

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	153.75	153.75	158.75	158.75	153.75	158.75	5.00	3.25%
Personal Services	6,175,229	6,411,398	6,279,075	6,282,726	12,586,627	12,561,801	(24,826)	(0.20%)
Operating Expenses	8,858,544	10,003,181	11,688,361	12,139,828	18,861,725	23,828,189	4,966,464	26.33%
Equipment & Intangible Assets	43,528	37,269	114,028	114,028	80,797	228,056	147,259	182.26%
Debt Service	266,700	3,956,310	616,700	616,700	4,223,010	1,233,400	(2,989,610)	(70.79%)
Total Costs	\$15,344,001	\$20,408,158	\$18,698,164	\$19,153,282	\$35,752,159	\$37,851,446	\$2,099,287	5.87%
General Fund	7,507,520	7,511,729	7,978,597	7,997,520	15,019,249	15,976,117	956,868	6.37%
State Special	7,245,222	12,281,714	10,133,100	10,564,503	19,526,936	20,697,603	1,170,667	6.00%
Other	591,259	614,715	586,467	591,259	1,205,974	1,177,726	(28,248)	(2.34%)
Total Funds	\$15,344,001	\$20,408,158	\$18,698,164	\$19,153,282	\$35,752,159	\$37,851,446	\$2,099,287	5.87%

Program Description

The Motor Vehicle Division (MVD), under provision of Title 61 and Title 23, MCA, and certain federal statutes is responsible for: 1) examination and licensure of all drivers; 2) verification of identification; 3) creation and maintenance of permanent driver and motor vehicle records; 4) titling and registration of all vehicles including boats, snowmobiles, and ATVs; 5) inspection and verification of vehicle identification numbers; 6) licensure and compliance control of motor vehicle dealers and manufacturers; and 7) providing motor voter registration.

Program Highlights

Motor Vehicle Division Major Budget Highlights	
◆	The budget for the 2015 biennium is \$2.1 million or 5.9% higher than the 2013 biennium due to: <ul style="list-style-type: none"> ● Statewide present law adjustments ● Costs to purchase vehicle license plates for the rolling reissue ● Annualization of a contract for the insurance verification system that was implemented in FY 2013 ● Funding to add 5.00 FTE, including 4.00 FTE to support increased demand for commercial driver’s licenses and 1.00 FTE to support business process development associated with MERLIN

Program Narrative

The legislature applied a 2% vacancy savings adjustment to most agencies. For this agency the reduction was applied to this division and language was approved to allow the reduction to be allocated to other programs. As such, the biennium budget growth for this division is understated by roughly \$1.0 million.

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Motor Vehicle Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$15,976,117	\$0	\$0	\$15,976,117	42.2%		
State Special Total	\$20,697,603	\$0	\$0	\$20,697,603	54.7%		
02225 Mvd Inform Tech System Hb577	\$107,616	\$0	\$0	\$107,616	0.3%		
02422 Highways Special Revenue	\$11,342,753	\$0	\$0	\$11,342,753	30.0%		
02456 Insurance Verification Sb508	\$8,121,450	\$0	\$0	\$8,121,450	21.5%		
02798 Mvd It System - Hb261	\$1,125,784	\$0	\$0	\$1,125,784	3.0%		
Proprietary Total	\$1,177,726	\$0	\$0	\$1,177,726	3.1%		
06080 Mvd/state Information Portal	(\$4,792)	\$0	\$0	(\$4,792)	0.0%		
06083 Mvd Electronic Commerce	\$1,182,518	\$0	\$0	\$1,182,518	3.1%		
Total All Funds	\$37,851,446	\$0	\$0	\$37,851,446	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

General fund supports all functions of the division except debt service on loans that finance development and upgrade to Montana Enhanced Registration and Licensing Information Network (MERLIN). State special revenues collected through vehicle registration fees support payment of debt for MERLIN and the vehicle insurance verification system. Highways state special revenue from gasoline tax revenues supports most remaining functions of the division except for debt service on management systems. Proprietary funds collected from fees charged for e-government services support online web based services that may be used by the public.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	7,507,520	7,507,520	15,015,040	93.98%	15,344,001	15,344,001	30,688,002	81.07%
Statewide PL Adjustments	475,009	495,094	970,103	6.07%	624,506	657,981	1,282,487	3.39%
Other PL Adjustments	188,881	192,083	380,964	2.38%	2,734,513	3,173,851	5,908,364	15.61%
New Proposals	(192,813)	(197,177)	(389,990)	(2.44%)	(4,856)	(22,551)	(27,407)	(0.07%)
Total Budget	\$7,978,597	\$7,997,520	\$15,976,117		\$18,698,164	\$19,153,282	\$37,851,446	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					685,210					690,557
Vacancy Savings					(274,418)					(274,640)
Inflation/Deflation					10,793					27,666
Fixed Costs					202,921					214,398
Total Statewide Present Law Adjustments		\$475,009	\$149,497	\$0	\$624,506		\$495,094	\$162,887	\$0	\$657,981
DP 50 - Initial Motion to FY 2012 Base	0.00	(475,009)	(149,497)	0	(624,506)	0.00	(495,094)	(162,887)	0	(657,981)
DP 51 - Adjustment for Statewide Personal Services	0.00	282,756	128,036	0	410,792	0.00	285,606	130,311	0	415,917
DP 52 - Adjustment for Statewide Operations	0.00	194,271	22,806	0	217,077	0.00	211,514	33,927	0	245,441
DP 1202 - MVD Annualize MTIVS Contract	0.00	0	952,392	0	952,392	0.00	0	952,392	0	952,392
DP 1203 - MVD License Plate Rolling Reissue	0.00	0	1,085,000	0	1,085,000	0.00	0	1,519,000	0	1,519,000
DP 1204 - MVD Annualize Mail Renewal Contract & Office Lease	0.00	86,863	57,908	0	144,771	0.00	90,057	60,038	0	150,095
DP 1205 - MVD Base Adjustments	0.00	100,000	98,987	0	198,987	0.00	100,000	98,987	0	198,987
DP 1207 - MVD Debt Payments to BOI	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
Total Other Present Law Adjustments	0.00	\$188,881	\$2,545,632	\$0	\$2,734,513	0.00	\$192,083	\$2,981,768	\$0	\$3,173,851
Grand Total All Present Law Adjustments	0.00	\$663,890	\$2,695,129	\$0	\$3,359,019	0.00	\$687,177	\$3,144,655	\$0	\$3,831,832

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 1202 - MVD Annualize MTIVS Contract - The legislature approved state special revenue to fund costs paid to a private vendor responsible for operating the Montana Vehicle Insurance Verification System (MTIVS). Roughly 27% of the funding will go toward annualizing to a full year those basic contract costs that were incurred for only six months during the base year and support ongoing system access, utilization, maintenance, and support including batch processing and notice generation. The remaining 73% of the funding will fund costs associated with higher than anticipated volumes of system inquiries and customer service center contacts that would exceed trigger levels in the vendor contract.

DP 1203 - MVD License Plate Rolling Reissue - The legislature approved state special revenue to fund an increase in the number of vehicle license plates purchased from the Montana Correctional Enterprises License Plate Factory as a result of the rolling reissue of vehicle license plates under 61-3-332(3), MCA.

DP 1204 - MVD Annualize Mail Renewal Contract & Office Lease - The legislature approved funding for: 1) increased lease costs for twelve driver licensing offices across the state due to annual inflation clauses in the lease contracts; 2)

contracted printing and mailing costs for various renewal notices; and 3) postage increases for mailing vehicle registration renewal notices in a format that better protects personal information.

DP 1205 - MVD Base Adjustments - The legislature approved funding to: 1) replace computers, printers and servers under a 5 year replacement cycle; and 2) replace division vehicles with high mileage.

DP 1207 - MVD Debt Payments to BOI - The legislature approved state special revenue to fund debt payments associated with the Montana Enhanced Registration and Licensing Information Network (MERLIN).

New Proposals

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 54 - Additional Vacancy Savings	12	0.00	(397,535)	(171,421)	0	(573,748)*	0.00	(399,973)	(174,974)	0	(574,947)
DP 1201 - MVD Commercial Driver License Program	12	4.00	0	249,886	0	249,886	4.00	0	236,599	0	236,599
DP 1209 - MVD National Motor Vehicle Title Info System	12	0.00	33,295	0	0	33,295	0.00	33,295	0	0	33,295
DP 1210 - MVD Customer Service	12	1.00	171,427	114,284	0	285,711	1.00	169,501	113,001	0	282,502
Total	5.00	(\$192,813)	\$192,749	\$0	(\$4,856)*	5.00	(\$197,177)	\$174,626	\$0	(\$22,551)	

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 1201 - MVD Commercial Driver License Program - The legislature approved funding from the highways state special revenue account to add 4.00 FTE and associated operating costs to address workload issues for commercial driver licenses (CDL) and associated customer services to assist applicants schedule testing appointments.

DP 1209 - MVD National Motor Vehicle Title Info System - The legislature approved funding for the National Motor Vehicle Information System (NMVTIS) contract, which allows the state to verify the information on paper titles with the electronic data from the state that issued the title to help prevent fraudulent titling transactions.

DP 1210 - MVD Customer Service - The legislature approved funding for personal services and operating costs to add 1.00 FTE business development specialist to work on Motor Vehicle Division transparency, business interactions related to the Montana Enhanced Registration and Licensing information Network (MERLIN) implementation, and division electronic commerce.

Language and Statutory Authority

The legislature included the following language in HB 2:

"Motor Vehicle Division includes a reduction in general fund of \$397,535 in fiscal year 2014 and \$399,973 in fiscal year 2015, state special revenue of \$171,421 in fiscal year 2014 and \$174,974 in fiscal year 2015, and proprietary funds of \$4,792 in fiscal year 2014. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."