxDMV received accolades from Texas Quality Assurance Team (TxQAT) for the successful completion of the NMVTIS project within budget and maintaining the scope of the project throughout implementation. The State Auditor’s Office released their Analysis of TxQAT Projects report (SAO Report No. 15-015, December 2014). The report credits the NMVTIS project as benefitting from a clear project scope, a phased systems implementation approach, project management using lessons learned from other states, and a formal change management process.

Temporary Permits Online

In September 2014 life got easier for drivers needing temporary permits from the TxDMV for private and commercial vehicles. Texans can now select, pay for and self-issue these permits from the convenience of their computer, tablet or smartphone around the clock. Previously customers had to obtain temporary permits in person at their county tax office, TxDMV regional service center or through a third party service provider. The agency provided two webinars with more than 330 total participants to train county tax office employees on this program. 14,500 temporary permits have been issued so far. For more information please visit <http://www.txdmv.gov/motorists/register-your-vehicle/temporary-permits>.

Ready Mix-Concrete and Timber Transport Fees Increase Revenue for State

The passage of H.B. 2741, 83rd Legislature, Regular Session, among other statutory changes, also provided the agency with the authority to assess new fees related to the transport of ready mix- concrete and timber, resulting in a modest increase in fee revenue for both the State Highway Fund and General Revenue. For FY 2014, these fees generated approximately \$2.8 million for the State Highway Fund and approximately \$2.8 million for the General Revenue Fund.

Relocation of Houston Regional Service Center (RSC)

This was a top priority for the agency in 2014. The Houston RSC is the largest regional service center in the state and is co-leased with an Office of the Attorney General field office. The office is also the agency's busiest serving on average over 500 customers per day. The relocation was successful with the help of agency staff and involvement of Houston area board members. In addition, a conference room is being configured with a video teleconference system to facilitate future TxDMV board meetings and hearings by the Office of Administrative Hearings in lemon law and warranty performance cases being held in the Houston area.

Website

In 2014 several enhancements were made to the existing website that had been redesigned in 2013. Improvements in navigation and usability, transaction preview options and a customized Information hub accessed via the TxDMV website were implemented as part of this effort. To visit the website please go to www.txdmv.gov. The internal intranet website for employees (My DMV) was also reengineered in 2014.

Interagency Agreement with TxDOT

TxDMV staff renegotiated the annual Memorandum of Understanding (MOU) with the Texas Department of Transportation (TxDOT). The revised MOU contains a provision that provides greater notice to TxDMV in the event TxDOT intends to vacate property where TxDMV staff are located, thus allowing TxDMV more time to plan for such relocation events. The MOU also trims the number of services provided by TxDOT to TxDMV, and the cost paid for those services, acknowledging the progress that has been made by TxDMV in becoming an independent agency.

Memorandum of Understanding with Auto Burglary and Theft Prevention Authority (ABTPA) and Redesign

The TxDMV renegotiated the operational Memorandum of Understanding (MOU) between TxDMV and Auto Burglary and Theft Prevention Authority (ABTPA), which is a small agency completely housed within TxDMV. The revised MOU clarified the operational relationship between the TxDMV and ABTPA and better integrates the ABTPA mission with the operating and management philosophies of the TxDMV. The MOU also included new provisions where TxDMV in-house legal staff took over all of ABTPA's legal work versus depending on the Office of Attorney General for support. Great strides were made this year to the ABTPA grant program by redesigning it to be more accountable, transparent, and better integrated with TxDMV

processes. ABTPA's *FY16-17 Plan of Operations* submitted to the Texas Legislature can be found at: <http://dmv.state.tx.us/abtpa-grantees>.

Business Continuity Plan

On November 3, 2013, the State Office of Risk Management (SORM) delivered a letter to all state agencies requiring agencies to submit their Business Continuity Plan (BCP) by October 31, 2014. TxDMV had already begun working to develop its first BCP and adjusted the schedule of activities to ensure the agency would complete this activity in time to successfully meet the deadline and did so. The BCP was developed in accordance with TAC §202.24, TGC §616.022, and TLC §412.054 utilizing the Federal Emergency Management Agency Guidelines and Templates as requested by SORM. The BCP includes detailed instructions for alternate personnel to perform essential functions within each division. This helps to ensure the agency's services can be performed by individuals not already familiar with TxDMV systems and applications in the event of a disaster where existing personnel are not available to recover operations. The BCP will be reviewed and updated annually or more frequently as changes in business processes occur.

State Employee Charitable Campaign

TxDMV staff set a new record this year with donations to the 2014 State Employee Charitable Campaign (SECC). Thanks to the generosity of our team, Texas-based charities will receive \$15,653. Our goal for the year was \$12,000. Through the SECC, employees of state agencies, junior and community colleges, and universities throughout Texas enjoy the benefit of giving to many of their favorite charities through an annual workplace giving campaign which features the convenience of payroll deduction.

GovDelivery

The agency has launched a new digital subscription solution to help our customers and stakeholders stay informed about agency news. With GovDelivery, the public can choose whether to receive updates via email or text. Customers may manage their subscriptions any time, so the customer will only receive updates on the topics of their choice. Previously our divisions used varying methods and systems for large email distributions. Now all lists are housed within GovDelivery, streamlining the distribution process for our staff and making it more convenient for customers and stakeholders to receive agency information. Anyone can subscribe or manage their subscriptions by clicking on the envelope icon at the bottom of the TxDMV website.

Hosted Historically Underutilized Business (HUB) Forum

On April 10, 2014, the TxDMV held its second HUB Forum in Austin at the State Capitol. The goal of the program is to increase procurement opportunities for minority and woman-owned businesses in the state. Our Executive Director provided the opening address for the forum, which included more than 140 HUB vendors and 247 participants. The forum received many positive comments, and we look forward to hosting it again next year.

TxDMV in Top Ten of all State Agencies in Services

At the 7th Annual Texas Industries for the Blind and Handicapped (TIBH) Artie Lee Hines Award Banquet held in September 2014, TxDMV ranked sixth in products and tenth in services procured from TIBH out of all state agencies and institutions of higher learning. This marked the first time since the creation of the TxDMV that the agency has cracked the top ten in services.

Online Registration Renewals Available State-Wide

Completed Internet Vehicle Title & Registration System (IVTRS) rollout to all counties in the state and developed training guides for use in the county offices in support of state-wide adoption of online registration renewals.

Mediation Success. There are two different mediation programs administered by the agency:

There is a new mediation program in the Motor Vehicle Division that was established under H.B. 1692, 83rd Legislature that requires mandatory mediation to attempt to settle disputes between franchise dealers and manufacturers before cases go to State Office of Administrative Hearings (SOAH). The new program has resulted in a significant decrease, 86%, in the number of contested cases referred to SOAH and a significant cost savings to stakeholders and the agency.

The other mediation program involves lemon law and warranty performance complaints from consumers. The case starts out in the Enforcement Division. This year, as Texas Lemon Law celebrated its 30th anniversary, Enforcement case advisors secured settlements of 82% of cases before being referred to SOAH, and now OAH (new Office of Administrative Hearings established by TxDMV (H.B. 1692, 83rd Legislature)).

Consumer Protection

Unlicensed Household Goods Movers. The agency completed 15,703 cases involving violations of motor vehicle, motor carrier, salvage and oversize/overweight laws with more than \$3.1 million in civil penalties being collected and \$477,792 being reimbursed to Texas car buyers. The “Don’t Make a Move Without Us” program expanded to provide training to law enforcement about unlicensed household goods movers and available criminal sanctions.

Fitness Rules for Car Dealer Applications. The TXDMV Board's adoption of new Criminal and Offense rules provides the agency with greater discretion for acting on a license, when the applicant has been convicted of certain criminal offenses or is otherwise unfit to hold a license. Now, the agency may review applications using heightened scrutiny, helping to further strengthen the integrity of Texas' licensed motor vehicle industry.

Unsafe Motor Carriers - Motor Carrier Credentialing System/ Complaint Management System (MCCS/CMS). The agency is implementing a system to more quickly identify “chameleon carriers”, those are motor carriers that have a history of unsafe operations or other unresolved

disciplinary actions that apply for new authority to operate on Texas highways under a new identity. The internal application will be placed into production early 2015 for Enforcement Division's use.

Auto Burglary and Theft Prevention. ABTPA awarded \$13.8 million to 29 law enforcement grantees to combat automobile theft and automobile burglaries (list at <http://dmv.state.tx.us/abtpa-grantees>). Further, ABTPA launched a successful statewide public awareness campaign initiatives; "Think Like a Thief" and hosted a Border Solutions Committee Meeting on June 16, 2014 which engaged the country of Mexico and local law enforcement in the process of locating, recovering and the returning of vehicles from both sides of the border and improved communication.

Legislative Agenda

In October 2014, the agency worked with major stakeholder groups on proposed legislation for presentation to the 84th Legislature. Industry stakeholder groups of the agency that were consulted in this effort include:

- Texas Automobile Dealers Association
- Texas Independent Auto Dealers Association
- Texas Tax Assessor-Collectors Association
- Texas Trucking Association
- Texas Aggregates and Concrete Association
- Texas Farm Bureau
- Texas and Southwestern Cattle Raisers Association
- Texas Cattle Feeders Association
- Texas Forestry Association
- Texas Logging Council
- National Title Solutions Forum
- Alliance of Automobile Manufacturers

The agency legislative agenda with stakeholder input was presented to the board's Legislative and Public Affairs Committee on November 13, 2014, and the full board approved it on November 14, 2014. The *Proposed Agenda for the 84th Legislative Session* is available online at <http://www.txdmv.gov/reports-and-data>.

Agency Testimony at Interim Legislative Hearings

On May 6, 2014, TxDMV testified before the **House Select Committee on Transportation Funding, Expenditures and Finance** about the agency's role in funding transportation in the state. The testimony addressed registration related fees, and the amounts collected and retained at the county level.

On May 27, 2014, the agency testified before the **House Business and Industry Committee** regarding mechanics' liens. The agency was asked to explain the mechanics' lien process and our role. The committee discussion primarily centered around whether statute is clear regarding a worker's lien being transferable, the priority of a worker's lien with respect to other lienholders, whether repossession authority in these instances needs to be modified and whether the counties and the state need better statutory guidance regarding who has the right to pursue a worker's lien.

On May 29, 2014, the TxDMV testified before the **House Appropriations Committee, Article I, IV, & V Subcommittee** about the agency's experiences with the Department of Information Resources Data Center Services (DCS). The agency was asked to testify as part of a panel with the Health and Human Services Commission and the Department of Criminal Justice. The testimony addressed both the positive and negative aspects of the agency's experience with DCS, as well as the agency's funding issues related to DCS.

On June 23, 2014, Executive Director Whitney Brewster testified before the **Senate Transportation Committee** to give a general update on agency activities. Ms. Brewster's testimony covered matters relating to the TxDMV Fund, the proposed deputy rules, single sticker, the new My Plates contract, facilities issues relating to the headquarters area and Houston Regional Service Center relocation, and various projects including NMVTIS, webDEALER, RTS refactoring, and "chameleon carriers." The agency received positive feedback from members of the committee about the need to ensure the TxDMV Fund (more information about the fund is provided later in this report) does not get caught up in the fund consolidation process next session. The committee chairman also complimented the agency for successfully dealing with the new "hot rod" and oversize/overweight permitting issues from last session.

On June 24, 2014, Executive Director Whitney Brewster testified before the **Senate Select Committee of Transportation Funding, Finance and Expenditures** to discuss matters relating to registration fee revenues. Ms. Brewster explained the current fee structure, the portions of registration revenues retained by the counties and how counties handled those revenues, total registrations and related revenue, and talked about issues related to the TxDMV Fund. The agency received positive feedback from the committee chairman about the need to re-establish the TxDMV Fund. The only other question received was related to the interest that counties earn on the state registration revenues they are allowed to retain for certain periods of time.

On September 17, 2014, the agency testified before the **Senate Transportation Committee** to provide an agency update on H.B. 2202 (TxDMV fund/registration processing and handling fee), H.B. 2305 (single sticker), H.B. 2741 (oversize/overweight permits and penalties), and our facility needs. Testimony was also provided about oversize/overweight permitting.

Other Agency News

United States Supreme Court to Hear Texas Confederate License Plate Case

In a case that has garnered significant national attention, the United States Supreme Court has granted review in *Walker v. Texas Division, Sons of Confederate Veterans, Inc.* The case is expected to address and further define the “government speech” doctrine, and specifically will decide whether state governments may limit the messages conveyed on specialty license plates to be consistent with government purposes, or whether such messages should be recognized as the private speech of the motorist and subject to First Amendment protection.

The case arose when the Texas Division, Sons of Confederate Veterans (TxSCV) sought the issuance of a specialty license plate featuring the group’s logo, a square confederate battle flag surrounded by the words “Sons of Confederate Veterans 1896.” The board considered the request under a provision of the Transportation Code that authorizes the rejection of “a new specialty license plate if the design might be offensive to any member of the public.” After a public comment period and hearing, the board found “that a significant portion of the public associate the confederate flag with organizations advocating expressions of hate directed toward people or groups that is demeaning to those people or groups,” and denied the “plate design application, specifically the confederate flag portion of the design, because public comments have shown that many members of the general public find the design offensive.”

The TxSCV appealed the Board’s decision to the federal district court in Austin, and the court upheld the Board’s decision. That ruling was appealed to a three-judge panel of the federal Fifth Circuit Court of Appeals, who overturned the district court in a two to one decision. The majority held that the state engaged in impermissible “viewpoint discrimination” in violation of the First Amendment’s freedom of speech clause, finding that while some members of the public find the Confederate flag offensive, “that fact does not justify the board’s decision; this is exactly what the First Amendment was designed to protect against.” Represented by the Attorney General’s Office of Solicitor General, TxDMV successfully sought Supreme Court review of this decision.

The Supreme Court will consider two issues that have divided the circuit courts. First, the Court will address whether the messages and symbols on state-issued specialty license plates qualify as “government speech,” where the state itself is effectively taking government action by expressing a viewpoint, so that First Amendment limitations protecting private speech do not apply. Second, the Court will address whether the state has engaged in “viewpoint

discrimination” by rejecting the proposed design, when Texas has not issued any license plate that portrays the confederacy or the confederate battle flag in a negative or critical light.

The Supreme Court will hear the case this term, as early as March 2015, and is expected to issue a decision before the term expires in June 2015.

Looking Ahead

The TxDMV will continue to build upon innovative infrastructure to provide service to motor vehicle customers. As part of our ongoing efforts to increase efficiencies and services, the TxDMV will look forward to completing current projects and beginning new ones, some of which include the following:

- Address facilities issues with the 84th Texas Legislature
- Continue separation from TxDOT, both facilities and infrastructure (IT)
- Launch Single Sticker on March 1, 2015
- Launch refactored Registration and Titling System (RTS) Point of Sale to regional service centers and counties beginning in April 2015
- Continue the roll out of webDealer to new/used/salvage dealers
- Reestablish the TxDMV dedicated account, or TxDMV Fund, during the 84th Legislature that was inadvertently abolished last session. H.B. 2202 (83rd Legislature) created a TxDMV dedicated account in the state treasury and the authority to set a processing and handling fee for registration transactions. At the same time the Legislature passed the funds consolidation bill, which through lack of inclusion as an exemption abolished the newly created fund and redirected the revenue to the General Revenue account. Various fees collected by the TxDMV, which were previously deposited into the State Highway Fund, have been deposited into the General Revenue account since September 1, 2013.
 - H.B. 2202 also granted the TxDMV Board the authority to create a processing and handling fee to cover costs of the department, county tax assessor-collectors (TACs), and county deputies related to registration. The bill also grants the board rulemaking authority to set the compensation for county TACs and their deputies to be paid out of the fee. The board will consider the information from a Processing and Handling Fee Study by Texas A&M Transportation Institute and will continue to collaborate and work with stakeholders to determine fees and compensation and rules.
 - H.B. 2202 also authorized the TxDMV Board to create new classification types of deputies that may perform titling and registration duties, identify the duties and obligations of deputies, approve the fees that may be charged or retained by deputies and the type and amount of any bonds. County tax assessor-collectors, with the approval of the commissioner’s court of the county, may deputize an individual or business entity to perform titling and registration services in



accordance with the TxDMV's rules. The TxDMV has established a Vehicle Title and Registration Working group comprised of various impacted stakeholder groups to discuss and develop rules for consideration by the TxDMV Board pertaining to the issue of deputies, duties and obligations.

Conclusion

The board members, Executive Director and employees are focused on the agency's vision, mission, goals and values. The board and Executive Director will ensure the agency priorities are considered during the 84th Legislative Session. Our priority is to gain approval to house our headquarters and Austin regional operations and employees in a single TxDMV facility and to reestablish the TxDMV Fund while remaining clearly focused on our customers and stakeholders by *"Helping Texans go. Helping Texas grow."*

APPENDICES

Appendix A – Key Performance Indicators

Key Performance Indicator Measures Adopted by TxDMV Board 9/12/14

GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER	
Performance Driven	Effective and efficient services	1	Average processing time for new franchise license applications	45 days	35 days		MVD	
		2	Average processing time for franchise renewals	11 days	5 days		MVD	
		3	Average processing time of franchise license amendments	20 days	8 days		MVD	
		4	Average processing time for new Dealer's General Distinguishing Number (GDN) license applications	35 days	17 days		MVD	
		5	Average processing time for GDN renewals	14 days	7 days		MVD	
		6	Average processing time for GDN license amendments	18 days	7 days		MVD	
		7	Average turnaround time for single-ftp routed permits	33.88 mins	32 mins		MCD	
		8	Average turnaround time for interstate authority application processing	1.47 days	1.4 days		MCD	
		9	Average turnaround time for apportioned registration renewal applications processing	2 days	2 days		MCD	
		10	Average turnaround time to issue salvage or non-repairable vehicle titles	5 days	4 days		VTR	
		11	Average time to complete motor vehicle complaints with no contested case proceeding	131 days	120 days		ENF	
		12	Average time to complete motor vehicle complaints with contested case proceeding	434 days	400 days		ENF	
		13	Average time to complete salvage complaints with no contested case proceeding	131 days	120 days		ENF	
		14	Average time to complete salvage complaints with contested case proceeding	434 days	400 days		ENF	
		15	Average time to complete motor carrier complaints with no contested case proceeding	297 days	145 days		ENF	
		16	Average time to complete motor carrier complaints with contested case proceeding	133 days	120 days		ENF	
		17	Average time to complete household goods complaints with no contested case proceeding	432 days	145 days		ENF	
		18	Average time to complete household goods complaints with contested case proceeding	371 days	180 days		ENF	
		19	Average time to complete Overhaul/Overweight (OS/OW) complaints with no contested case proceeding	40 days	35 days		ENF	
		20	Average time to complete OS/OW complaints with contested case proceeding	265 days	250 days		ENF	
		21	Percent of lemon law cases resolved prior to referral for hearing		76%	80%		ENF
		22	Average time to complete lemon law cases where no hearing is held		147 days	85 days		ENF
		23	Average time to complete lemon law cases where hearing is held		222 days	150 days		ENF
		24	Percent of total renewals and net cost of registration renewal: A. Online B. Mail C. In Person		A. 15% B. 5% C. 80%	A. 16% B. 5% C. 79%		VTR
		25	Total dealer title applications: A. Through Webdealer B. Tax Office		Baseline in development	A. 5% B. 95%		VTR



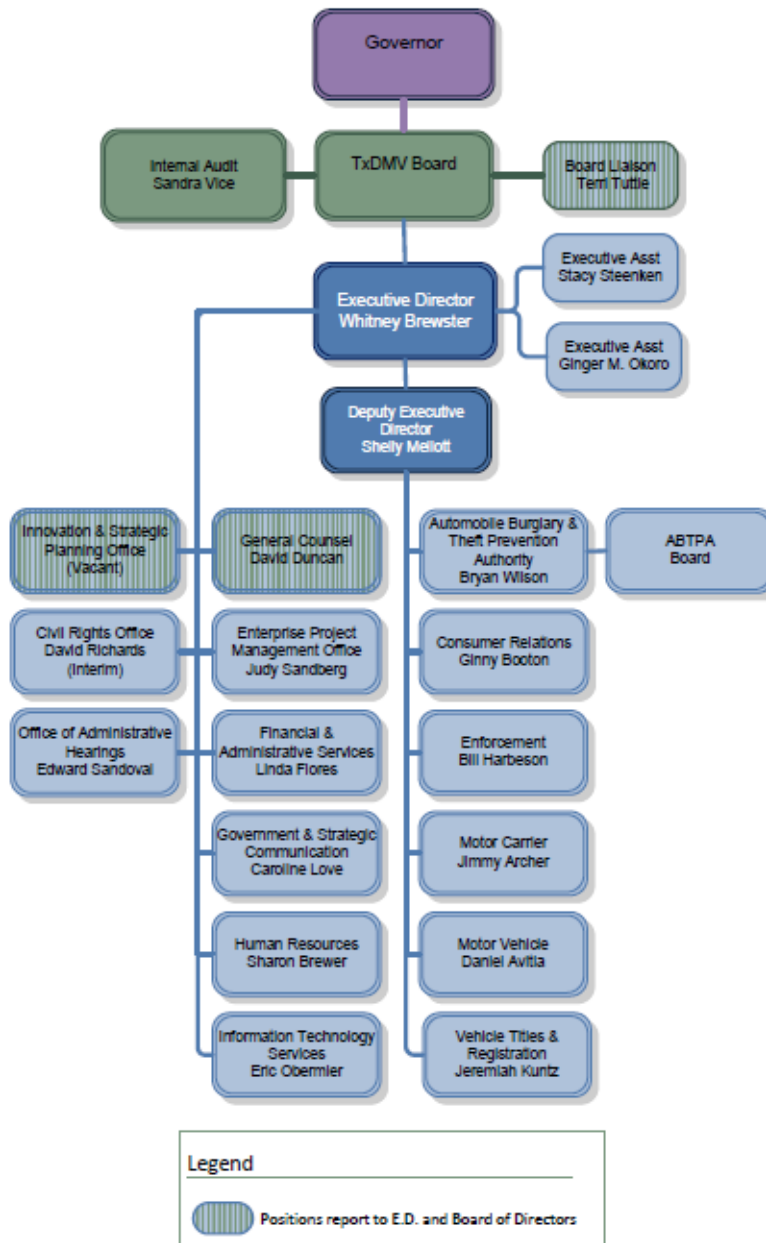
GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER
Optimized Services and Innovation		26	Percent of total lien titles issued: A. Electronic Lien Title B. Standard Lien Title	A. 16% B. 84%	A. 20% B. 80%		VTR
		27	Percent of total OS/OW permits: A. Online (self-issued) B. Online (MCD-issued) C. Phone D. Mail E. Fax	A. 57.47% B. 23.03% C. 11.33% D. 1.76% E. 6.4%	A. 58% or greater B. 25% or greater C. 10% or less D. 1.7% or less E. 5.3% or less		MCD
		28	Average time to complete lemon law and warranty performance cases after referral	Baseline in development	25 days		GAH
		29	Average time to issue a decision after closing the record of hearing	Baseline in development	30 days		GAH
	Implement appropriate best practices	30	Percent of audit recommendations implemented	Baseline in development	90% annual goal for these recommendations which Internal Audit included in a follow-up audit		IAD
	Continuous business process improvement and realignment	31	Percent of projects approved by the agency's governance team that finish within originally estimated time (annual)	57%	100%		EPMO
		32	Percent of projects approved by the agency's governance team that finish within originally estimated budget (annual)	71%	100%		EPMO/ FAS
		33	Percent of monitoring reports submitted to Texas Quality Assurance Team (TQAT) by or before the due date	79%	100%		EPMO
		34	Percent of project manager compliance with EPMO project management standards based upon internal quality assurance reviews	Baseline in development	100%		EPMO
	Executive ownership and accountability for results	35	Percent of employees due a performance evaluation during the month that were completed on time by division.	Baseline in development	100%		HR
		36	Percent of goals accomplished as stated in the directors performance evaluation	Baseline in development	Measure annually at the end of the fiscal year		EXEC
	Organizational culture of continuous improvement and creativity	37	Employees who rate job satisfaction as above average as scored by the Survey of Employee Engagement (SEE)	3.47 (SEE 2012)	3.65	3.60 (SEE 2013)	HR
		38	Increase in the overall SEE score	337 (SEE 2012)	360	351 (SEE 2013)	HR
	Focus on the internal customer	39	Percent of favorable responses from customer satisfaction surveys	Baseline in development	90%		EPMO
		40	Annual agency voluntary turnover rate	6.5% (FY 2013)	5.0%		HR
	Increase transparency with external customers	41	Number of education programs conducted and number of stakeholders/customers attending education programs	448/80.61	480		MCD
		42	Number of education programs conducted and number of stakeholders/customers attending education programs	36/305	42,000		VTR



GOAL	STRATEGY	#	MEASURE	Baseline	Target	Actual	OWNER	
Customer Centric		43	Number of eLearning training modules available online through the Learning Management System and number of modules completed by stakeholders/customers	eLearning Modules Available - 26 Completed - 736	Available - 31 Completed - 814		VTR	
		44	Number of Shows and Exhibits attended to educate stakeholders/customers about TxDMV services and programs	6	7		MVD	
		45	Number of education programs conducted and number of stakeholders/customers attending education programs	3250	3050		ENF	
		46	Number of education programs conducted and number of stakeholders/customers attending education programs	3150	4000		ABTPA	
		47	Percent of customers and stakeholders who express above average satisfaction with communications to and from TxDMV	Baseline in development	80%		All Divisions	
	Excellent Service Delivery	48	Average hold time	9 min	9 min		CRD	
		49	Abandoned call rate	22%	20%		CRD	
		50	Average hold time	Baseline in development	1 min		ITS	
		51	Abandoned call rate	Baseline in development	5%		ITS	
		52	Average hold time	Credentialing - 1.8 minutes Permits - 2.08 minutes CFS - 54.38 seconds	Credentialing - 1.5 minutes Permits - 2 minutes CFS - 50 seconds		MCD	
		53	Abandoned call rate	Credentialing - 7% Permits - 6.42% CFS - 5.83%	Credentialing - 6% Permits - 5% CFS - 5%		MCD	
		Key:		Critical	Off Target	On target	Not yet started	
		<p>Vision: The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.</p> <p>Mission: To serve, protect, and advance the citizens and industries in the state with quality motor vehicle related services.</p> <p>Philosophy: The Texas Department of Motor Vehicles is customer-focused and performance driven. We are dedicated to providing services in an efficient, effective and progressive manner as good stewards of state resources. With feedback from our customers, stakeholders and employees, we work to continuously improve our operations, increase customer satisfaction and provide a consumer friendly atmosphere.</p> <p>Values: We at the Texas Department of Motor Vehicles are committed to: TEXAS-Transparency, Efficiency, Excellence, Accountability, and Stakeholders.</p>						



Appendix B – Organizational Chart



October 29, 2014

Appendix C – Division Descriptions

Vehicle Titles and Registration Division –Provides vehicle titles, registration and related services, including supporting the 254 county tax assessor-collectors and their agents who provide title, registration and license plate services to the public.

Motor Carrier Division –Provides credentialing services, permitting services to transport oversize/overweight cargos, the granting of operating authority for motor carriers and household goods carriers and manages the International Registration Program.

Enforcement Division –Educates and regulates the motor vehicle sales and distribution industry, salvage industry and motor carrier industry, including overweight motor carriers, to protect the public. The division ensures fair and predictable enforcement of the laws governing those industries, including the state’s Lemon Law program.

Consumer Relations Division –Serves customers by telephone, email and written correspondence.

Motor Vehicle Division –Provides licensing for motor vehicle dealers, manufacturers, and a variety of other entities engaged in the motor vehicle sales and distribution industries, as well as the licensing of salvage vehicle dealers.

The **Office of Administrative Hearings** provides an independent forum for hearings for consumer complaints filed under the Texas Lemon Law. Major responsibilities of the Office of Administrative Hearings include, conducting administrative hearings regarding Lemon Law and warranty protection complaints and issuing decisions and orders pursuant to the Texas Occupations Code.

Automobile Burglary & Theft Prevention Authority –Provides grants to law enforcement and other non-profit organizations to reduce auto burglary and theft and provides auto burglary and theft prevention awareness outreach and education.

Support Functions

The agency also maintains several divisions and offices that are integral to the day-to-day operations of the agency. These divisions/offices include: Board Support, Civil Rights Office, Enterprise Project Management Office, Finance and Administrative Services, Government and Strategic Communications, Human Resources, Information Technology Services, Internal Audit and Office of General Counsel.

