

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82



**Fiscal Year FY 2024-2025**  
**Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS</b> <i>(FORM B1)</i>	<b>For FY 2024-2025, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
<b>NON-RECURRING REQUESTS</b> <i>(FORM B2)</i>	<b>For FY 2024-2025, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.
<b>CAPITAL REQUESTS</b> <i>(FORM C)</i>	<b>For FY 2024-2025, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
<b>PROVISOS</b> <i>(FORM D)</i>	<b>For FY 2024-2025, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Jeremy Allison	(803) 896-9891	Jeremy.Allison@scdmv.net
<b>SECONDARY CONTACT:</b>	Krissi Wicker	(803) 896-3844	Kristin.Wicker@scdmv.net

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b>	<u>Agency Director</u>	<u>Board or Commission Chair</u>
<b>TYPE/PRINT NAME:</b>		

*This form must be signed by the agency head – not a delegate.*

Agency Name:	Department Of Motor Vehicles
Agency Code:	R400
Section:	82

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	SCDMV IT System Modernization	8,000,000	0	0	0	8,000,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	FY 2025 Functional Capability & Workforce Flexibility	984,530	0	0	0	984,530	34.00	0.00	0.00	0.00	34.00
TOTALS			8,984,530	0	0	0	8,984,530	34.00	0.00	0.00	0.00	34.00

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>SCDMV IT System Modernization</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$8,000,000</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$8,000,000</b></p> <p><i>What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>
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<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/> IT Technology/Security related
<input checked="" type="checkbox"/> Consulted DTO during development	
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input checked="" type="checkbox"/> Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Strategy 1.1 is to "deliver an excellent customer service experience while upholding the existing laws that govern agency operations." While this is the specific strategy this request supports and advances, there are several others impacted by a modernized customer record system that will streamline customer delivery options and processes for customers and businesses. The DMV anticipates a modernized system could offer customer accounts, more payment opportunities, and built-in financial reconciliation.</p> <p>A modernized system will reduce operating costs by automating numerous processes that are currently performed manually and could include a reduction in mailing costs for the agency. It also sets the conditions for the agency to implement electronic versions of DMV-issued products, providing increased security of customer information.</p> <p>Depending on the type of system procured, there are additional opportunities to link the DMV's system to other state agencies and create a single agency as the point-of-entry to other state agencies, meaning citizens would not have to re-validate information already provided to the primary system of record (the DMV in this case).</p> <p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
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<b>RECIPIENTS OF FUNDS</b>	<p>The Department of Motor Vehicles would receive this appropriation to fund the implementation of the selected replacement system.</p> <p><i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated—using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i></p>
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<b>JUSTIFICATION</b>	<p>The DMV's current IT system, Phoenix, went "live" in 2002 and has endured more than 11,000 modifications since its introduction. The current system is insufficient in performing the functions required of today's motor vehicle administration agency and does not adequately and efficiently support citizens with their DMV related services or products. It lacks core functionality, which necessitates integration with numerous external platforms at additional cost and complicating change management test processes when system changes are required. Further, Phoenix is built on an antiquated COBOL programming language platform, which complicates the interface with</p>
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## JUSTIFICATION OF REQUEST

applications written in more modern and technologically advanced coding languages. This results in the DMV not maximizing the utility of applications to their fullest by operating a less than optimal core system. Additionally, the agency is finding it increasingly difficult to maintain COBOL qualified programmers to maintain Phoenix as most COBOL programmers have reached retirement age and younger programmers focus on learning modern computer languages, not COBOL.

Implementing a new DMV IT system would provide immense value for the DMV, the State of South Carolina and its citizens by revolutionizing the way the agency delivers services and products to its customers – which represent more than 85% of the state's residents. A future modernized DMV system would provide customer-based accounts that would allow citizens to perform DMV transactions in a manner similar to how they handle their banking transactions today. Customer convenience would be greatly improved with customers performing many transactions via mobile technology platforms at a time and place of their choosing, eliminating the need for physical trips or calls to a DMV branch office.

Additionally, training for DMV employees would be simplified. Employees would spend less time learning how to master job requirements with an intuitive system, resulting in more knowledgeable employees supporting customers in a more efficient and accurate manner. The need for customers to make repeat trips or calls to the DMV would be largely eliminated, saving customers from taking time off from work to visit a DMV branch office during business hours.

The agency's ability to perform change management functions as a result of statutory or regulatory changes would also greatly improve with implementation of a new, modernized system. Implementing changes to existing laws or integrating new laws currently can take 9-12 months to fully implement. With a modern, agile system, that implementation time could be reduced to a mere three months or less in most instances.

Another benefit of implementing a modernized IT system is the greater analytical and reporting capability provided by a state-of-the-art motor vehicle administration system. The DMV, as well as numerous partner state agencies, such as the State Election Commission and innumerable law enforcement agencies would be able to more easily obtain timely and accurate information to support their operations and decision-making.

A new, modernized IT system would provide a significant upgrade to the agency's overall financial management processes, expediting receipt, reconciliation, and distribution of funds to other state agencies and vendors. The current system lacks the ability to link into the state's financial reconciliation system, requiring manual entries that are both time consuming and more error prone. A modern system would integrate financial management functions which would provide faster reconciliation and distribution times for DMV funds processing, as well as offer substantially better payment convenience to customers. This could potentially eliminate cash and check payments rendered to the DMV, which would greatly enhance agency and state accounting processes.

The agency estimates the current Phoenix system may become untenable in the near future with the risk of a partial or total system failure increasing each year. As the current system lacks redundant capability in the form of a Disaster Recovery system, a collapse of the current system would render the DMV unable to carry out its charter of administering the state's motor vehicle laws. Specifically, the agency would not be able to issue driving or identity documents, such as driver licenses and identification cards, would not be able to provide motor vehicle titles or registration documents for personal or commercial motor vehicles, nor would be able to collect, reconcile and distribute the more than three-quarters of a billion dollars of revenue received by the agency on an annual basis. Those revenues are essential to sustain the operations of the SC Department of Transportation, State Transportation and Infrastructure Bank, and State Treasurer's Office, among others.

The loss of the DMV's IT system would also result in grave impact to numerous other state agencies and functions. Notably, law enforcement agencies in South Carolina, as well as throughout the United States, would lose access to essential information regarding drivers and motor vehicles, greatly impeding their ability to enforce motor vehicle laws, including verifying a driver's license and insurance status. The State Election Commission would be denied a valuable source for registering voters, as well as lose the critical ability to update voter address information in voter registration databases, both of which would negatively impact citizens' ability to vote in South Carolina. Finally, without an operational IT system, the DMV would be unable to fulfill its interstate commercial motor vehicle requirements, putting the state at risk of losing important Federal Highway funds and denying the state important revenue from participation in the International Fuel Tax Agreement (IFTA) program.

The DMV's market research indicates a modernization solution, including implementation of a new modernized IT system, as well as contracted program management of an industry expert to help ensure success of the initiative, will cost \$78 million and require 5 years to complete (\$8 million for program management and \$70 million to acquire, develop, and implement a new IT system). In the FY24 General Appropriations Act, the Legislature appropriated a non-recurring \$20 million to the DMV for IT Modernization. The agency then directed \$18 million of internal agency funds from its carryforward balances and operating appropriations to the special restricted program for IT Modernization. The agency now needs \$40 million for full funding. A recurring appropriation to the DMV of \$8 million beginning in FY25 would provide the agency the remaining \$40 million required over the five years of the project timeline and allow the agency to fulfill milestone payments throughout the modernization process.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	Department Of Motor Vehicles		
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## FORM B1 – RECURRING OPERATING REQUEST

<b>AGENCY PRIORITY</b>	<b>2</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>FY 2025 Functional Capability &amp; Workforce Flexibility</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$984,530</b> <b>Federal: \$0</b> <b>Other: \$0</b> <b>Total: \$984,530</b>
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*What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>34.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Strategy 4.2 is to "continue to request funding for employee salary increases commensurate with performance, duties, and experience."</p> <p>While this budget request fills functional capability gaps the agency currently experiences versus providing increases to existing employees, the reality is that personnel within existing business units of the agency are taking on these responsibilities without receiving additional compensation. The employees who are taking on these responsibilities have expertise in differing areas, meaning they're forced to divide their attention between functions that are equally important without devoting the complete time and attention which all functions deserve.</p> <p>The use of these funds would be evaluated via the normal Employee Performance Management System.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>SCDMV FTEs: The funds would be allocated once individuals are hired into the positions articulated in this request.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

	<p>The SCDMV has four strategic priorities, which include improving customer service and the continuous improvement of agency processes and systems through innovation and modernization. To support these priorities, the agency is requesting 34 positions added to its workforce at a recurring cost of \$984,529.71 to provide the following capabilities:</p> <ul style="list-style-type: none"> <li>• 12 authorizations with funding of \$647,394.48 for Commercial Driver License (CDL) Examiner positions. Between now and June 25 the agency will transition its CDL skills test to a new modernized FMCSA version. As part of the transition the agency is expanding the number of offices that offer the CDL skills test from 9 to 18. This doubling of CDL skills test locations will provide substantially more convenience to commercial truck drivers throughout the state.</li> <li>• 6 authorizations with funding of \$337,135.23 to establish SCDMV Mobile Service Teams that will provide select DMV services daily at locations</li> </ul>
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around the state. These mobile teams will support community and organizational events offering customers the convenience of achieving their DMV transaction without the need to visit a SCDMV branch office.

State Title	State Class	Internal Position Title	QTY	Salary	Total Salary	w/ 47% Fringe	Operating Cost
<b>CDL Examiners</b>							
License Examiner II	JA92	CDL Examiner	12	\$36,082	\$432,984	\$636,486.48	\$10,908
<b>SCDMV Mobile Services Team</b>							
Program Coordinator I	AH35	Mobile Services Team Lead	1	\$50,409	\$50,409	\$74,101.23	\$1,533
Administrative Specialist II	AA50	Mobile Services Team Member	5	\$34,960	\$174,800	\$256,956	\$4,545
<b>Totals</b>			<b>18</b>		<b>\$658,193</b>	<b>\$967,543.71</b>	<b>\$16,986</b>
<b>Grand Total</b>							<b>\$984,529.71</b>

- 16 authorizations with no appropriated funding for the agency to address needed capabilities related to FOIA and Budget Management, as well as to provide the agency flexibility during its IT System Modernization journey, which will require SCDMV to maintain the system currently in operation while dedicating substantial manpower to supporting the development of a future system. The SCDMV will fund any position used with internal salary funding.
  - The agency has seen a consistent increase in FOIA requests submitted to the agency over the past 18 months. Currently, the agency's Public Information Coordinator coordinates agency response to these inquiries as one of the position's six main duties. The agency requires a dedicated FOIA Officer, similar to the position resident in numerous other state agencies, to ensure the SCDMV fulfills its responsibility to be a transparent government agency by providing timely and accurate responses to FOIA requests. The position will work closely with the agency's General Counsel and all business units to coordinate appropriate responses. The position requires in-depth knowledge of Federal and State Acts, such as the Driver's Privacy Protection Act (DPPA) and the Freedom of Information Act (FOIA), as well as possess sufficient understanding of the agency's information system and database to be able to obtain reports and information to answer FOIA requests.
  - Since the SCDMV became an appropriated agency in FY2017, the agency's recurring funding has increased more than 30% from \$85 million to more than \$100 million, and the number of directorate-level business areas has increased from five to eight. The agency has not increased the size of its budget management workforce despite the agency growth, and as a result, SCDMV budget analysts are responsible for managing over \$3 million more in state appropriations than their counterparts in other like agencies (DOR and DPS, for instance).
  - The SCDMV is embarking on a multi-year project to modernize its IT ecosystem, which includes the operating system, database, and business processes. Throughout the multi-year modernization effort, the agency will maintain operation of its current IT system, Phoenix, while simultaneously developing, testing, and validating business processes in the future system. The development of the new system will require dedicated SCDMV employees, which in turn reduces agency capability to sustain the current system. Having a number of positions available for agency use during the IT modernization journey is critical to provide SCDMV with the flexibility to add additional, intermediate-term capability to sustain the current system and to ensure appropriate resources are dedicated to fully developing the future system. Once steady state of the new system is achieved, the agency expects to repurpose positions throughout the agency and potentially reduce some positions via attrition if they are no longer required.

**JUSTIFICATION OF REQUEST**

<b>Recurring Annual IT/Operating Cost Per Employee (18 Total Employees Added)</b>		
	Standard	Supervisor
Computer & End User Accessories (\$1,746 replaced every five years)	\$349	\$349
Recurring Printing Costs	\$60	\$60
Cell Phone Services	-	\$624
Office Equipment/Supplies	\$67	\$67
Software Standard Requirements	\$296	\$296
Desk Phone Services	\$137	\$137
<b>Total Per Employee</b>	<b>\$909 annually</b>	<b>\$1,533 annually</b>
<b>Total # of Employees</b>	<b>17</b>	<b>1</b>
<b>Totals</b>	<b>\$15,453</b>	<b>\$1,533</b>
<b>Grand Total</b>	<b>\$16,986</b>	

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	82.10
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	Retention of Traceable Temporary License Plates Revenue
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	N/A
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	
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*Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.*

<b>REQUESTED ACTION</b>	Delete
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	N/A
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>This language was codified in Act #51 of 2023 and is no longer needed as part of the General Appropriations Act.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	N/A
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

~~For the current fiscal year, the department shall be authorized to retain five dollars from the sale of traceable temporary license plates as found in Section 56-3-210 of the 1976 Code. The funds shall be placed in the department's Plate Replacement Fund and used solely for the purposes of plate production and reissuance costs.~~

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*



Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM D – PROVISIO REVISION REQUEST**

<b>NUMBER</b>	82.14
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	Biennial Plates Commerical Motor Vehicles
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	N/A
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	
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*Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.*

<b>REQUESTED ACTION</b>	Delete
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	N/A
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Because all provisions of Act #37 of 2021 will be enacted on July 1, 2024, there is no need for this proviso in the FY25 General Appropriations Act.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	N/A
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

~~The department may issue biennial plates to large commercial motor vehicles until all provisions of Act #37 of 2021 are enacted.~~

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Motor Vehicles		
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## **FORM D – PROVISIO REVISION REQUEST**

<b>NUMBER</b>	82.6
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	Fund Balance Carry Forward
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	N/A
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	
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*Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.*

<b>REQUESTED ACTION</b>	Amend
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	N/A
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Because the implementation of REAL ID is now at a steady state and the provisions of Act #37 of 2021 will be fully implemented and operationalized as of July 1, 2024, specific call outs to these programs are no longer needed. Further, the DMV's carryforward balance is now less than ten percent of the agency's general fund budget after the agency moved \$18 million to its system modernization special program in August 2023, thus decrementing the amount the General Assembly would need to appropriate for the modernization effort in FY25.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	N/A
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Department of Motor Vehicles may carry forward any unexpended general fund balance or other funds ~~not designated for REAL ID and/or non-recurring expense in Act 37 of 2021~~ from the prior fiscal year and expend those funds in the current fiscal year for expenditures as needed.

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	82.7
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	REAL ID
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	N/A
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	
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*Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.*

<b>REQUESTED ACTION</b>	Delete
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	N/A
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>In early calendar year 2023, the enforcement date of the Federal REAL ID Act was moved from May 2023 to May 2025. This proviso is no longer needed because the implementation of REAL ID in the State of South Carolina is now in a steady state and requires no specific call out on how to implement its provisions. Further, Proviso 82.6 allows the DMV to expend general funds or other funds on expenditures.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	N/A
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

~~For Fiscal Year 2023—2024, the Department of Motor Vehicles may expend any available earmarked cash reserves on the implementation of REAL ID.~~

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	\$3,367,315
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	None.
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	Administration, Customer Service Centers, Driver Services, Vehicle Services, Office of Inspector General, Facial Recognition, Technology and Program Development, Motor Carrier Services.
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>DMV is a customer service-oriented agency. About 70% of our general fund appropriations are personnel and fringes. As a result, DMV has limited options to reduce cost without reducing personnel.</p> <p>If mandated to take a 3% General Fund Reduction, DMV would postpone IT equipment refresh in the amount of \$800,000. Although unsustainable for multiple years, this would prevent a significant impact on customer services in the current year.</p> <p>DMV would eliminate temporary employees in the amount of \$1,824,815. The temporary employee reduction would negatively impact customer service by increasing wait times and possibly result in long lines at DMV Field Offices around the State.</p> <p>Finally, DMV would reduce contract employees in the amount of \$742,500. This cut could be detrimental to our services since the agency relies on contract employees for programming revisions to our Phoenix system.</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

	DMV established a "Third Party Testing" program with driving schools. Authorized driving schools can now administer driving skills tests that previously required DMV License Examiners to perform. During the previous year, Third Party Testers (driving schools) administered 5,099 commercial vehicle (CDL) driving skills tests (2.5 hours per test) and 36,489 class D (automobile) driving skills tests (35 minutes per
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**AGENCY COST  
SAVINGS PLANS**

test). Combined, Third Party Testers administered a total of 34,033 man-hours of driving skills tests. This equates to 16 License Examiners that DMV was able to avoid hiring with a cost savings of \$718,500 for salaries and employer contributions.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*



Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	Legislative Accomplishments and Upcoming Priorities
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	Citizens won't have to interact with the DMV to ensure their paperwork from dealers is correctly actioned by the dealer. More citizens can participate in a payment plan to "finance" their reinstatement fees.
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*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Repeal or revision of regulations.
	<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.
	<input checked="" type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/>	Other

<b>METHOD OF CALCULATION</b>	Legislative changes: Act #51 of 2023 - DMV proactively moving carryforward money, essentially matching what the General Assembly provided, for system modernization.
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	<p>The agency actively explores ways to decrease its reliance on the General Assembly to fund agency projects while ensuring that systems and processes remain as modernized as possible. For example, the DMV is poised to move \$18m of its carryforward into the special funded program for system modernization that the General Assembly appropriated \$20m to in FY24. This reduces the necessary amount the agency must request from the General Fund to fund a new computer system (see FY25 priority #1 budget request). This move will occur once the Executive Budget Office creates the special funded program for the \$20m funds.</p> <p>Further, the General Assembly created a new revenue stream for the DMV in Act #51 of 2023. Beginning in November 2024, the DMV will begin retaining \$2.50 of \$10 from residents who purchase vehicles from dealers in the state. The customer is paying for the quality assurance – the assurance that their paperwork processed at a dealer is correct before coming to the DMV, thus negating the need to interact with the DMV. The \$2.50 will be used for technology modernization – separate and distinct from the system modernization mentioned above – in the future. If the DMV can better fund modernization efforts without being subject to the traditional budget cycle, internal projects could be more easily aligned and action understanding that there is a (relatively) predictable revenue stream that is not subject to the timing of the state fiscal years.</p> <p>In the same Act, more customers will be able to "finance" their driver's license reinstatement fees – thus allowing them to legally operate a vehicle to/from work, for example, while earning money to pay said reinstatement fees. Current law requires that a person owe a minimum of \$300 to participate in the payment program, but in May 2024, this becomes \$200. Further, currently, a person may participate or pay back their fees over a six-month period, while in 2024, this becomes a 12-month period.</p>
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

<b>REDUCTION OF REGULATION</b>	<p>While the DMV reduced its number of regulations in 2021 and 2022, the agency will be increasing its regulations in 2024. However, the long-term goal of the Department is to ultimately decrease its regulations all together by codifying necessary rules.</p> <p>After a recent regulatory review with the Department of Public Safety, both agencies realized that there were existing DMV-related regulations in Chapter 38 that were applicable to the DMV and needed to be moved to Chapter 90. These regulations were not moved when the DMV became a standalone cabinet agency in 2003.</p>
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>SUMMARY</b>	<p>The DMV actively looks for ways to be fiscal stewards of the state's dollars. If the agency hadn't moved its carryforward money into the special funded program for system modernization, the agency would be approaching the General Assembly with a \$12m+ request for system modernization in FY25. If the General Assembly hadn't created the new revenue stream in Act #51 of 2023, the DMV would not be able to eventually modernize many other processes with the goal of negating the need for a customer to come to a brick-and-mortar DMV. While that is a way away, the DMV is confident that with the correct technology and processes in place, it's an attainable reality for people in South Carolina.</p> <p>The DMV looks forward to assisting residents with payment plan licenses being a legal way to drive to and from work. It is a challenging cycle for our residents if their driver's license is suspended and they owe reinstatement fees, yet they can't legally operate a vehicle to get to and from work to earn a living and take care of their family. Further amendments in Act #51 of 2023 solves some of these challenges and allows impacted people a legal way to earn a living and pay their reinstatement fees in a predictable time.</p> <p>Finally, While the number of DMV regulations will grow in the short term to account for the transition from Chapter 38 to Chapter 90, the DMV sees no substantive amendments within those amendments to impact entities governed by them.</p>
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*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*