

Performance Evaluation Fact Sheet

DEPARTMENT OF JUSTICE, MOTOR VEHICLE DIVISION

ISSUE STATEMENT

The Judicial Branch, Law Enforcement, and Justice Joint Appropriations Subcommittee recommended that the Legislative Finance Committee monitor the Department of Justice Motor Vehicle Division (MVD) during the interim. The legislature wanted to monitor the ongoing service level of document processing within the division. This report focuses on the Title and Registration Bureau (TRB) within the division. Focus is given to the TRB because it provides services to every Montana vehicle owner as well as county governments, vehicle dealers, financial institutions, insurance companies, and law enforcement.

HISTORY AND PURPOSE OF PROGRAM OR ITEM

The Title and Registration Bureau of the Motor Vehicle Division is responsible for titling and registering all vehicles including automobiles, boats, snowmobiles, and all terrain vehicles (ATV's). Services include vehicle ownership documents, centralized title and registration record keeping, and oversight of license plate production, distribution and issuance. Services are provided in cooperation with county treasurer's offices that provide much of the face-to-face interactions with Montana citizens. County treasurers use the Montana Enhanced Registration and Licensing Information System (MERLIN) to enter customer titling and registration transactions. During the implementation of MERLIN, the division and the county treasurers experienced operating pressures that impacted document processing for Montana customers and businesses related to vehicle titling and registration. MERLIN was developed in 2009 and is now stable. However, backlogs in transaction processing continue. The TRB currently has 43.50 FTE funded in HB 2. Funding for the positions is from the state gasoline tax (40%) and the general fund (60%).

In 2011, bureau staff directly processed 581,700 transactions related to vehicle ownerships. Of these, title transactions for the following four categories comprised 508,361 transactions or 87.4%:

- Security interests - Formal, legal claim that a third party has a financial (or other) interest in the ownership of a motor vehicle. Generally, security interest takes the form of a lien
- Replacements – Investigations and transaction for issuance of a replacement title
- Bonds - Condition for issuing a Certificate of Title without standard ownership documents
- Estate – Title transfers to support property distributed to heirs as decreed in a will, by right-of-survivorship, or by a personal representative appointed by the court to dispose of the decedent's property

The bureau is 81.6% staffed by employees in grades 02 and 03. With average base salaries for grade 02 positions roughly \$9.40 per hour and grade 03 roughly \$12.10 per hour, the opportunity to move to a higher paying position when positions become vacant has a noticeable impact on the ability of the bureau to keep document processing turnaround times down.

Since the beginning of FY 2012, TRB has experienced the following personnel changes in the HB 2 funded positions:

- Four employees have retired
- Four vacant positions were filled by employees from other positions of the bureau causing four new vacant positions
- Seven positions were vacant at the beginning of FY 2012
- Four positions were vacant as of January 13, 2012
- One position was upgraded from grade 02 to grade 03
- Two positions were eliminated

- Six new employees were hired to fill vacant positions, two of which were vacated by movement of incumbents to higher paying positions in the bureau

Retirements and vacancies of positions in the division, when filled by existing employees, result in additional hiring efforts to replace the employees moving to the currently vacant positions. In addition training for both the existing and new employee in their new assignments leads to lower production output.

The chart in Appendix A illustrates the relationship between vacancies and processing turnaround times for the four vehicle title transactions mentioned above. It should be noted that the low July 2011 turnaround times were influenced by an effort in June to use overtime to reduce backlogs. The chart shows that after reducing backlogs in June the turnaround times began to gradually increase following four pay periods of vacancies over 20%. Vacancy rates are shown on the left axis and represented by the dashed line. The four types of title turnaround times are on the right axis. In September after the vacancy rate dropped below 20% the rate of rise in turnaround times began to slow. In December, after a month lag following the gradual filling of vacant positions that began in November, the title turnaround times peaked and are beginning to be reduced.

MEASURES FOR DETERMINING EFFECTIVENESS

The legislature can determine the outcome and effectiveness of the service level provided by the Title and Registration Bureau by measuring how quickly a title can be processed. Documents processed by the bureau are monitored from the time they are received by the bureau to completion to determine the time it takes to turn around documents of each separate type of transaction.

CURRENT STATUS

As of January 13, 2012, turnaround times are:

- Security interests – 23 days
- Replacements – 3 days
- Bonds – 74 days
- Estate -53 days

Appendix A shows the turnaround trends since the beginning of FY 2012.

POTENTIAL OPTIONS OR DECISION POINTS

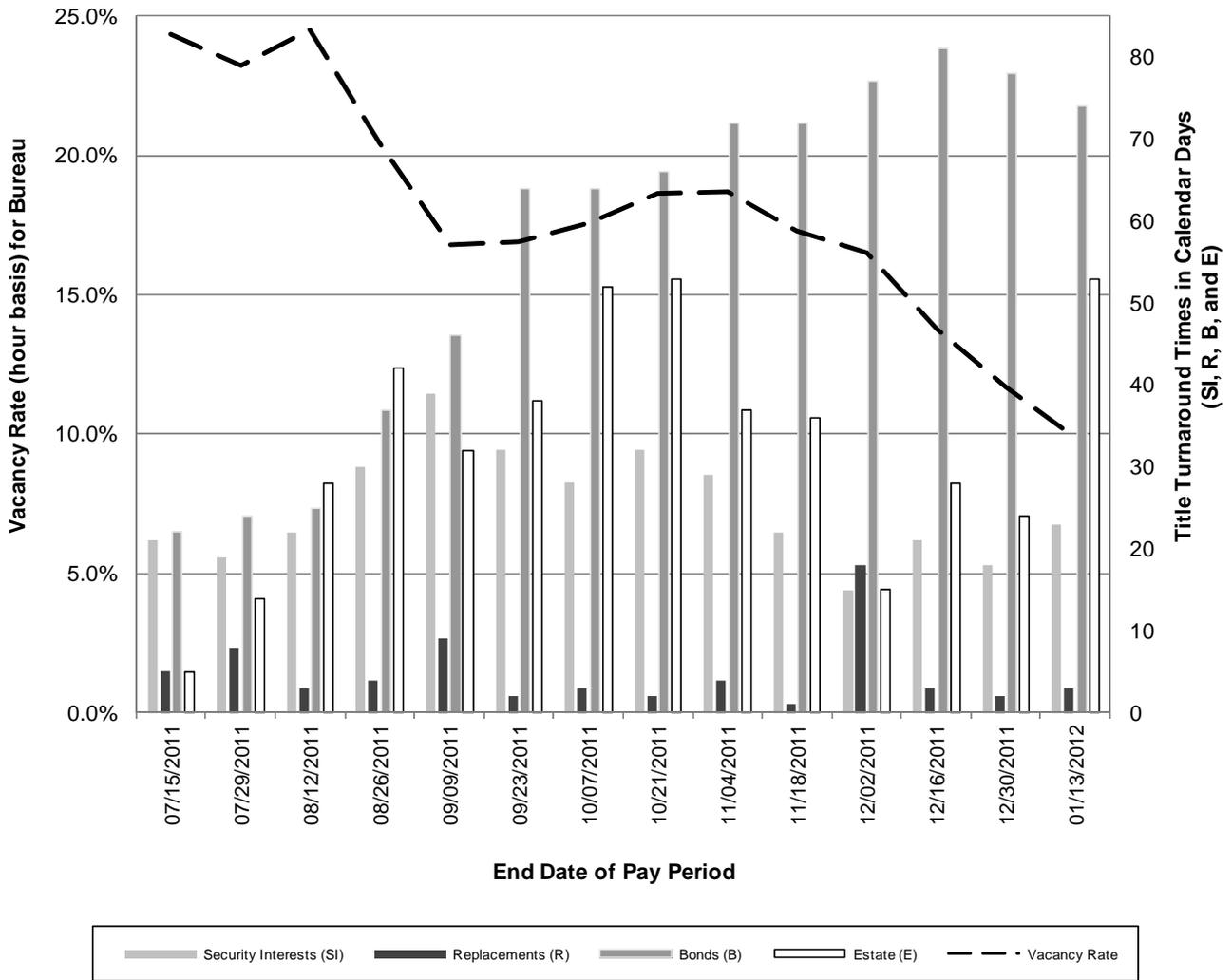
The legislature could request the department:

- Refine a baseline of measurement
- Conduct a cost and service level analysis of the business processes
- Present the results of the cost and service level analysis along with options for addressing issues raised in the analysis to a later meeting of the committee or to the joint appropriations subcommittee

APPENDIX A

**TITLE AND REGISTRATION BUREAU
TITLE TURNAROUND TIMES VERSE VACANCY RATES**

Title and Registration Bureau Title Turnaround Times verse Vacancy Rates



Source: Motor Vehicle Division provided backlog information
 State Budgeting and Human Resources report MTHR2005 for pay period hour information