

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82



Fiscal Year FY 2021-2022

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS <i>(FORM D)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Ralph Bailey	(803) 896-9671	Ralph.Bailey@SCDMV.net
SECONDARY CONTACT:	Kristin Wicker	(803) 896-3844	Kristen.Wicker@SCDMV.net

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<u>Agency Director</u>	<u>Board or Commission Chair</u>

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Motor Vehicles
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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	SCDMV Equitable Compensation and Employee Retention Career Pathing Plan	9,800,000	0	0	0	9,800,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Mail Tracking System - Recurring	65,500	0	0	0	65,500	0.00	0.00	0.00	0.00	0.00
3	B2 - Non-Recurring	Mail Tracking System - Non Recurring	457,500	0	0	0	457,500	0.00	0.00	0.00	0.00	0.00
4	B2 - Non-Recurring	Real ID Earmarked Spend Authority	0	0	4,200,000	0	4,200,000	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Increase Plate Replacement Spend Authority	0	0	1,000,000	0	1,000,000	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	FTE Reclassifications	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00
TOTALS			10,323,000	0	5,200,000	0	15,523,000	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	SCDMV Equitable Compensation and Employee Retention Career Pathing Plan
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$9,800,000 Federal: \$0 Other: \$0 Total: \$9,800,000
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	1.1 Ensure the average initial wait time for a customer stays below 20 minutes per business day
	1.2 Ensure Revenues collected are distributed in order to provide financial support to outside organizations
	1.3 Reduce backlogs to ensure a five-business-day turnaround standard
	2.1 Increase amount of services available online
	2.2 Secure legislative support for modernization and efficiency efforts
	2.3 Leverage partnerships for deliverability of products and services
	3.1 Increase SCDMV security posture of our network infrastructure for business to business transactions to better protect SC citizens data
	3.2 Maintain and increase internal and external auditing functions
	3.3 Keep effective measures to reduce fraud and introduce new measures when appropriate
	4.1 Emphasize career development and employee retention within the SCDMV
	4.2 Continue to request funding for employee increases and educational opportunities
	4.3 Continue existing recognition program

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	SCDMV Employees
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

<u>South Carolina Department of Motor Vehicles Budget Submission High-Level Overview</u>	
<p>The South Carolina Department of Motor Vehicles (SCDMV) is requesting \$9.8 million in order to create an Equitable Compensation and Employee Retention Career Pathing Plan that would consist of reclassifications, salary adjustments and step increases based on years of service. Consideration and approval of the additional funding would allow the SCDMV to address its high turnover rate and associated costs. Departing employees continue to emphasize to the agency that SCDMV salaries are</p>	

non-competitive with other state agencies positions that accomplish comparable work. By recognizing the importance of the work employees do at the SCDMV in protecting the personal information of and serving nearly every individual adult South Carolinian, the agency will be better able to retain our most experienced and critical-need employees.

Key Considerations Detailed in this Request

- Currently, SCDMV is not able to offer career pathing plans for employees due to the agency's insufficient personnel budget, which came from its long-standing status as a non-appropriated agency.
- SCDMV offers essential services to the state, as demonstrated during the COVID-19 pandemic, that are critical for the needs of the citizens of South Carolina.
- Pay equity and salary compression are issues due to the difference of salaries, wherein newly joined employees earn close to the same as more experienced employees do.
- Turnover has a detrimental effect on the agency, as we are losing a third of our employee base each year. For FY2021, we are on pace to experience a 33 percent turnover rate based on current agency trends.
- Approximately 70 percent of SCDMV positions are paid less than the state average salary amount for similar positions in the same classification.
- We are competing not only with all other state agencies, who pay more than we do in most job classifications, we are competing externally with the private sector.
- SCDMV's overall compa-ratio is 85 percent, which is in the bottom third of all state agencies.
- The entry level, Customer Service Representatives (CSRs) are incorrectly classified as Administrative Assistant AA50's. SCDMV would like to partner with the Division of State Human Resources (DSHR) to appropriately classify this large group of employees, as well as increase this position's starting salary from \$25,000 to \$28,000 annually, to be in line with the state's average salary for this classification, which is approximately \$28,800
- The transaction count in SCDMV Branch Offices has increased by 17 percent over the past six years and the agency has not increased its headcount to keep up with this demand.

South Carolina Department of Motor Vehicles Budget Submission Justification

The South Carolina Department of Motor Vehicles (SCDMV) would like to request additional recurring funding in order to create a Career Pathing Plan for our employees for equity and retention purposes. With this additional funding, in partnership with DSHR, SCDMV will create a Career Pathing Plan for our employees that will help us to retain our talented employee workforce. SCDMV consistently invests hundreds of hours of detailed and extensive training into our employees, equating to thousands of dollars per employee in onboarding and turnover costs. SCDMV is requesting \$9.8 million in order to create a Career Pathing Plan that would consist of reclassifications, salary adjustments and increases based on years of service. The breakdown of this \$9.8 million request is \$7.3 million for the costs associated with the Career Pathing Plan and the remainder \$2.5 million would be to cover associated fringe costs.

SCDMV's low pay rates make it extraordinarily difficult to compete with other State Agencies and private industry and as such, the agency experiences an extremely high turnover rate annually. Throughout the COVID-19 pandemic, SCDMV maintained its essential services for the state the entire time with limited interruption. Due to the majority of our positions being essential and customer facing, SCDMV had to adapt and work through some very challenging situations in order to provide critical services to the citizens of South Carolina. SCDMV continues to serve the citizens of our state daily during the COVID-19 pandemic, who find themselves in dire situations and need our services to receive benefits and assistance.

In order to maintain our exceptional customer service, retain a qualified workforce, and reduce training costs for approximately a third of our workforce annually, SCDMV would appreciate your consideration of our request. While SCDMV recognizes \$9.8 million is a large sum of money, this amount is being requested to create a career pathing plan that includes: locality increases, promotional increases, step increases to reward employees for time with the agency and salary adjustments to recognize specialty services such as being certified in international services and being multi-lingual.

SCDMV would like to raise the starting salary of our front line, public facing, mission critical positions from \$25,000 to \$28,000 annually, to include increases based on location, specialized services and years of experience with the agency. The average state salary for employees in the AA50 classification is approximately \$28,800 annually, according to DSHR. The SCDMV has the largest population of employees in this classification, which is close to 550 FTE's. By raising the salaries of our AA50 CSR's, SCDMV also has to take into account the compression and equity concerns throughout the agency. To address this across the agency, SCDMV would like to implement an equitable compensation and employee retention career pathing plan

agency wide. The breakdown of the \$9.8 million request goes as follows:

- Approximately \$4.6 million will be utilized to address the pay equity and compression concerns in SCDMV Branch Offices, to include the majority of the AA50 CSR positions, approximately 380.
- Approximately \$2.7 million will be utilized to address the pay equity and compression concerns within SCDMV Headquarters, which also includes over 170 AA50 CSR positions.
- The remaining \$2.5 million will be utilized to cover the fringe costs associated with this plan.
- To address the classification concern within SCDMV Branch Offices, we propose approval to reclassify the below positions as follows:

- AA50 Band 03 -->JA90 Band 03
- JA90 Band 03 -->JA92 Band 04
- JA92 Band 04 --> JA95 Band 05
- AA75 Band 04 --> AH35 Band 05
- AH10 Band 05 --> AH40 Band 06

To address the compression concerns within the entire agency, wherein newly joined employees earn close to the same as more experienced employees, SCDMV would like to implement an initial step increase for time in position.

SCDMV will be collaborating with DSHR to accurately assess the remaining positions at Headquarters to implement reclassifications and specialized service increases where needed and applicable. This will better align SCDMV salaries with the state salary averages for comparable positions and appropriate classifications.

SCDMV Historical Information and Current Revenue Collected for the State

In June 2003, SCDMV became a stand-alone cabinet agency reporting to the Governor. Prior to this time, SCDMV had been a division within several other state agencies (Department of Revenue, Department of Transportation, and Department of Public Safety). When SCDMV converted from a division within an agency to a stand-alone agency, salaries remained the same. For example, at the time, the salary of the Deputy Director of the Division of Motor Vehicles stayed the same and became the salary of the Executive Director of the Department of Motor Vehicles. As such, all other salaries remained in line.

Additionally, prior to FY2017, SCDMV was a non-appropriated state agency and received no state appropriated dollars. During the timeframe of 2003 to 2017, when the state would pass a cost of living adjustment (COLA), SCDMV had to absorb the cost of \$8.4 million within our budget, as the agency was not given general funds to cover the increase. Each percentage point given as the COLA, increased SCDMV's salary and fringe cost by \$500,000. Likewise, operating cost were increasing with no increases in fees. Given the fact that SCDMV was a non-appropriated state agency up until three years ago and had to absorb all increases in costs with current revenue streams, the agency has been unable to sustain the state salary average in almost every job class.

For FY2020, SCDMV collected \$687 million for our state and dispersed \$665 million to other state agencies as well as non-state agencies, colleges, universities and special interest groups. Some of the state agencies that receive SCDMV collected revenues are: SC Department of Transportation—\$417 million, State Infrastructure Bank—\$124 million, SC Department of Education—\$40 million, State Treasurer's Office—\$51 million and SC Department of Public Safety—\$18 million. SCDMV retained only \$1.8 million out of the \$687 million revenues collected after deducting \$4 million for plate replacement. As information, the revenue that SCDMV collects has doubled with the passing of the roads bill.

SCDMV Current Day and Challenges Faced

SCDMV currently has 1315 classified positions and seven unclassified positions. Our total personnel budget currently is \$62.7 million (total salary plus fringe) and our average agency annual salary is \$31,100. When comparing this to other cabinet agencies of similar size or even smaller, the personnel budgets and average agency annual salaries are disproportionate. The total agency turnover for FY2019 totaled 30 percent and for FY2020, it was slightly lower at 24 percent due to the COVID-19 pandemic. In FY2020, the agency lost close to 300 employees. The largest staffed division within our agency, Branch Services, experienced a 32 percent turnover rate for FY2019 and a 25 percent turnover for FY2020. For FY2021, we are on pace to experience a 33 percent turnover rate based on current agency trends. Approximately 70 percent of SCDMV positions are paid less than the state average salary amount for similar jobs in the same classification. It is also important to note that because SCDMV has not had the funding, employees who have been here 20+ years are making almost the same as employees working for less than a year, doing the exact same job. This can be extremely demotivating to our tenured employees who have to carry

JUSTIFICATION OF REQUEST

the burden of knowledge as well as continually train all new employees who are on-boarded. We are competing not only with all other state agencies, who pay more than we do in most job classes, we are competing externally with the private sector. Given the inequity in salaries when compared to private and public sector, the SCDMV simply cannot compete.

When comparing this to other cabinet agencies of similar size or even smaller, the personnel budgets and average agency annual salaries are disproportionate. A comparable agency, SC Department of Natural Resources (DNR) currently offer their AA50 employees a higher starting wage, offer step increases for time in position for employees and a career path for growth and development. SCDMV currently cannot offer any type of time in position increases or career path options for its employees. Data pulled from 2019 shows DNR's average agency salary is \$42,420 with 924 FTEs, and the DMV's average is \$31,100, with 1315 FTE's.

Below are a few additional agencies and their average salary and FTE headcount:

- Dept. of Admin—Average Salary=\$55,132 with 654 FTEs
- Dept. of Public Safety—Average Salary=\$44,983 with 1514 FTEs
- Parks, Recreation & Tourism—Average Salary=\$37,339 with 405 FTEs
- Dept. of Juvenile Justice—Average Salary=\$36,191.32 with 1490 FTEs

According to the [Classification and Compensation System Study Project](#) that the state funded in 2016, one major focus on this report is the compa-ratio formula. The compa-ratio formula is commonly used by human resource professionals to assess the competitiveness of an employee's pay level. It is the salary expressed as a percentage of the mid-point of a pay band. SCDMV's overall compa-ratio is 85 percent, which is in the bottom third of all state agencies. The executive summary portion of this report states "when viewed in conjunction with a comparison with the market, shows current salaries lagging other States by an average of 15%, lagging the in-State public sector market by 16% and lagging the in-State private sector market by 18%, means that the State's pay band midpoints and actual pay is uncompetitive. This creates challenges both in recruitment and retention of qualified employees." The report also states, "Unlike in some other States where the overall competitiveness of the benefits package offsets the level of competitiveness of salaries, this is not the case for the State. While annual leave and holidays are above market, the 8.16% employee contribution to the retirement plan is the highest in the Southeastern States and significantly higher than employee contributions to defined benefit plans in the private sector." Please note that this employee contribution increased since this study was completed and is now 9 percent. The report also states, "The employee cost sharing of 21.3% for healthcare is above the 7-15% in other State Governments and in line with the 15-29% in the private sector. The analysis shows that the level of competitiveness of benefits should not be a distraction from dealing with the main focus of the recommendations, that being a redesign of the classification and compensation plan and a move towards funding of salaries to a more competitive level." For entry-level positions at SCDMV, who on average make approximately \$12 an hour, the take home pay amount is staggeringly low. For a married employee who has family medical coverage, her gross earnings per paycheck equals \$1,041. Her total deductions per paycheck, which includes her 9 percent retirement deduction, family medical costs and life insurance, equals \$317 with \$173 going to taxes. Her net pay per paycheck is \$551. For a single employee who has medical coverage for himself only, his gross earnings per paycheck equals \$1041. His total deductions per paycheck equals \$158, with taxes being \$165, making his net pay per paycheck \$718.

The largest group of SCDMV employees, the entry level Customer Service Representatives (CSRs) are incorrectly classified as Administrative Assistants (class code AA50). These are public facing, mission critical positions and the complexity of the various roles in our Branch Offices and in Headquarters increase substantially from there. SCDMV struggles to compete internally with other state agencies, as the majority of agencies have AA50's in administrative/secretarial type roles that have duties such as answering the telephone, typing up word documents, responding to emails, etc. The type of responsibility that is placed on CSR's, more closely aligns with the paralegal classification as it pertains to interpreting law and making critical decisions with the private and secure information for the citizens of South Carolina. The employees in our Branch Offices and Headquarters have to know over 400 transaction types that heavily involve interpreting law and analyzing critical customer data. SCDMV has requested to be a part of next year's classification study with DSHR to either create our own classification series to align more properly with the work our employees do or edit the classification series for our License Examiners (JA90/JA92/JA95), to better align with all positions in our Branch Offices.

The transaction count in SCDMV Branch Offices has increased by 17 percent over the past six years and the agency has not increased its headcount to keep up with this demand. With the very high turnover amount and increase in transactions, the majority of our Branch Offices cannot properly schedule time off for our employees. SCDMV employee morale is adversely impacted by the pay inequities and increase in transaction counts. SCDMV employees raise concerns through exit surveys about inadequate pay for the work that they do. Employees also raise concerns around not

being able to use their earned state benefit of annual and sick leave. These employee concerns are due to the demands that turnover and the increase in transaction count have placed on our employees. We require our Branch Offices to meet the 20-minute wait time standard and management struggles to allow employees to take off the time that they desire and need. Just in the Branch Services division alone, the annual and sick leave balance for our 750 employees equals 348,126 hours. This number represents approximately 12 weeks of annual and sick leave that each of these 750 employees have not been able to use. The impacts of pay inequity and employees not being able to take their earned annual and sick leave result in low morale across the agency.

The agency strives every day to meet and exceed our strategic goals and deliver exceptional customer service. The details of SCDMV's Strategic Plan are outlined on the last portion of this document. Meeting these critical deliverables has become challenging, given the increase in transactions, high turnover rates, and overall low employee morale. The work that SCDMV does is critical for our state. Consideration and approval of the additional funding would allow the SCDMV to address its high turnover rate and associated costs. Departing employees continue to emphasize to the agency that SCDMV salaries are non-competitive with other state agencies positions that accomplish comparable work. By recognizing the importance of the work employees do at the SCDMV, in protecting the personal information of and serving nearly every individual adult South Carolinian, the agency will be better able to retain our most experienced and critical-need employees. Thank you for your consideration of this very critical agency request.

South Carolina Department of Motor Vehicles Mission and Vision

SCDMV's mission is to administer the State's motor vehicle licensing and titling laws by maintaining strict controls to deliver secure and valid identification, licenses, property records, all while accurately accounting for the receipt and timely distribution of all revenue collected in order to best serve our citizens. Our vision is to be a model state agency who delivers exceptional customer service and promotes effective and efficient business processes, professional employees, innovative technology and strategic partnerships.

SCDMV's Strategic Goals and Performance Measures

1. Deliver an excellent customer service experience while upholding the existing laws that govern agency operations.
 - Ensure the average initial wait time for a customer stays below 20 minutes per business day.
 - Ensure Revenues collected are distributed in order to provide financial support to outside organizations.
 - Reduce backlogs to ensure a five-business-day turnaround standard.
2. Modernize customer delivery service methods
 - Increase amount of services available online
 - Secure legislative support for modernization and efficiency efforts
 - Leverage partnerships for deliverability of products and services
3. Minimize the risk of fraud and breaches .
 - Increase SCDMV security posture of our network infrastructure for B2B transactions to better protect SC citizen's data.
 - Maintain and increase internal and external auditing functions.
 - Retain effective measures to reduce fraud and introduce new measures when appropriate.
4. Invest in employees through development and recognition opportunities
 - Emphasize career development and employee retention within the DMV.
 - Continue to request funding for employee increases and educational opportunities.
 - Continue existing recognition program

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Mail Tracking System - Recurring
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$65,500 Federal: \$0 Other: \$0 Total: \$65,500
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
		Change in cost of providing current services to existing program audience
		Change in case load/enrollment under existing program guidelines
		Non-mandated change in eligibility/enrollment for existing program
	X	Non-mandated program change in service levels or areas
		Proposed establishment of a new program or initiative
		Loss of federal or other external financial support for existing program
		Exhaustion of fund balances previously used to support program
	X	IT Technology/Security related
X	Consulted DTO during development	
X	Related to a Non-Recurring request – If so, Priority # 3	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
		Education, Training, and Human Development
		Healthy and Safe Families
		Maintaining Safety, Integrity, and Security
		Public Infrastructure and Economic Development
	X	Government and Citizens

ACCOUNTABILITY OF FUNDS	1.3 Reduce backlogs to ensure a five-business-day turnaround standard 2.3 Leverage partnerships for deliverability of products and services
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	Vendors and DMV employees
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

DMV is requesting funding for a modern mail tracking system that would allow every mail parcel to be tracked from arrival at the DMV to the end user in real-time. Our current system only tracks the arrival date of certified mail and offers no ability to track regular first class mail.

If a customer asks about the status of their request, we are unable to determine the status unless we physically search for their documents. A mail tracking system would allow us to provide detailed, real-time status of their request and protect customer PII.

A modern digital mail tracking system would also provide us the ability to digitize incoming mail and have those digital documents readily available for the appropriate DMV employee to action the request. This would reduce manual handling of incoming mail to a single time, which lessens the opportunity for an item to be misplaced. Additionally, with the documents in a digital format, the time to route an item to the appropriate end user is almost instantaneous. This would be a significant gain in efficiency, as currently it takes approximately three days for an item received by our main mailroom to make it to the end user. A modern system could reduce that time down to three to four hours.

Recurring costs include:

Salary/fringe increases - \$50,000 DMV can avoid adding positions by increasing salaries due to increased duties/supervisory responsibilities (\$35,700 salary increases + \$14,300 fringe increases)

Annual equipment/software service plan - \$15,500

If the SCDMV is not able to acquire this technology and equipment, we would be required to continue to operate as we currently are, which limits our ability to fully meet the desires and expectations of our customers, as well as remain consistent and current with emerging technical advances.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Increase Plate Replacement Spend Authority
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$1,000,000 Total: \$1,000,000
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	1.2 Ensure revenues collected are distributed in order to provide financial support to outside organizations 2.1 Increase amount of services available online 2.3 Leverage partnerships for deliverability of products and services
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	Vendors
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

DMV is requesting an increase in Plate Replacement Earmarked Authority of \$1,000,000 (from \$6.5M to \$7.5M).

Our current License Plate contract will expire prior to FY2021-22. DMV expects our new contract to be more costly than our current contract. An estimated 15% cost increase would result in an additional \$800,000 in Plate Replacement spending.

The traceable temporary license plates implemented in FY20 have also contributed to an increase in Plate Replacement funding requirements. The traceable plates cost significantly more than the previous non-traceable 45-day plates (\$5.00/plate vs. \$0.56/plate). DMV is currently exploring less costly options for the traceable temporary plates.

DMV initially requested to increase Plate Replacement authority by \$500,000. However, to accommodate a bulk purchase of traceable temporary plates, we will require an increase of \$1,000,000.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	FTE Reclassifications
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$0 Total: \$0
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input checked="" type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	4.1 Emphasize career development and employee retention within the DMV
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	DMV employees
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

Convert Attorney V position 60029683 from Classified to Unclassified. A form BD211 was submitted and approved in 2017 to convert the General Council position in Administration (0100.000000.000). DMV was recently informed that a Form B1 is required to make the approval recurring.

Convert Program Manager II position 60031468 from Classified to Unclassified. A form BD211 has been submitted to convert the Deputy Director of DMV Customer Service Centers (1000.102000.000) from Classified to Unclassified.

No additional appropriations or positions are requested to convert these positions.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Mail Tracking System - Non Recurring
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Provide a brief, descriptive title for this request.

AMOUNT	\$457,500
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Request for Non-Recurring Appropriations	
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input checked="" type="checkbox"/>	Related to a Recurring request – If so, Priority # Mail Tracking System - Recurring	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>1.3 Reduce backlogs to ensure a five-business-day turnaround standard</p> <p>2.3 Leverage partnerships for deliverability of products and services</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	Vendors and contractors
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

DMV is requesting funding for a modern mail tracking system that would allow every mail parcel to be tracked from arrival at the DMV to the end user in real-time. Our current system only tracks the arrival date of certified mail and offers no ability to track regular first class mail.

If a customer asks about the status of their request, we are unable to determine the status unless we physically search for their documents. A mail tracking system would allow us to provide detailed, real-time status of their request and protect customer PII.

A modern digital mail tracking system would also provide us the ability to digitize incoming mail and have those digital documents readily available for the appropriate DMV employee to action the request. This would reduce manual handling of incoming mail to a single time, which lessens the opportunity for an item to be misplaced. Additionally, with the documents in a digital format, the time to route an item to the appropriate end user is almost instantaneous. This would be a significant gain in efficiency, as currently it takes approximately three days for an item received by our main mailroom to make it to the end user. A modern system could reduce that time down to three to four hours.

Non-recurring costs include:

Mail processing equipment – \$425,000 (Mail Processing Sorters/Openers, handheld scanners, OCR readers, barcode sprayer)

Mail processing software - \$1,500

Workflow software - \$2,000

Ancillary equipment – \$29,000 (carts, bins, cube redesign for new equipment)

If the SCDMV is not able to acquire this technology and equipment, we would be required to continue to operate as we currently are, which limits our ability to fully meet the desires and expectations of our customers, as well as remain consistent and current with emerging technical advances.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Real ID Earmarked Spend Authority
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Provide a brief, descriptive title for this request.

AMOUNT	\$4,200,000
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What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations	
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>1.1 Ensure the average initial wait time for a customer stays below 20 minutes per business day</p> <p>1.3 Reduce backlogs to ensure a five-business-day turnaround standard</p> <p>2.1 Increase amount of services available online</p> <p>This request enables DMV to comply with the provisions of Real ID.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	DMV employees and vendors
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION
OF REQUEST**

Due to the COVID-19 Pandemic, the federal deadline for Real ID has been extended by one year- until October 1, 2021 (State of SC FY2021-22). DMV expects a high level of requests for Real ID's as the federal deadline approaches. DMV also expects high levels of requests after the federal deadline, when citizens realize they can no longer use their non-Real ID credentials for federal identification (air travel).

DMV data suggests that many of our citizens have procrastinated obtaining their Real ID credentials. The Coronavirus, along with the extended federal deadline, have also contributed to delays in obtaining Real ID's.

DMV is requesting \$4.2 million in **Earmarked Authority** to continue our Real ID program through FY2021-22.

Salaries/Employer Contributions \$2,782,000

Operating Costs \$1,418,000

Total \$4,200,000

It is crucial that DMV receives this earmarked authority. If authority is not received, DMV will not have the resources required to service the high level of Real ID's requested by South Carolina citizens.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.7

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Phoenix III Migration Pilot

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

IT 1001.400000.000

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

No

*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.***REQUESTED ACTION**

Delete

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

None

*Which other agencies would be affected by the recommended action? How?***SUMMARY & EXPLANATION**

Phoenix III Migration Pilot: The existing proviso allows DMV to spend the remainder of \$1,000,000 in Fiscal year 2019-2020.

The Phoenix III Migration Pilot will be completed prior to FY2020-21 and the Proviso should be deleted

This proviso was support by the House in the first iteration of the FY21 Appropriations Act passed in March 2020 before the COVID-19 pandemic.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

None - Phoenix Migration Pilot is completed.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Phoenix III Migration Pilot Proviso 82.7: the Phoenix III Migration Pilot will be completed prior to FY2020-21 and the Proviso should be deleted.

~~**82.7.** (DMV: Phoenix III Migration Pilot) In Fiscal Year 2019-20, the department shall be authorized to expend the remainder of the \$1,000,000 authorized in the prior fiscal year from any available other earmarked cash balances to conduct a proof-of-concept pilot for Phoenix III development and data migration. Funds may be expended only upon review and approval of the Department of Administration through the IT project governance process established by Proviso 117.113.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.2

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Cost Recovery Fee/Sale of Photos or Digitized Images

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

Administration 0100.000000.000

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

No

*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.***REQUESTED ACTION**

Amend

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

None

*Which other agencies would be affected by the recommended action? How?***SUMMARY & EXPLANATION**

The proviso currently authorizes the collection of various fees related to SCDMV deliverables. The added language sets specific guidance for FOIA fees—since the SCDMV does not have the authorization to retain those fees, they are currently distributed to the General Fund. However, since the SCDMV is only allowed to charge fees to cover the costs of producing a FOIA, the agency should be able to retain the revenue to cover its costs. The added language in this proviso will accomplish that goal. This was a recommendation supported by our Legislative Oversight subcommittee.

This proviso was supported by the House in the first iteration of the FY22 Appropriations Act passed in March 2020 before the COVID-19 pandemic.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Would allow the SCDMV to retain the reimbursement of costs associated with fulfilling a FOIA request. The General Fund would see a very minute decrease, but the SCDMV would no longer worry about how many FOIA requests may pop up at any given time that could quickly deplete resources.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

AMEND:

(DMV: Cost Recovery Fee/Sale of Photos or Digitized Images) The Department of Motor Vehicles may collect processing fees and fees to recover the costs of the production, purchase, handling and mailing of documents, publications, records and data sets. **The Department of Motor Vehicles may collect and retain fees to defray the costs associated with fulfilling a Freedom of Information Act (FOIA) request.** The amount charged by the Department of Motor Vehicles for any fees collected pursuant to this proviso may not exceed the rates that the department charged as of February 1, 2001. The Department of Motor Vehicles may not sell, provide or otherwise furnish to private parties, copies of photographs, whether digitized or not, taken for the purpose of a driver's license or personal identification card. Photographs and digitized images from a driver's license or personal identification card are not considered public records. Funds derived from these sources shall be retained by the department.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.8

Cite the proviso according to the renumbered list (or mark "NEW").

TITLE

Real ID

Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM

All SCDMV Areas

Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST

4 Real ID Earmarked Spend Authority

Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.

REQUESTED ACTION

Amend

Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED

None

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

REAL ID: The current proviso allows the SCDMV to expend any earmarked cash reserves, with the exception of the funds designated for the Phoenix III pilot, on REAL ID in 2019-2020. This remained the case through FY21.

The requested revision seeks approval to reword the proviso to allow the SCDMV to spend the remainder of earmarked cash reserves on REAL ID in 2021-2022, if any exist. Due to the COVID-19 pandemic, the Department of Homeland Security pushed the implementation date of REAL ID back to October 1, 2021. The SCDMV will continue to use these funds to mitigate increased lines.

The Phoenix III pilot is now complete.

This amended proviso was supported by the House in the first iteration of the FY21 Appropriations Act passed in March 2020 before the COVID-19 pandemic.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

No fiscal impacts have been prepared regarding the changes to provisos requested.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

REAL ID: The requested revision seeks to reword the proviso to read as follows:
82.8. (DMV: Real ID) For Fiscal Year ~~2020-21~~, **2021-22**, the Department of Motor Vehicles may expend any available earmarked cash reserves, ~~with the exception of the funds designated for the Phoenix III pilot~~, on the implementation of Real ID.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.10

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Minor Identification Card Fees

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

Customer Service Centers 1000.102000.000 / Customer Service Delivery 1000.103000.000

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

No

*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.***REQUESTED ACTION**

Amend

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

Department of Corrections. With the wording revision of the proviso, we would be able to issue ID cards free-of-charge to inmates under SCDC's authority.

*Which other agencies would be affected by the recommended action? How?***SUMMARY & EXPLANATION**

Minor Identification Card Fees: The current proviso allows the SCDMV to waive the (what was once a) \$5 fee associated with issuing an identification card to someone less than 17-years-old if the card issuance is through an established partnership with a state or federal agency.

The requested revision seeks approval to reword the proviso to allow DMV to waive fees associated with issuing an identification card if the card issuance is through an established partnership with a state or federal agency, regardless of the age of the card holder. This is to conform to the change in law established by H.3789 of the 2019 session, which authorized charging for replacement ID card after the initial issuance. Additionally, H.3789 increased the cost of an ID card for a minor from \$5 to \$15.

This proviso was supported by the House in the first iteration of the FY21 Appropriations Act passed in March 2020 before the COVID-19 pandemic. There was a scrivener's error in that version of the proviso, however, where the only stricken language was "minor" and "someone less than 17-years-old" (the five dollar fee reference remained). The SCDMV planned to address this minor change in the Senate before the interruptions brought on by COVID-19.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

No fiscal impacts have been prepared regarding the changes to provisos requested.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Minor Identification Card Fees: The requested revision seeks to reword the proviso to read as follows:

82.10. (DMV: ~~Minor Identification Card Fees~~) In the current fiscal year, the Department of Motor Vehicles may waive the ~~five-dollar~~ fee associated with issuing an identification card ~~to someone less than 17 years old~~ if the card issuance is through an established partnership with a state or federal agency.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.NEW

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Retention of Traceable Temporary License Plate Costs

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

Plate Replacement 1000.103005X000

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

No

*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.***REQUESTED ACTION**

Add

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

No other agencies are currently impacted, but the State's General Fund would see a slight decrease.

*Which other agencies would be affected by the recommended action? How?***SUMMARY & EXPLANATION**

The SCDMV is requesting to retain up to \$5 from the sale of every traceable temporary license issued in an SCDMV branch office or sold by the department pursuant to Section 56-3-210(A)(9)(B) and send that money to the agency's Plate Replacement Fund. The Plate Replacement Fund currently pays for these license plates, yet the purchase of other plates is having to subsidize the replacement of traceable temporary license plates since the money that customers pay the SCDMV goes to the State General Fund.

Between Act #275 of 2016 and Act #208 of 2018, the SCDMV sent money from the sale of non-traceable temporary license plates (i.e. "paper tags") to the SCDOT. This practice ended when Act #208 took effect since the law does not specify where the money from the sale of the new, traceable temporary license plate goes. In the absence of specific direction, the money goes the State General Fund. As of November 2019, the SCDOT would have received no more revenue from the sale of paper tags. According to SCDMV calculations, the SCDOT received \$906,898.75 from the sale of paper tags from the start of FY17 to November 2019.

In FY17, the SCDOT received \$300,395.00; FY18 – \$301,093.75; FY19 - \$305,410.00.

The SCDMV pays \$5 for the cardstock of every traceable temporary license plate. Customers who come to the SCDMV to purchase a traceable temporary license plate pay the agency \$5. The agency then has to give that \$5 to the State General Fund. This model is depleting the agency's Plate Replacement Fund faster than its replenishing it.

The vast majority of sales of traceable temporary license plates **do not** happen at the SCDMV. Since approximately 2,000 dealerships in South Carolina have the ability to issue

traceable temporary license plates through electronic vehicle registration service providers, these dealerships are empowered to purchase their own traceable temporary license plate stock and issue them directly to purchasers.

Since Act #208 of 2018 took effect, the SCDMV has sold approximately 75,000 traceable temporary license plates to customers.

By allowing the SCDMV to retain the money it spends on the purchase of traceable temporary license plates, the Plate Replacement Fund will cease depleting at a faster rate than its replacing itself. The SCDMV will make **no profit** off of the implementation of this proviso. The SCDMV purchases the traceable for temporary license plate for \$5 and customers purchase it from the agency for \$5.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

This proviso would allow the SCDMV to retain \$5 of every traceable temporary license plate it sells directly to customers and put that money towards the Plate Replacement Fund.

The SCDMV will make **no profit** off of the implementation of this proviso. The SCDMV purchases the traceable for temporary license plate for \$5 and customers purchase it from the agency for \$5.

To prepare for Act #208 of 2018, the SCDMV issued a PO for \$500,000. This was paid for 100,000 traceable temporary license plates. Since the implementation of Act #208, the SCDMV has sold approximately 75,000 traceable temporary license plates. If the SCDMV was able to retain the money for every traceable temporary license plate it sold so far (recognizing that this proviso would not take effect until FY22), the agency would have retained \$375,000 towards the Plate Replacement Fund versus sending that money to the State General Fund.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

ADD: (DMV: Traceable Temporary License Plate Revenue) For the current fiscal year, the department shall be authorized to retain five dollars from the sale of traceable temporary license plates as found in 56-3-210. The funds shall be placed in the department's Plate Replacement Fund and used solely for the purposes of plate production and reissuance costs.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

FORM D – PROVISO REVISION REQUEST

NUMBER

82.NEW

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Infrastructure Maintenance Fee Quality Assurance Team

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET PROGRAM**

Customer Service Delivery 1000.103000.000

*Identify the associated budget program(s) by name and budget section.***RELATED BUDGET REQUEST**

No

*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.***REQUESTED ACTION**

Add

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES AFFECTED**

The SCDOT would be impacted by this request. If the General Assembly was to pass this proviso, the SCDMV feels it would uncover a significant amount of unpaid infrastructure maintenance fees (IMF) that goes to the Infrastructure Maintenance Fee Trust Fund under the SCDOT. The SCDOT would benefit from this proviso, and the SCDMV would be able to more actively ensure that the state is collecting the amount of IMF it's due.

*Which other agencies would be affected by the recommended action? How?***SUMMARY &**

This proviso would allow the SCDMV to stand up an infrastructure maintenance fee (IMF) quality assurance program at no cost to the General Fund nor other agencies.

In the fall of 2019, the SCDMV started a pilot program that involved one employee reviewing 10 percent of records received by the agency from dealerships to ensure dealerships were accurately paying IMF to the State of South Carolina. That program discovered, in four months of review of only 10 percent of records, that the state was missing out on more than \$300,000 it was owed.

The SCDMV fully believes that if it is able to expand this program and provide full-time quality assurance over the IMF collection process, the agency will discover hundreds of thousands of more dollars in unpaid IMF. The agency's goal is to review at least 50 percent of dealer records with the additional four employees.

This proviso would allow the SCDMV to retain the first \$205,000 it collected under the program to pay for the salary and fringe of the employees who support it. There is no cost to the General Fund nor other agencies under this model because this is money that the state is currently not collecting otherwise, yet the agency knows is being left on the table by dealerships inaccurately reporting what they have sold.

EXPLANATION

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The SCDMV is asking to retain the first \$205,000 it would collect under this program upon discovering that dealerships otherwise did not accurately report the amount of IMF they owed to the state.

Otherwise, the agency believes an additional \$900,000+ this fiscal year would go to the SCDOT's IMF Trust Fund. The SCDOT is not currently receiving the money it is rightfully owed since there is no entity able to provide full-time quality assurance of IMF collection.

The \$900,000 estimate is based on a review of 10 percent of records, yet the SCDMV's goal is to review at least 50 percent of dealer records.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

In the current fiscal year, the Department of Motor Vehicles shall implement a program that provides quality assurance for the collection of infrastructure maintenance fees (IMF) pursuant to Section 56-3-627 of the 1976 Code of Laws. The DMV shall retain the first \$205,000 it discovers as, otherwise, unpaid IMF from licensed South Carolina dealerships it reviews to pay for the four employees needed to carry out the program. All remaining IMF discovered by the DMV as, otherwise, unpaid must be sent to the Infrastructure Maintenance Trust Fund pursuant to Section 56-3-627(A).

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

**AGENCY COST
SAVINGS PLANS**

DMV has obtained a new data services contract for many of our facilities. The new contract provides higher data capacity and a lower cost. The new contract will result in an annual saving of \$380,000.

DMV will use these savings to help off-set our increased cost for resolicited leased buildings, new AAMVA State-to-State fees, and the pilot program for central issuance of credentials.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Legislative Accomplishments and Upcoming Priorities
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Less burden on our business partners in terms of renewal obligations, more convenient SCDMV-access for the public, and reducing payments of fees and fines.
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply: <table border="1"> <tr> <td style="background-color: #cccccc;">X</td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td style="background-color: #cccccc;">X</td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td style="background-color: #cccccc;">X</td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td style="background-color: #cccccc;"></td> <td>Other</td> </tr> </table>	X	Repeal or revision of regulations.	X	Reduction of agency fees or fines to businesses or citizens.	X	Greater efficiency in agency services or reduction in compliance burden.		Other
X	Repeal or revision of regulations.								
X	Reduction of agency fees or fines to businesses or citizens.								
X	Greater efficiency in agency services or reduction in compliance burden.								
	Other								

METHOD OF CALCULATION	The source for uninsured motorist fees and fines distributed to DOT is SCEIS report KOB1.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	In FY20, the SCDMV collected and distributed to SCDOT \$32,995,671 in fees and fines relating to uninsured motorist. The SCDMV continues to remind South Carolinians that if they drive without vehicle insurance, the SCDMV is notified automatically and their driver's license may, potentially, be suspended. If suspended, a driver could face up to a \$400 fine to be able to legally drive again after being caught without insurance. The SCDMV fully recognizes that there are South Carolinians who have to decide between purchasing vehicle insurance or supplying their family with basic needs. The agency hopes to remind fellow citizens that the cost of not having insurance can quickly multiply if a vehicle goes even a day without being properly covered.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	<p>In August of 2020, the SCDMV submitted to the <i>State Register</i> its Notice of Drafting to amend two of its three regulations. These two regulations currently pertain to truck driver and regular driver training schools. The SCDMV will submit its proposed regulations in October. The enabling authority for this action is found in Section 56-23-100 of the 1976 Code.</p> <p>Amending these regulations will accomplish a number of items. For example, no longer will there be a restriction on the distance that a driver training school must be located away from an SCDMV branch office. Removing the restriction that a school must be at least 1500 feet away from an SCDMV office will present more competitive opportunities for private businesses in South Carolina. Additionally, the Federal Motor Carrier Safety Administration (FMCSA) has published Entry-Level Driver Training Standards (49 CFR Section 380.501) that take effect in February of 2021. The State of South Carolina already has statutory authority to follow and adopt other FMCSA regulations, so by removing the current state regulations on truck driver training schools, there is a less duplicity between the State and Federal Governments. The proposed regulations will combine the two driver training school regulations into one that governs both commercial and non-commercial schools, but it will not address non-commercial to the extent of FMCSA's regulations mentioned above.</p>
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	In summary, the SCDMV is working to amend its regulations to remove antiquated provisions of current regulations while maintaining certain regulatory authority on driver training schools. Under its proposed regulations, the SCDMV will continue to have regulatory authority over these driving schools, but the schools themselves will also have increased opportunities by not having to abide by certain distance-related prohibitions. Additionally, schools that train for commercial driver's licenses will have to abide by less
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duplicative regulations between the state and federal levels by adopting the forthcoming FMCSA regulations mentioned above.

The SCDMV will continue to remind South Carolinians that they must carry vehicle insurance, and that it does not take a citation from law enforcement to inform the SCDMV that a vehicle is uninsured.

SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?