

CALIFORNIA LEGISLATURE

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SENATE TRANSPORTATION COMMITTEE

INFORMATIONAL HEARING

DEPARTMENT OF MOTOR VEHICLES UPDATE

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BACKGROUND PAPER

Introduction

Wait times at California Department of Motor Vehicles (DMV) field offices increased significantly in early 2018, leaving customers waiting for several hours and often in uncomfortably hot conditions. The DMV has cited the new federal REAL ID program and its more stringent identification requirements for the increase in wait times. Responding to this, the Legislature augmented the DMV's budget to hire extra staff to handle the additional workload, reducing wait times. However, a surge in the number of REAL ID applications is expected, which makes maintaining acceptable waiting times a significant challenge. In 2018 Governor Brown directed the Department of Finance conduct a performance audit of the DMV. In 2019 Governor Newsom appointed the Secretary of the Governmental Operations Agency to chair a strike team to lead a comprehensive modernization and reinvention of the DMV and make recommendations for new long-term leadership and reform.

The purpose of this hearing is to learn about the current wait times at the DMV, actions being taken by the DMV to reduce those wait times, and to hear from the strike team about their processes and considerations.

Background

Federal REAL ID Act

The Federal REAL ID Act of 2005 created new security standards for state driver's license (DL) or identification (ID) cards. Starting on October 1, 2020, a state driver's license that meets these standards (or any federal identification, such as a passport) will be necessary to board an airplane, enter a military base, or enter most federal buildings. Currently, 30 million Californians hold DL/ID cards.

DMV began implementing the REAL ID program in January 2018. The federal standards for obtaining a REAL ID card are more stringent than for a non-REAL ID DL/ID card, which means that the applications takes more time to process. Most significantly, a visit to a DMV office is required. (Non-REAL ID DL/ID cards often do not require an office visit for renewals.) During that visit customers must provide proof of identity (a U.S. birth certificate, a U.S. passport, employment authorization documents, permanent resident card, or a foreign passport with an I-94 form), proof of residency in California, and a Social Security number to obtain a REAL ID card.

Increase in Wait Times

There was a marked increase in wait times at DMV field offices in 2018 due to the start of the REAL ID program. These delays are at least in part attributable to inadequate customer education about REAL ID, slowing processing at DMV offices as customer ask questions or don't come prepared with the necessary documents.

According to the DMV, the average statewide wait time at field offices as of July 2018 was 23 minutes for customers with appointments and 83 minutes for customers without appointments, which is a 14- and 35-minute increase, respectively, compared to the previous year. Notably, the average masks the fact that many individuals faced extraordinarily long times. At some field offices with particularly high customer demand ("hot spot" offices), the wait times have exceeded three hours. Moreover, this wait time does not include the "pre-queue" time spent waiting in line to check-in and get a number, which can be a large part of a customer's total wait time. DMV, which only began measuring this wait time

in July 2018, estimates that the pre-queue waiting time in July was on average 40 minutes.

California is not alone in experiencing longer wait times as a result of REAL ID implementation. Connecticut, Kansas, Massachusetts, Nevada, New York, North Carolina, Rhode Island, Utah and Wyoming have also experienced much longer wait times, though most of those states implemented REAL ID before California and have since gotten past their problems.

Recent Actions by DMV and Legislature to Reduce Wait Times

Additional Staffing

In the last two state budgets, the Legislature gave the DMV \$23 million (218 positions) for 17-18 and \$47 million (550 positions) for 18-19 to help implement the REAL ID program. Additionally, SB 856 (Committee on Budget, 2018) augmented DMV's budget by \$16.6 million to hire an additional 230 positions. Under authority provided by SB 862 (Committee on Budget, 2018), the Department of Finance notified the Joint Legislative Budget Committee that it intends to provide the DMV with an additional \$40.4 million to maintain existing wait times no earlier than April 30, 2019. This funding will support an additional 120 retired annuitant positions and maintain all activities enacted to date, including the extension of Saturday hours.

The Department of Human Resources has also temporarily eased hiring rules for the DMV to hire limited-term employees, and retired annuitants. As of December 2018, DMV has hired over 1,100 new employees, including emergency hires and retired annuitants. Additionally, over 450 staff from DMV headquarters and other state agencies and departments have been deployed to DMV field offices to provide support.

Absenteeism at the DMV may be high. In mid-2018 the DMV reported absenteeism rates of an alarming 30%. Since then the DMV has refined its calculations to count only unscheduled absences, which they believe to be similar to the definition used by the Federal Bureau of Labor Standards. Under this new methodology, the absenteeism rate is about 6.2%. Because the DMV has been unable to compare that figure to other state agencies, it is difficult to know whether

absenteeism is a problem. By way of comparison, the DMV has observed that the Federal Bureau of Labor Statistics determined that the 2018 absentee rate is 3.4% for states and 3.6% for the federal government.

Better Information Technology

DMV has expedited new technology at field offices and IT improvements to help reduce wait times. Last fall the DMV redesigned its website so that customers can easily access accurate information about the federal REAL ID application and can submit changes of address online.

DMV is piloting check-in kiosks in two offices (San Jose and South Sacramento), which will allow customers to check-in without a technician present. Many DMV field offices are equipped with computer tablets to aid workers in issuing queue tickets, making return appointments, and allowing customers to submit DL/ID card applications online. The DMV has also established a command center that is helping field offices reduce wait times by viewing transactions in real time and shifting resources as needed.

Additionally, the DMV is deploying more self-service terminals. Since July 31, 2018 the DMV has deployed an additional 52 terminals, bringing the total number of self-service terminals to 152. This will allow customers to get more of their DMV services done without waiting in line, leaving the field office employees free to handle other work, such as REAL ID applications.

Customer Service

The DMV has made several changes to improve the customer experience and to ease the stress of waiting at DMV field office. The DMV is offering text message notification services, which alerts customers that their assigned number is within approximately 30 minutes of being called. This gives the customer the option to leave and return prior to their number being called. Also, DMV has waived the “no food or drinks” rule in field offices.

DMV has also expanded Saturday service to 62 field offices, and expanded morning office hours (open at 7am) to 16 field offices. DMV has also been mailing driver license renewal notices a month earlier to allow customers more time to schedule an appointment.

Results

The DMV reports that as of December 2018, customer wait times averaged 13 minutes for those with appointments and 44 minutes for those without. This is better than the DMV's goal of 15 and 45 minutes, respectively.¹ As importantly, the number of customers with extraordinarily long wait times has greatly diminished: In July 2018 22.3% of customers had a wait of more than two hours. By mid-December 2018 that percentage was reduced to 0.5%.

What's Next

Keeping wait times reasonable will be a continuing challenge. Much depends on the volume of REAL ID license requests. So far REAL ID cards have been issued at a slower rate than expected. In the first half of the current fiscal year the DMV issued 1.7 million REAL ID cards.² That's an annual rate of 3.4 million, much less than the DMV's original estimate of 4.7 million REAL ID cards. If the DMV's original projections start to be realized, as seems likely,³ the DMV will need to ramp up its REAL ID processing rate significantly. Given a limited ability to add additional staff, faster processing will require improved DMV efficiency.

There are several ongoing examinations of the DMV's performance. In September 2018, Governor Brown directed the Department of Finance to conduct an audit on the DMV. The performance audit will look at the DMV's field operations, IT system and governance structure, and develop recommendations. Governor Newsom ordered an accelerated review of this audit. The results are expected this spring. In January 2019, in one of his first acts, Governor Newsom appointed the Secretary of the Governmental Operations Agency to chair a strike team to lead a comprehensive modernization and reinvention of the DMV and make recommendations for new long-term leadership and reform. The strike team's work is ongoing. In the meantime, IT issues continue to arise. In the DMV's well-

¹ DMV reports that in January 2019 it's wait times increased slightly to 14 minutes for those with appointments and 57 minutes for those without. They blame this on a seasonal increase in work volume.

² Through the end of calendar year 2018 the DMV issued 2.5 million REAL ID cards. There are 27 million licensed drivers in California.

³ DMV's most recent report to the Joint Legislative Budget Committee shows that the percentage of DLs/IDs that are REAL ID compliant has increased every month since the program's inception. In January 2019 the REAL ID compliant rate was 41.6%, similar to the DMV's original projection of 40%.

intentioned effort to give customers more notice that their drivers license needed renewal, a processing error failed to record the payments of some customers who responded to that notice and paid early. This error has been corrected.