

# Item 2740-001-0044 REAL ID and DMV Operational Improvements

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PRESENTED TO:

Budget Conference Committee  
Hon. Holly J. Mitchell, Chair



LEGISLATIVE ANALYST'S OFFICE



## Update on REAL ID Implementation

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- After October 1, 2020, individuals without a REAL ID compliant state-issued driver license or identification (ID) card must provide an alternative federally acceptable form of ID—such as a passport—to board domestic airplanes.
- The state began issuing REAL ID compliant driver licenses and ID cards in January 2018. The Department of Motor Vehicles (DMV) estimates that approximately 22.1 million individuals (out of 29.5 million) will seek a REAL ID compliant driver license or ID card between 2017-18 through 2022-23. From January 2018 through March 2019, the state issued about 3.4 million compliant documents. DMV estimates 8.4 million individuals in 2019-20, 8.1 million individuals in 2020-21, 1.5 million individuals in 2021-22, and 930,000 individuals in 2022-23 will seek REAL ID compliant driver licenses and ID cards.
- Despite receiving additional resources to process increased REAL ID workload, wait times in DMV field offices increased significantly in the summer of 2018. At its peak, some individuals visiting certain offices experienced wait times of a few hours.
- DMV's current goal wait time is less than one hour—no more than 45 minutes queue time and no more than 15 minutes pre-queue time. Wait times in February 2019 decreased to an average of 50 minutes (32 minutes queue time and 18 minutes pre-queue time). This reduction was achieved through various actions, including hiring temporary workers and expanding the use of self-service terminals.



## Overview of DMV Operational Improvements

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### Department of Finance (DOF) Audit

- In March 2019, DOF's Office of State Audits and Evaluations completed a performance audit of DMV operations, information technology (IT) infrastructure, and customer service. The audit raised significant concerns and offered various recommendations for improvement. DMV is required to regularly report on its progress on meeting a corrective action plan to address concerns raised in the audit.
- Some of the major concerns raised in the audit included: (1) an organization and reporting structure that does not reflect current operational needs, (2) a budgeting and staffing approach not focused on maximizing field office capacity, (3) inconsistent implementation of field office customer service enhancements, (4) insufficient network system infrastructure and lack of monitoring contributing to field office outages, and (5) IT project practices needing improvement.

### DMV Reinvention Strike Team

- In January 2019, the administration tasked the Government Operations Agency Secretary to lead a new DMV Reinvention Strike Team to (1) examine DMV operations with an emphasis on various factors such as worker performance and customer satisfaction and (2) make recommendations to modernize and reinvent the DMV. The Strike Team has worked with DMV to immediately implement certain recommendations as well as to identify potential future changes, some of which are included in the Governor's proposal.



## Overview of DMV Operational Improvements

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- Such recommendations include: (1) having DMV accept credit cards in field offices by the end of the year, (2) engaging the Franchise Tax Board in improving call center practices, (3) evaluating the use of business partners to provide services, and (4) identifying potential tools to process transactions more efficiently (such as software to authenticate required documentation before an individual visits a field office).
- The Strike Team also worked with DMV to enter into a contract with McKinsey & Company for an evaluation of DMV communication regarding REAL ID, staff training on REAL ID, and REAL ID processes and customer service experiences in the field offices. These evaluations are expected to be followed by pilot tests of potential improvements in each of these areas as well as final recommendations.



# Key Provisions of DMV REAL ID and Operational Improvement Packages

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Governor	Senate	Assembly
Ongoing MVA funding—\$242.1 million in 2019-20, \$199.8 million in 2020-21, declining to \$34.4 million annually beginning in 2024-25.	Ongoing MVA funding—\$280 million in 2019-20, \$260.1 million in 2020-21, and \$10 million annually beginning in 2021-22. <sup>a</sup>	One-time MVA funding of \$200 million in 2019-20.
Passes on credit card transaction fees to consumers.	Rejected Governor’s proposal.	Approved Governor’s proposal.
Authorizes the Department of Finance to augment DMV’s budget upon 30-day notification to the Joint Legislative Budget Committee.	Approved Governor’s proposal.	Rejected Governor’s proposal. Additional funding available upon legislative appropriation after DMV demonstrates need and progress in meeting performance metrics.
—	Requires monthly reports on certain performance metrics, such as office wait times and technology outages.	Requires monthly reports on certain performance metrics, such as office wait times and technology outages.
<sup>a</sup> Funding reflects Senate’s rejection of Governor’s proposal to pass on credit card transaction fees to consumers. MVA = Motor Vehicle Account and DMV = Department of Motor Vehicles.		