



New Jersey Motor Vehicle Commission

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STATE OF NEW JERSEY

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Chair and Chief Administrator

May 21, 2019

Frank Haines
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex
P.O. Box 068
Trenton, New Jersey 08625-0068

Dear Mr. Haines:

I am providing the following information on behalf of the Motor Vehicle Commission (MVC) as requested by the Senate Budget and Appropriations Committee at the budget hearing held on May 9, 2019.

Senator O'Scanlon:

Q: Please provide customer volume data collected by the MVC, including from the new queuing system, at MVC facilities where weekday evening hours are expected to be reduced and where Saturday operating hours are expected to be expanded. Please include data for the relevant time periods impacted by the operating hour changes as well as the data used by the MVC to come to its decision.

A: For the past ten years or so, there was no tracking of customer volumes or wait times in MVC agencies. A few years ago, there was an attempt to field a queuing system, but it went poorly and was abandoned. One of the main purposes of installing the new queuing system is to provide the kind of data requested. However, since this system is currently only in the pilot phase, and only in two agencies with extremely low volume, we don't have enough data at this time to be statistically significant.

The data that informed our decision on hours came from a variety of qualitative sources, including interviews with managers, supervisors, and coordinators, and the experience of senior leaders in Agency Operations. A review of shift assignments clearly shows that agencies at opening time are staffed at 40-60%. Long time policy provided that Saturdays



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and Tuesday nights are staffed at approximately 50%. Across the board, longtime supervisory personnel in agencies confirmed that, given shift assignments, leaves, and “call-outs,” optimistically agencies are able to staff at about the 60% level on average. And anecdotally, interview after interview confirmed that increases in call-outs and medical leaves were associated with “burn-out” due to irregular hours and too few people doing too much work, especially at opening and closing.

When we determined that Tuesday nights were a major issue for staffing, we did a “quick and dirty” manual count at our top volume agencies to determine how much more volume we experience on Tuesday late hours compared to the end of day on Wednesday. Specifically, we compared new customers coming in to the agency 4:30-7:30 closing time on Tuesday to 2:30-5:30 closing time on the adjacent Wednesday (to control for differences in time-of-month volume). On average, Tuesday night volume was only 6.4% higher than Wednesday, barely outside the margin of error – and in many agencies was actually lower on Tuesday. Though this was based on a low amount of data, it does not reflect strong customer response.

To be clear, the root of the issue is not about customer volume, it is about agency capacity, and the ability to train employees to manage REAL ID. The one-shift solution dramatically changes the capacity in an agency, increasing throughput at the busy early morning times so that long lines are processed through quickly, rather than creating delays that persist all day. Using part-timers to staff Saturdays also enables us to go to full staff on the busiest day, reducing pressure on individual employees who are currently trying to do the work of 1.5 people while customers resent the lengthy waits. The +2 hour extension of Saturday hours provides additional convenience for customers who work Monday-Friday.

Of note, motor vehicle offices throughout the Northeast and Mid-Atlantic states are open, on average, less than forty hours per week. New Jersey MVC will be operating 49½ hours per week, far longer than any other state.

It’s also worth noting that, from an individual customer’s standpoint, a visit to Motor Vehicle is not a regular event like a trip to the grocery store. The vast majority of customers visit Motor Vehicle Agencies once every four years. With the implementation of online services, that will be even less often. While in the aggregate we will see a major increase in overall volume with REAL ID, for individuals it will be one additional trip in that 4-8 year period – our intent is a plan that will make that trip as quick as possible.

Senator Oroho:

Q: Please provide information about the feasibility and likely fiscal impacts that would result from subsidizing private inspection facilities to provide free vehicle inspections, rather than the current system of operating MVC inspection facilities through the Parsons contract and having individuals pay for private inspections.

A: Many vehicle owners have a choice of either having their vehicles inspected at a Centralized Inspection Facility (CIF) or a Private Inspection Facility (PIF). Under the current inspections contract, MVC absorbs the cost of \$18.95 per vehicle inspection. PIFs charge vehicle owners approximately \$70.00 per inspection.

In FY20, the MVC projected 1,929,421 vehicle inspections. Having these vehicles inspected at a PIF would cost the MVC \$135 million versus the current projection of \$36.6 million, a variance of nearly \$100 million. The 25 CIFS inspect an average of 1.9 million vehicles per year and 1,173 PIFS inspect an average of 277,000 vehicles per year. To accommodate the volume at the PIFS, the number of sites would have to increase to more than 8,000 facilities. A significant staff increase in MVC accounts payable, business licensing and auditing would be necessary to ensure prompt processing of vendor payments, issuance of inspector and business licenses, and facility audits. Based on the number of additional employees required to staff each unit, another \$70 million is needed to accomplish the increased workload.

Please advise me if you, or the members of the Senate Budget Committee, have any questions regarding this information.

Sincerely,



B. Sue Fulton
Chair and Chief Administrator

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