

STATE OF CALIFORNIA
MAY REVISE - Cover Sheet
 DF-46 (REV 08/16)

Fiscal Year 2017/18	Business Unit 2740	Department Motor Vehicles	Priority No. 2
Budget Request Name 2740-402-BCP- 2017-MR		Program 2135 – DRIVER LICENSING & PERSONAL ID	Subprogram

Budget Request Description
 Driver License / Identification Card Federal Compliance

Budget Request Summary

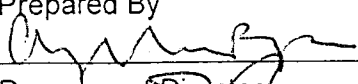
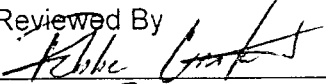


The Department of Motor Vehicles (DMV) requests resources for the implementation of a federal compliant Driver License/Identification Card (DL/ID) that will be accepted by the Transportation Security Administration (TSA) to board an airplane.

Requires Legislation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Trailer Bill – Vehicle Code Sect. 12800.7, 12811	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By 	Date 4/21/17	Reviewed By 	Date 4/21/17
Department Director 	Date 5/2/2017	Agency Secretary 	Date 5/9/17

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Original Signed By: Steve Wells	Date submitted to the Legislature MAY 11 2017
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A. Budget Request Summary

The Department of Motor Vehicles (DMV) is requesting 218 positions and \$23 million in FY 2017/18, 550 positions and \$46.6 million in FY 2018/19, 715 positions and \$57.9 million in FY 2019/20, 667 positions and \$50.2 million in FY 2020/21, 345 positions and \$26.2 million in FY 2021/22, and 228 positions and \$16.7 million in FY 2022/23 for a total of \$220.6 million over six fiscal years to implement a federal compliant DL/ID card that will be accepted by the Transportation Security Administration (TSA) to board an airplane.

B. Background/History

Proposed in response to the events of 9/11, the Federal Government set minimum standards for identity verification practices and security features that states must utilize if their driver licenses and identification (DL/ID) cards are to be accepted "for official purposes" such as accessing secure federal facilities and boarding federally-regulated commercial aircraft. These Federal DL/ID card standards mandate that DL/ID card applicants establish proof of residency by presenting at least two documents of the issuing states choice that includes their name and principle residence address, including a street address.

In 2005, federal law was modified pertaining to the security, authentication, issuance standards and procedures for state DL/ID cards. Prior to this, each state set its own rules and criteria regarding the issuance of a DL/ID card to include the look of the card, the data displayed, the required documents that must be provided to obtain one, and what information is stored within the state's database. Implementing the federal compliance standards set forth will ensure California's DL/ID cards are accepted for all official federal purposes. Failure to meet these standards would have a significant impact on California residents by requiring passports, passcards, or other Department of Homeland Security (DHS) approved travel identification documents to be obtained in order to enter federal facilities or board commercial flights.

Compliance with the federal DL/ID card standards was scheduled to take effect January 15, 2013. However, in December 2012, the DHS notified states of a deferred enforcement period, implementing a four-phase enforcement plan and on January 8, 2016 updated the enforcement plan as follows:

- Phase 1 – Full enforcement of restricted access to DHS's Nebraska Avenue Complex Headquarters.
- Phase 2 – Restricts access to secure federal facilities and nuclear power plants. Completed July 21, 2014.
- Phase 3 – Restricts access for most federal facilities (areas accessible to the general public but require identification) and military bases. Began October 20, 2014 with full enforcement effective January 19, 2015.
- Phase 4 – Boarding Commercial Aircraft. January 22, 2018 is when passengers with a driver's license issued by a state that is still not compliant with the Federal DL/ID card standards (and has not been granted an extension) will need to show an alternative form of acceptable identification for domestic air travel to board their flight. Passengers with driver's licenses issued by a state that is compliant with the federal DL/ID card standards (or a state that has been issued an extension) will still be able to use their driver's licenses or identification cards. Beginning October 1, 2020, every air traveler will need a federal DL/ID compliant card, or another acceptable form of identification, for domestic air travel.

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Pursuant to federal regulations, October 1, 2020, is the final date for states to become fully compliant with the federal DL/ID standards, after which non-compliant cards will not be accepted for federal purposes. California was provided an extension by the DHS through October 10, 2017, to meet the remaining federal requirements. California has developed a federal compliant DL/ID card implementation approach that minimizes the impact to its customers and operations. Beginning January 2018, DL/ID card applicants will have the option when applying for an original DL/ID card and renewing or applying for a duplicate DL/ID card in a DMV field office to obtain a federal compliant DL/ID card or a California compliant DL/ID card.

California processes approximately 1.5 million original DL/ID card applications annually and approximately 5.5 million DL/ID card renewals a year. The implementation of Chapter 708, Statutes of 2015 (AB 1465, Gordon) in FY 2016/17 required proof of California residency for new DL/ID card applicants to obtain a DL/ID card. This incorporated an additional validation requirement for original California DL/ID card applicants and met one of the federal requirements for compliance with the federal standards. In order to become federally compliant, renewal applicants must present proof of birthdate/legal presence, two (2) documents to prove California residency, and proof of social security number.

If a California resident does not have a federal compliant State issued DL/ID card, the following documents are accepted by TSA to board a plane:

- U.S. passport
- U.S. passport card
- DHS trusted traveler cards (Global Entry, NEXUS, SENTRI, FAST)
- U.S. military ID (active duty or retired military and their dependents, and DoD civilians)
- Permanent resident card
- Border crossing card
- DHS-designated enhanced driver's license
- Airline or airport-issued ID (if issued under a TSA-approved security plan)
- Federal recognized, tribal-issued photo ID
- HSPD-12 PIV card
- Foreign government-issued passport
- Canadian provincial driver's license or Indian and Northern Affairs Canada card
- Transportation worker identification credential
- U.S. Citizenship and Immigration Services Employment Authorization Card (I-766)
- U.S. Merchant Mariner Credential

Status of Federal Compliance for States/Territories as of April 2017

The following states/territories are compliant with the Federal DL/ID card standards:

<ul style="list-style-type: none">• Alabama• Arizona• Arkansas• Colorado• Connecticut• Delaware• District of Columbia• Florida• Georgia• Hawaii• Indiana	<ul style="list-style-type: none">• Maryland• Mississippi• Nebraska• Nevada• New Mexico• Ohio• South Dakota• Tennessee• Utah• Vermont• West Virginia
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<ul style="list-style-type: none">• Iowa• Kansas	<ul style="list-style-type: none">• Wisconsin• Wyoming
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The following states/territories have an extension through **October 10, 2017**, allowing Federal agencies to accept driver's licenses and identification cards from these states/territories:

<ul style="list-style-type: none">• American Samoa• California• Guam• Idaho• Illinois• Louisiana• Massachusetts• Michigan• North Marianas	<ul style="list-style-type: none">• New Hampshire• New Jersey• New York• North Carolina• North Dakota• Puerto Rico• Rhode Island• Texas• Virgin Islands
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The following states/territories have a limited extension through **June 6, 2017**, allowing Federal agencies to accept driver's licenses and identification cards from these states/territories:

<ul style="list-style-type: none">• Alaska• Kentucky• Oklahoma• Oregon	<ul style="list-style-type: none">• Pennsylvania• South Carolina• Virginia• Washington
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Federal agencies and nuclear power plants may not accept for official purposes driver's licenses and state IDs from these states:

- Maine
- Minnesota+
- Missouri
- Montana

+ Federal officials may continue to accept Enhanced Driver's Licenses from these states.

DL/ID Card markings

DHS must approve both the federal compliant and non-compliant card markings. Upon approval of the card markings, DMV will work with the DL/ID card vendor to develop, test, and engage in quality control activities required to get the new cards into production.

DMV will also redesign the overall card features for security purposes in addition to the card markings. The costs are estimated to be around \$300,000.

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General Assumptions:

Federal DL/ID card compliance standards establish minimum issuance criteria for state-issued DL/ID cards in order to be an accepted identification for official federal purposes, such as entering federal buildings or boarding commercial aircraft. These compliance standards mandate that DL/ID card applicants establish proof of residency by presenting at least two documents of the issuing states choice that includes their name and principal residence address, including a street address.

- Assume federal compliant driver licenses and identification cards (DL/ID's) will start being issued January 1, 2018.

- Assume approximately 18.5 million of the 29.5 million current DL/ID card holders will choose to have a federal compliant card over a five-year period, allocated by fiscal year as follows:
 - FY 2017/18 – 40% of 3.2 million for 1.3 million (6 months)
 - FY 2018/19 – 60% of 6.3 million for 3.8 million
 - FY 2019/20 – 80% of 6.3 million for 5 million
 - FY 2020/21 – 75% of 6.2 million for 4.7 million
 - FY 2021/22 – 50% of 4.4 million for 2.2 million (DL dip-year)
 - FY 2022/23 – 50% of 3.1 million for 1.5 million (6 months)

Total Five-Year Volume - 62% of 29.5 million = 18.5 million

- Assume approximately 4.7 million of the 7.6 million estimated new DL/ID card applicants will choose to have a federal compliant card over a five-year period, allocated by fiscal year as follows:
 - FY 2017/18 – 40% of 753,000 for 301,000 (6 months)
 - FY 2018/19 – 60% of 1.5 million for 909,000
 - FY 2019/20 – 80% of 1.5 million for 1.2 million
 - FY 2020/21 – 75% of 1.5 million for 1.1 million
 - FY 2021/22 – 50% of 1.5 million for 769,000
 - FY 2022/23 – 50% of 773,000 for 387,000 (6 months)

Total Five-Year Volume - 62% of 7.6 million = 4.7 million

- Assume that additional field office workload will result from customers who choose to have a federal compliant DL/ID card and who would otherwise use an alternative service channel (Internet, Renewal by Mail, etc.).

- Assume that additional field office workload will result from new DL/ID card customers who choose to have a federal compliant card, which will require photocopying, or scanning of the SSN card.

- Participation volumes are based on past state experiences where Florida encountered a high participation rate (75%) and West Virginia had a low (25%) participation rate with their optional federal Compliance card. DMV is assuming a total participation rate for requesting a federal compliant DL/ID card of about 60% with a lower participation rate at the onset that will increase over time as it gets closer to the federal compliance enforcement date in October 2020, and then DMV estimates the rate will decrease.

- DMV estimates that about 40% of the DL/ID card population over five years will not request a federal compliant DL/ID card. This is in line with U.S. State department and U.S. Census data where DMV estimates that about 40% of the population has a passport/passport card. (In 2016, there were 131,841,062 passports in circulation in the U.S. and total population in the U.S. as of December 31, 2016 was 324,304,407).

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DL/ID Card Originals & Renewals Issued by Channel

Workload Measure	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17*
DL/ID Originals (Field Office)	1,435,560	1,477,656	1,557,968	1,461,441	1,491,243	1,352,347
Field Office - Renewal	2,563,060	3,462,322	3,729,917	3,799,731	3,931,480	2,534,392
Mail/Remittance - Renewal	682,984	1,377,899	1,497,607	1,385,880	1,209,335	785,088
Internet - Renewal	437,701	822,744	975,832	1,100,512	1,083,432	851,621
IVR - Renewal	31,928	68,146	78,463	69,981	0	0
Total DL/ID Renewals	3,715,673	5,731,111	6,281,819	6,356,104	6,224,247	4,171,101

Note: Volumes include both Commercial & Non-Commercial Driver Licenses (excludes AB 60 DL's)

* FY 2016/17 projection based on eight months of actual data

C. State Level Considerations

This request addresses the department's strategic goal to "Provide Superior Customer Service," and "Equip our employees with the tools and facilities to meet DMV's current and future responsibilities." Based on the projected increase in customers that will submit DL/ID card renewal applications to obtain a federal compliant DL/ID card, the department has identified the need for increased resources to ensure that our customers' needs are met.

D. Justification

On May 11, 2005, national standards were created for the issuance of state driver licenses and identification cards in order to enhance national security and reduce fraud. Beginning January 2, 2018, Californians will now have an option to apply for either a federal compliant DL/ID card that will meet national standards or a legacy card, which will be classified as a California compliant DL/ID card.

Continuing Resources for Driver License Processing Center Leases & Overhead Staffing

There are currently three Driver License Processing Centers (DLPC's) located in Granada Hills, Stanton, and San Jose (originally established for AB 60 implementation) that the department requests continuing overhead staff and facilities costs in order to meet the anticipated increase in field office customers and to ensure quality customer service. There are 52.0 positions of overhead staffing in the Driver License Processing Centers. In addition, the facilities costs for the DLPC's are approximately \$3.3 million annually.

DLPC Overhead Staff -	PY's
Manager V	2.0
Manager IV	1.0
Manager III	4.0
Manager I	8.0
Control Cashier II	2.0
Control Cashier I	1.0
Senior Motor Vehicle Technician	5.0
Motor Vehicle Representative (MVR)	29.0
Total PY's	52.0

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Extended Field Office Hours and Saturday Service

Saturday service allows customers the flexibility to visit a field office outside the normal workweek. In addition, extended field office hours gives customers the additional flexibility to visit a field office outside normal work hours. The department requests additional overtime, security guard, and janitorial costs associated with offering Saturday service beginning January 2, 2018 to December 31, 2020, in 60 field offices and providing extended field office hours in 14 of the 60 field offices.

- Assume Saturday service is offered 9:00 a.m. to 5:00 p.m. for eight (8) hours and extended field office hours are two (2) hours per day from 5:00 p.m. to 7:00 p.m. (Monday - Friday).
- Assume overtime will be required for Saturday service.
 - \$1.7 million in FY 2017/18 (6 months), \$3.4 million in FY 2018/19 and FY 2019/20, and \$1.7 million in FY 2020/21 (6 months)
- Assume two security guards per office (hourly rate is \$33.65 based on the current contract).
- Assume increased janitorial costs of \$975 per month per field office.
 - Additional security and janitorial costs of \$1.4 million in FY 2017/18 (6 months), \$2.8 million in FY 2018/19 and FY 2019/20, and \$1.4 million in FY 2020/21 (6 months)

Limited Term Staffing for Additional Field Office Workload

The department anticipates that about 60% of current DL/ID card holders and new applicants will choose to have a federal compliant DL/ID card over a five-year period (Originals - 4.7 million and Renewal - 18.5 million). This workload will result in an additional field office workload need of 166.1 positions in FY 2017/18, 498.4 positions in FY 2018/19, 662.8 positions in FY 2019/20, 615.3 positions in FY 2020/21, 293.4 positions in FY 2021/22, and 202.3 positions in FY 2022/23.

The tasks and time values associated with that additional field office work is as follows:

Workload Tasks		Time Value (min)
Driver License/Identification Card Originals		
a.	Assume that an MVR will review & scan an SSN card (possibly W2 or 1099) * Residency documents are part of AB 1465 (Chapter 708, Statutes of 2015) process	2
Driver License (DL)/Identification Card (ID) Renewals		
a.	Assume that an MVR will key a DL transaction and perform a vision test (DL Renewals - Alternative Channel Customers)	9
b.	Assume that an MVR will key an ID transaction (ID Renewals - Alternative Channel Customers)	8
c.	Assume that an MVR will review and scan an SSN card, residency, birth document/legal presence (BD/LP) documents and take photo (DL/ID Renewals - Alternative Channel Customers)	10
d.	Assume that an MVR will review and photocopy an SSN card, residency, and BD/LP documents (DL/ID Renewals required to go to the field office)	8
e.	Assume that 25% of applicants will not have the correct documents and an MVR will explain the requirements to the customer (25% of Total DL/ID Renewals)	2

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New Field Office Volumes and Positions by Task and Transaction Type

Time (min)		FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	5-Yr Cycle
Driver License/ID Card Originals:								
	Volume - DL	171,698	519,786	699,333	661,571	445,048	224,542	2,721,977
	Volume - ID	129,672	389,016	518,688	486,270	324,180	162,090	2,009,916
	Total	301,370	908,802	1,218,021	1,147,841	769,228	386,632	4,731,893
2	Positions - DL	3.2	9.7	13.1	12.4	8.3	4.2	51.0
2	Positions - ID	2.4	7.3	9.7	9.1	6.1	3.0	37.7
	Sub-Total	5.6	17.0	22.8	21.5	14.4	7.2	88.7
DL/ID Card Renewals (Alternative Channel Eligible):								
	Volume - DL	539,156	1,617,468	2,149,594	1,992,438	897,435	653,515	7,849,606
	Volume - ID	43,763	131,290	175,054	164,113	109,409	54,704	678,333
	Total	582,920	1,748,759	2,324,647	2,156,551	1,006,843	708,220	8,527,939
19	Positions - DL	96.0	288.1	382.8	354.9	159.8	116.4	1,398.0
18	Positions - ID	7.4	22.2	29.5	27.7	18.5	9.2	114.5
	Sub-Total PY	103.4	310.2	412.4	382.5	178.3	125.6	1,512.5
Field Office DL/ID Card Renewals:								
	Volume - DL	598,128	1,794,383	2,384,712	2,210,367	995,594	724,996	8,708,179
	Volume - ID	83,577	250,730	334,306	313,412	208,941	104,471	1,295,436
	Total	681,704	2,045,113	2,719,018	2,523,778	1,204,535	829,466	10,003,615
8	Positions - DL	44.9	134.6	178.8	165.8	74.7	54.4	653.0
8	Positions - ID	6.3	18.8	25.1	23.5	15.7	7.8	97.1
	Sub-Total PY	51.1	153.4	203.9	189.3	90.3	62.2	750.2
Additional Talk Time (task #5 above) - 25% of DL/ID Card Renewals:								
2	Volume	316,156	948,468	1,260,916	1,170,082	552,845	384,421	4,632,889
	Positions	5.9	17.8	23.6	21.9	10.4	7.2	86.9
Total Positions:		166.1	498.4	662.8	615.3	293.4	202.3	2,438.3

Outreach

The department requests \$1 million in 2017/18 and 2019/20 to provide outreach through media (i.e. radio, television, social media, etc.), outreach events, and provide pamphlets and notices. Outreach in 2019/20 is to make sure Californians are aware of the pending October 2020 enforcement deadline requiring appropriate documents to board a plane.

Total Additional Staff Resources Requested

	BY	BY+1	BY+2	BY+3	BY+4	BY+5	Total
DLPC Overhead	52.0	52.0	52.0	52.0	52.0	26.0	286.0
Additional FO Workload	166.1	498.4	662.8	615.3	293.4	202.3	2,438.2
Total Positions	218.1	550.4	714.8	667.3	345.4	254.3	2,750.3

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**Summary of Resource Request by Year
(Dollars in Thousands)**

	BY	BY+1	BY+2	BY+3	BY+4	BY+5	Total
Personal Services							
DLPC Overhead Staff	2,396	2,396	2,396	2,396	2,396	1,198	\$ 13,178
Additional Field Office Staff	6,257	18,774	24,967	23,177	11,052	7,620	\$ 91,847
Saturday Service (Overtime)	1,706	3,412	3,412	1,706	-	-	\$ 10,236
Outreach (Overtime)	1,000	-	1,000	-	-	-	\$ 2,000
Total Salaries	11,359	24,582	31,775	27,279	13,448	8,818	\$ 117,261
Staff Benefits	5,470	13,138	16,932	15,686	8,181	5,364	\$ 64,771
Total Personal Services	\$ 16,829	\$ 37,720	\$ 48,707	\$ 42,965	\$ 21,629	\$ 14,182	\$ 182,032
Operating Expenses & Equipment (OE&E)							
OEE (General Expense, Training, etc.)	1,146	2,740	3,069	2,587	1,338	885	\$ 11,765
DL/ID Card Contract (Design)	300	-	-	-	-	-	\$ 300
DLPC Facilities Costs (Rent, etc.)	3,257	3,257	3,257	3,257	3,257	1,628	\$ 17,913
Extended FO Hours / Saturday Service Facilities Costs (Security & Janitorial)	1,436	2,872	2,872	1,436	-	-	\$ 8,616
Total OE&E	\$ 6,139	\$ 8,869	\$ 9,198	\$ 7,280	\$ 4,595	\$ 2,513	\$ 38,594
Total Funds Requested	\$ 22,968	\$ 46,589	\$ 57,905	\$ 50,245	\$ 26,224	\$ 16,695	\$ 220,626

E. Outcomes and Accountability

The expected outcome of this proposal is to minimize impending backlogs due to the increase in DL/ID card customer transactions in the field offices. The department will continue to monitor the number of federal compliant DL/ID card applicants and current workload indicators, and will modify its projections and corresponding fiscal estimates, as data becomes available warranting such adjustments.

Projected Federal Compliant DL/ID Originals

Workload Measure	BY	BY+1	BY+2	BY+3	BY+4	BY+5	Total
Driver License	171,698	519,786	699,333	661,571	445,048	224,542	2,721,977
Identification Cards	129,672	389,016	518,688	486,270	324,180	162,090	2,009,916
Total DL/ID Originals	301,370	908,802	1,218,021	1,147,841	769,228	386,632	4,731,893

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Projected Federal Compliant DL/ID Renewals

Workload Measure	BY	BY+1	BY+2	BY+3	BY+4	BY+5	Total
Driver License	539,156	1,617,468	2,149,594	1,992,438	897,435	653,515	7,849,606
ID Card	43,763	131,290	175,054	164,113	109,409	54,704	678,333
<i>Alternative Channel Eligible DL/ID Renewals</i>	582,920	1,748,759	2,324,647	2,156,551	1,006,843	708,220	8,527,939
Driver License	598,128	1,794,383	2,384,712	2,210,367	995,594	724,996	8,708,179
ID Card	83,577	250,730	334,306	313,412	208,941	104,471	1,295,436
<i>Field Office DL/ID Renewals</i>	681,704	2,045,113	2,719,018	2,523,778	1,204,535	829,466	10,003,615
Driver License	1,137,284	3,411,852	4,534,305	4,202,805	1,893,029	1,378,511	16,557,785
ID Cards	127,340	382,020	509,360	477,525	318,350	159,175	1,973,769
Total DL/ID Renewals	1,264,624	3,793,872	5,043,665	4,680,329	2,211,378	1,537,686	18,531,554

F. Analysis of All Feasible Alternatives

Alternative 1:

The proposed solution is to hire staff with limited term funding, continue leases on the driver license processing centers, and provide Saturday Service and extended field office hours to issue federal compliant driver licenses and identification cards.

Costs: \$225.7 million

Pros:

- Will ensure that our customers' needs are met in a timely manner.
- Provides Californians a DMV issued card that can be used by TSA to board an airplane.

Cons:

- Additional funding would be required.

Alternative 2:

This solution is to hire staff with limited term funding to issue federal compliant driver licenses and identification cards without continuing the driver license processing center leases and providing Saturday Service and extended field office hours.

Costs: \$172 million

Pros:

- Less costly than proposed solution
- Still provides Californians a DMV issued card that can be used by TSA to board an airplane.

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Cons:

- Will not provide Saturday Service and extended field office hours to ensure customer service levels are maintained
- Will have significant impact to field offices and wait times.
- Eliminates available additional appointment times after hours and on Saturdays.

Alternative 3:

This solution is to not issue federal compliant driver licenses and identification cards.

Pros:

- No additional cost/resources needed.

Cons:

- Californians will be required to have another document that is accepted by the TSA to board a plane.

G. Implementation Plan

Federal DL/ID card compliance has an operative date of October 1, 2020. In order to successfully implement the program by this date, the department will need to conduct a mass hiring of employees beginning in FY 2017/18. The new hires will need to be trained for a period of three to four months prior to the operative date.

The department has considered multiple approaches to comply with the federal standards within the limited timeframe in order to provide a DL/ID card that meets federal standards. In order to address the needs of existing and new customers, and to pursue implementation in the most fiscally prudent manner, while keeping to the department's strategic goals and objectives, the following framework has been identified for implementation:

- Utilize existing infrastructure to help decrease the size and number of additional facilities required to adequately serve the increased customer volume.
- Continuing the leases of three strategically located temporary Driver License Processing Centers to process additional DL/ID card transactions.
- Redirect workload where possible to alternate service channels and use that redirection to offset the new workload resulting from issuing federal compliant DL/ID cards and/or mitigate the impact to service levels in field offices.
- Control customer flow with an appointment-only system for original DL/ID card applicants at existing offices and walk-in availability along with appointments at the temporary Driver License Processing Centers.
- Employ a variety of methods (educational outreach, media campaigns, etc.) to prepare the applicant to ensure a timely and successful visit on the first attempt.

**2/40 Department of Motor Vehicles
MAY REVISE
2017/18 FISCAL YEAR**

TITLE OF PROPOSED CHANGE

Driver License / Identification Card Federal Compliance

MR

2

H. Supplemental Information

The department has identified several ways of maximizing the existing field office infrastructure and has developed a facilities plan that includes maximizing existing field office space to allow for the increased volume of customers as well as retaining three temporary Driver License Processing Centers to specifically service the needs of current DL/ID card customers and new DL/ID card applicants. In addition, service hours will be extended and Saturday service would be offered at specified field offices.

I. Recommendation

The recommendation is to approve the May Revise request to provide the DMV with requested funding to meet the projected increase in DL/ID card applications.

Alternative 1. The proposed solution fully meets the objectives and goals of the department and will enable California to provide an option for customers to request a federally compliant DL/ID card.

Fiscal Summary
(Dollars in thousands)

MR No.	Proposal Title	Program				
2	Driver License / Identification Card Federal Compliance	Driver Licenseing/Personal ID				
Personal Services	Positions			Dollars		
	CY	BY	BY + 1	CY	BY	BY + 1
Total Salaries and Wages ¹	0.0	0.0	0.0	\$0	\$11,359	\$24,582
Total Staff Benefits ²				0	5,470	13,138
Total Personal Services	0.0	0.0	0.0	\$0	\$16,829	\$37,720
Operating Expenses and Equipment						
General Expense					706	1,032
Printing						
Communications						
Postage						
Travel-In State					109	275
Travel-Out of State						
Training					327	825
Facilities Operations					4,693	6,129
Utilities						
Consulting & Professional Services: Interdepartmental ³						
Consulting & Professional Services: External ³						
Data Center Services						
Information Technology					304	608
Equipment ³						
Other/Special Items of Expense: ⁴						
Total Operating Expenses and Equipment				\$0	\$6,139	\$8,869
Total State Operations Expenditures				\$0	\$22,968	\$46,589
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds ⁵				\$0	\$22,968	\$46,589
Federal Funds						
Other Funds (Specify)						
Reimbursements						
Total Local Assistance Expenditures				\$0	\$0	\$0
Fund Source	Item Number					
	Org	Ref	Fund			
General Fund						
Special Funds ⁵						
Federal Funds						
Other Funds (Specify)						
Reimbursements						
Grand Total, State Operations and Local Assistance				\$0	\$22,968	\$46,589

¹ Itemize positions by classification on the Personal Services Detail worksheet.

² Provide benefit detail on the Personal Services Detail worksheet.

³ Provide list on the Supplemental Information worksheet.

⁴ Other/Special Items of Expense must be listed individually. Refer to the Uniform Codes Manual for a list of standard titles.

⁵ Attach a Fund Condition Statement that reflects special fund or bond fund expenditures (or revenue) as proposed.

Supplemental Information

(Dollars in thousands)

MR No. 2	Proposal Title Driver License / Identification Card Federal Compliance
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Equipment	CY	BY	BY +1
Total	\$0	\$0	\$0

Consulting & Professional Services

DL/ID Card Design (General Expense - Photography)		300	
Total	\$0	\$300	\$0

Facility/Capital Costs

Rent		3,257	3,257
Security		1,085	2,170
Janitorial		351	702
Total	\$0	\$4,693	\$6,129

One-Time/Limited-Term Costs Yes No

Description	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Perm		8,649		21,155		27,333
Temp		4		15		30
Overtime (Saturday Service & Extended Hours)		1,706		3,412		3,412
Overtime (Outreach)		1,000		0		1,000
Staff Benefits		5,470		13,138		16,932
OE&E (General Expense, Training etc.)		1,146		2,740		3,069
DL/ID Card Costs		300				
Rent		3,257		3,257		3,257
Security		1,085		2,170		2,170
Janitorial		351		702		702
	0.0	\$22,968	0.0	\$46,589	0.0	\$57,905

Full-Year Cost Adjustment Yes No

Provide the incremental change in dollars and positions by fiscal year.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
2740-001-0044		22,968		23,621		11,316
Total		\$22,968		\$23,621		\$11,316

Future Savings Yes No

Specify fiscal year and estimated savings, including any decrease in positions.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Total	0.0	\$0	0.0	\$0	0.0	\$0