

DMV Shifts into Reverse: **Furlough Fridays Eliminate Service Gains at Department of Motor Vehicles without Saving General Fund Money**

NOVEMBER 2, 2009

A report to the Senate Rules Committee

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Oversight and Outcomes

Gov. Arnold Schwarzenegger's order to send state workers home unpaid three days a month this year has failed to save general fund money at the Department of Motor Vehicles and obliterated progress achieved five years ago in cutting the amount of time people wait for service.

In the past year, as state workers were furloughed three days a month, the average time a walk-in DMV customer waits has lengthened from 27 minutes to 45 minutes. The slowdown reverses a successful 2004 effort by the Schwarzenegger administration to shrink average wait times from nearly an hour to less than 30 minutes.

The deterioration in service is detailed in a document prepared by DMV officials in response to an inquiry by the Senate Office of Oversight and Outcomes as to how furloughs are affecting DMV operations.

In their written response to the oversight office, DMV officials say the furloughs have resulted in a "degradation of service levels in nearly all areas of operations." DMV's 168 field offices began closing two Fridays a month in February. A third furlough Friday was added by the administration in July.

Furloughs reduce the pay of roughly 8,400 DMV workers by 14%, but the savings do not help the state's general fund. The department's \$900 million budget comes almost entirely from vehicle, driver's license and other miscellaneous fees paid by motorists, as well as from the federal government.

The DMV symbolizes state government for most Californians, because it is the bureaucracy with which they interact most. The Schwarzenegger administration in 2004 launched an "all-out" effort to shrink the amount of time Californians wasted while waiting to take driver's tests or file the proper paperwork for their cars and trucks.

By filling some 400 positions that had been lost due to a state hiring freeze and imposing best practices across field offices, the Schwarzenegger administration reduced wait times from an average of nearly an hour to less than 30 minutes at the 91 largest field offices, according to a 2004 press release touting the achievement.

But those service gains have been lost with furloughs. Before February, about half of the customers without appointments at DMV field offices were served within 20 minutes. By October 2009, with three furlough days a month in place, only 28% of customers were served so quickly. Similarly, 68% of walk-in customers were served within 30 minutes in August 2008, according to the DMV, while only 54% reached a counter for help within the same amount of time in August 2009.

Californians who make appointments with the DMV still get help relatively quickly; 83% are seen within 20 minutes, according to the department. But with offices shut down three days a month, there are fewer appointments available and people must wait longer to get them.

Mike Marando, DMV's deputy director for communications, said increased use of computers for DMV transactions has helped offset the counter service lost to furlough shutdowns.

"Despite the challenges of assisting customers three fewer days a month," Marando said, "the DMV has made great strides toward providing alternative options of doing business. DMV's online business has increased five-fold since 2004 – and the services we provide in field offices can be performed online or by telephone 24 hours a day, seven days a week."

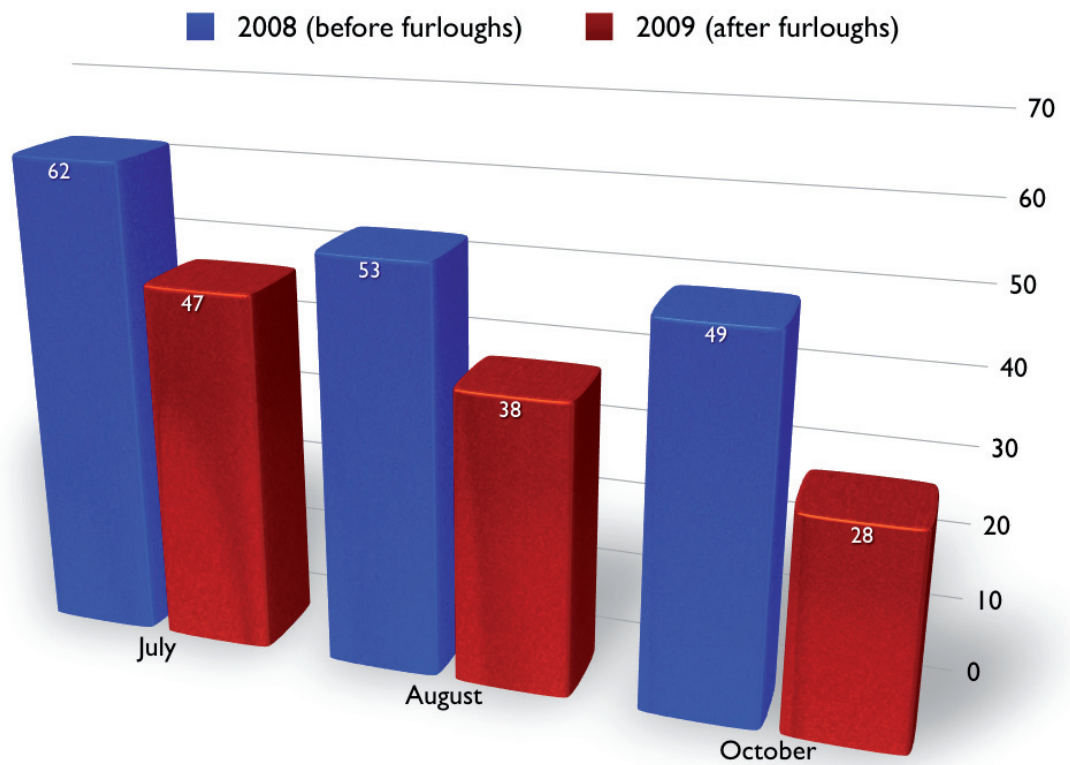
Other aspects of the DMV's work are hampered by furloughs, according to data prepared by the department for the Senate oversight office. Backlogs increased significantly this year on many license applications, investigations and audits.

For example, the DMV licenses car salespeople, driving instructors, traffic violator school owners, vehicle dismantlers and many other individuals and businesses. The backlog of applications for such licenses increased from 7,245 in June 2009 to 10,558 in September. Schwarzenegger imposed a third furlough day on July 1.

The DMV also handles paperwork when tow truck companies and mechanics sell vehicles abandoned at their businesses. The number of such "lien sales" awaiting DMV action tripled between June and September of this year. The backlog of delinquent vehicle registrations pending follow-up by DMV nearly doubled from 8,330 to 16,042 in the same period. And the backlog of applications from people seeking a personalized license plate grew from 5,542 in June to 8,189 in September.

Furloughs Degrade Department of Motor Vehicles Service

Percentage of Walk-In Customers Served in 20 minutes or Less



Source: Department of Motor Vehicles

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