



## The DMV: A Case Study in Modernization

### Background Information

Tuesday, December 15, 2015  
10:00 a.m. to 12:00 p.m.  
State Capitol, Room 3191

### INTRODUCTION

All levels of government are under pressure to better serve residents; as more services become available online and on mobile devices, customer expectations and industry standards are shifting. The Subcommittee on Modernizing Government will explore whether California's departments and agencies are keeping up with those expectations and becoming more convenient and smarter or are providing a diminishing level of service relative to industry standards.

The California Department of Motor Vehicles (DMV) provides many core services, and it is in many ways California's largest customer service company, with 33 million registered vehicles and 25 million licensed drivers.<sup>1</sup> Despite its reputation in popular media, the DMV has transformed the way many Californians interact with state government, becoming more focused on modern customer service expectations. This hearing focuses on DMV's practices that can serve as a model for other agencies to become more customer-facing. It will also serve as a starting point to discuss how the State can continue to improve customer service at the DMV and elsewhere.

### RECENT MODERNIZATION REFORMS

#### Overview

The DMV's recently expanded online payments and appointments system has substantially reduced wait times at field offices.<sup>2</sup> Fueled by the campaign slogan – "*Don't Stand in Line, Go*

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<sup>1</sup> <https://www.dmv.ca.gov/portal/wcm/connect/5aa16cd3-39a5-402f-9453-0d353706cc9a/official.pdf?MOD=AJPERES>

<sup>2</sup> [https://www.dmv.ca.gov/portal/dmv/detail/pubs/newsrel/newsrel15/2015\\_14](https://www.dmv.ca.gov/portal/dmv/detail/pubs/newsrel/newsrel15/2015_14)

*Online!*” – the DMV’s online business now allows residents to renew their licenses, register their cars, change their addresses, and more. This is particularly convenient as users can now complete tasks on their own time. The DMV even has a dedicated mobile application for smartphones that allows users to renew their vehicle registrations or make in-person appointments. The DMV processes millions of online transactions every year, allowing residents to avoid time-consuming trips and reducing wait times for those tasks that do still require an in-person visit, such as taking a driving test.

Yet there is room for some improvement. For example, the DMV’s mobile app does not allow license renewals or driver records requests. Americans have begun to expect all services to be available through mobile apps, and some data shows Americans spend 90% of their time in apps, not their mobile browser.<sup>3</sup> As a recent survey showed, nearly 40% of Americans, and 51% of 18-44 year olds, want to use their mobile phone to access government services.<sup>4</sup> The same survey showed that the two-thirds of respondents prioritized license renewals, registrations, and permits. Moreover, smartphones are the primary online portal for one in five Americans – especially for those with low incomes and low educational attainment levels.<sup>5</sup> Unless the DMV and other departments rapidly develop mobile applications for traditional government services, some residents may be left with a lower level of service.

Not everyone accessing DMV or other state government services needs, or is able to use, a mobile application. There remain a number of situations where a physical presence is needed, either because of the type of interaction or because of a lack of internet access. For those without online access, the DMV provides self-service terminals at 50 field offices, where customers can receive vehicle registration cards and tags instantly. And this year, the DMV handled more than 500,000 new customers under AB 60,<sup>6</sup> yet in-person wait times continued to improve for the Department.

Much of DMV’s progress has been made concurrently with other massive administrative projects, such as AB 60 implementation and regulations on autonomous vehicles. And despite a setback in 2013 on the Information Technology Modernization project, the Department continues to improve their software and data capabilities. Going forward, the DMV must move through regulations for and manage data sharing and privacy concerns for the new “motor voter” law. An outstanding question will be how the DMV’s infrastructure can handle these new responsibilities while keeping the Department focused on serving customers of all needs.

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<sup>3</sup> <http://www.businessinsider.com/time-spent-mobile-browsing-vs-apps-2015-9> (accessed 12/1/2015).

<sup>4</sup> Accenture – Digital Government: Your Citizens are Ready, Willing... and Waiting (2015).

<sup>5</sup> Pew Research Center – US Smartphone Use in 2015 (2015).

<sup>6</sup> Assembly Bill 60 requires the Department to issue an original driver license to an applicant who is unable to submit satisfactory proof of legal presence in the United States. Under AB 60, applicants must meet all other qualifications for licensure and must provide satisfactory proof of identity and California residency.

## **CASE STUDY: TRAFFIC AMNESTY IMPLEMENTATION AND PROCESSES**

### **Overview**

In January 2015, Governor Jerry Brown proposed an 18-month traffic amnesty program.<sup>7</sup> The aim was to collect some of the uncollected court-ordered debt that has accrued in recent years, which was in excess of \$10 billion.<sup>8</sup> The debt includes base fines for infractions as well as state and local fees (see Figure 1). The Legislature ultimately adopted and the Governor signed a modified traffic amnesty bill in June 2015; it will be the second such amnesty program in the last 5 years.

### **2012 Traffic Amnesty Program**

A Statewide Amnesty Program during 2011–2012 (totaling six months) allowed individuals with past due court-ordered debt relating to traffic infractions and certain misdemeanors to pay debt at a 50 percent reduction if the individual met certain eligibility criteria. Court and county collections programs were required to submit information about the number of cases resolved, the amount of money collected, and the operating costs of the Amnesty Program. The results of the Amnesty Program include the following: 42,245 cases resolved; \$14,920,872 in gross revenue collected; and total operating costs of \$2,868,379. The total net revenue collected and distributed under this Amnesty Program, after recovering operating costs, was \$12,270,950.

Critics have argued that there were several reasons the state collected so little revenue. First, the length of the program was only six months and there were not enough resources dedicated to outreach and education. Second, the program did not guarantee participants would have their driver's licenses reinstated. The DMV reported over 4 million suspended licenses for failure to pay infractions or failure to appear in court (see Figure 2); since so many people rely on their driving privilege for their livelihoods and work, many drivers are unable to make payments to resolve the debts until those privileges are restored. Finally, the 2011 enabling legislation did not address fundamental issues impacting access to the courts, as discussed below.

### **2015 Traffic Amnesty Program**

In an effort to make a more comprehensive and effective amnesty program, Senator Hertzberg introduced Senate Bill 405, which called for not just a longer (18-month) period to apply, but included important provisions like automatic reinstatement of driver's licenses for program participants and established a means test for eligible applicants to pay a greatly reduced amount. The means test would also distinguish between those who had been unwilling to pay their fines from those who had been unable to pay.<sup>9</sup> These provisions were ultimately adopted in the June budget, ensuring residents could resolve certain unpaid infractions through a statewide program

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<sup>7</sup> <http://www.dof.ca.gov/documents/FullBudgetSummary-2015.pdf>

<sup>8</sup> <http://www.lao.ca.gov/handouts/crimjust/2015/Restructuring-the-Court-Ordered-Debt-Collection-Process.pdf>

<sup>9</sup> [http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb\\_0401-0450/sb\\_405\\_bill\\_20150225\\_introduced.pdf](http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0401-0450/sb_405_bill_20150225_introduced.pdf)

beginning October 1, 2015 and could regain their driving privileges – and livelihoods – immediately upon qualifying.<sup>10</sup>

In the midst of the legislative action, Supreme Court Chief Justice Tani Cantil-Sakauye called on the Judicial Council to adopt an emergency rule increasing access to the courts by eliminating a requirement to pay fines in total prior to a hearing.<sup>11</sup>

In response to these actions, SB 405 was amended to expand the court access rule, which previously only covered residents who had not missed a court appearance. Those who missed a hearing or a payment were otherwise still required to pay the full fine before they could get a court hearing. Senate Bill 405 was signed on September 30, 2015.

California law now guarantees access to the courts for those individuals who may have missed a court hearing and gives more time to resolve citations, ensuring residents, especially those of limited means, do not have their driver's licenses unfairly suspended.

### **Implementation**

On October 1, 2015, the Traffic Ticket/Infraction Amnesty Program was launched in California. The Department of Motor Vehicles is working in collaboration with Judicial Council to reinstate suspended driver's licenses using existing processes, but real-time data is unavailable.

At the time of this writing, no statewide data was available, but there is limited data from some counties. In Los Angeles County, for example, between October 1 and October 31, nearly 18,000 applications were submitted and over 128,000 phone calls were received by the call center.

*In the first month alone*, Los Angeles County has returned driver's licenses and approved the resolution of 12,014 citations at greatly reduced cost to residents (for comparison, only 14,000 citations were addressed in the entire 2012 program for Los Angeles County). Nearly all of the 12,000 amnesty participants agreed to pay a greatly-reduced amount, based on the means test – just 20% of the outstanding balance. This suggests that a majority of the uncollected debt was indeed from those who were unable to pay, rather than from those willfully avoiding payment. Los Angeles also reported waiving \$1.6 million in civil assessments and \$2.7 million in fines and other penalties.

### **Customer Concerns**

Although the program has exceeded initial expectations regarding participation and collection rates, the Committee is aware of several consumer concerns related to the implementation of the Traffic Tickets/Infractions Amnesty Program.

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<sup>10</sup> [http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb\\_0051-0100/sb\\_85\\_bill\\_20150624\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0051-0100/sb_85_bill_20150624_chaptered.pdf)

<sup>11</sup> Judicial Council – Traffic Law: Appearance in Court for Infractions Without Deposit of Bail (2015).  
<http://www.courts.ca.gov/documents/jc-20150608-item1.pdf>

On October 28, 2015, Attorney General Kamala Harris issued a consumer alert warning Californians that some debt collectors – including entities contracted by counties to implement amnesty collections – are misleading consumers about their eligibility for the amnesty program.<sup>12</sup> These debt collectors are typically paid commission on a percentage of the amount collected.

The Committee has also heard from advocates that persons with traffic tickets in multiple counties are experiencing difficulty resolving all eligible infractions in one location. Finally, the Committee has heard that court practices regarding payment requirements, application submission, and language access need some refinement to better enable low-income individuals to apply for potential relief.

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<sup>12</sup> <http://oag.ca.gov/news/press-releases/attorney-general-kamala-d-harris-issues-consumer-alert-debt-collectors>

## FIGURES

**Figure 1** – From the Legislative Analyst’s Report on "Restructuring the Court-Ordered Debt Collection Process" (2014), showing the fines and fees added to base fines.

<b>Figure 1</b>		
<b>Various Fines and Fees Added to Base Fines</b>		
<i>As of March 1, 2014</i>		
	<b>Failure to Stop at Stop Sign<sup>a</sup> (Infraction)</b>	<b>Driving Under Influence of Alcohol/Drugs<sup>a</sup> (Misdemeanor)</b>
Base Fine	\$35	\$390
State Surcharge	7	78
State Penalty Assessment	40	390
County Penalty Assessment	28	273
Court Construction Penalty Assessment	20	195
DNA Identification Fund Penalty Assessment	20	195
EMS Penalty Assessment	8	78
EMAT Penalty Assessment	4	4
Court Operations Fee	40	40
Conviction Assessment Fee	35	30
Night Court Fee	1	1
<b>Totals</b>	<b>\$238</b>	<b>\$1,674</b>
<sup>a</sup> These examples show the total obligation owed for a selected infraction and misdemeanor. Depending on the specific violation and other factors, additional county or state assessments may apply. EMS = Emergency Medical Services; and EMAT = Emergency Medical Air Transportation.		

**Figure 2** – From the California Department of Motor Vehicles showing license suspensions and reinstatement actions from 2006-2013. Based on a cumulative analysis of suspension and reinstatement actions reported by the DMV, an estimated 4.2 million residents had suspended licenses.

Year	2006	2007	2008	2009	2010	2011	2012	2013
Suspension under §13365	459,475	496,631	554,597	583,542	606,393	565,373	513,173	510,811
Suspension under §13365.2	17,954	18,564	21,551	19,033	16,634	14,528	13,589	12,949
<b>Total</b>	<b>467,429</b>	<b>515,195</b>	<b>576,148</b>	<b>602,575</b>	<b>623,027</b>	<b>579,901</b>	<b>526,762</b>	<b>523,760</b>
Reinstatements under §13365	6,026	7,815	8,894	8,069	8,811	9,174	10,151	10,966
Reinstatements under §13365.2	8	44	124	175	198	210	227	202
<b>Total</b>	<b>6,034</b>	<b>7,859</b>	<b>9,018</b>	<b>8,244</b>	<b>9,009</b>	<b>9,384</b>	<b>10,378</b>	<b>11,168</b>