



RI Office of Management and Budget

Performance Report

RI Department of Revenue – Divisions of Lottery and Motor Vehicles

May 31, 2013

Division of Motor Vehicles

The Division of Motor Vehicles (DMV) is responsible for administering and enforcing all laws regarding the operation and registration of motor vehicles. In Fiscal Year 2013, it has 170.0 approved full-time equivalent (FTE) employees working in six branches – Cranston, Middletown, Wakefield, Warren, Westerly, and Woonsocket – and the Safety and Emissions Office in Providence. DMV’s expenditures in FY 2013 are funded mostly by general revenue (90.5 percent), with federal funds, restricted receipts and operating transfers accounting for 9.5 percent. DMV’s largest category of expenditure is personnel (68.8 percent) followed by operating expenses (23.1 percent) and capital purchases (7.9 percent). The tables below illustrate the DMV’s funding sources and categories of expenditures in FY 2013.¹

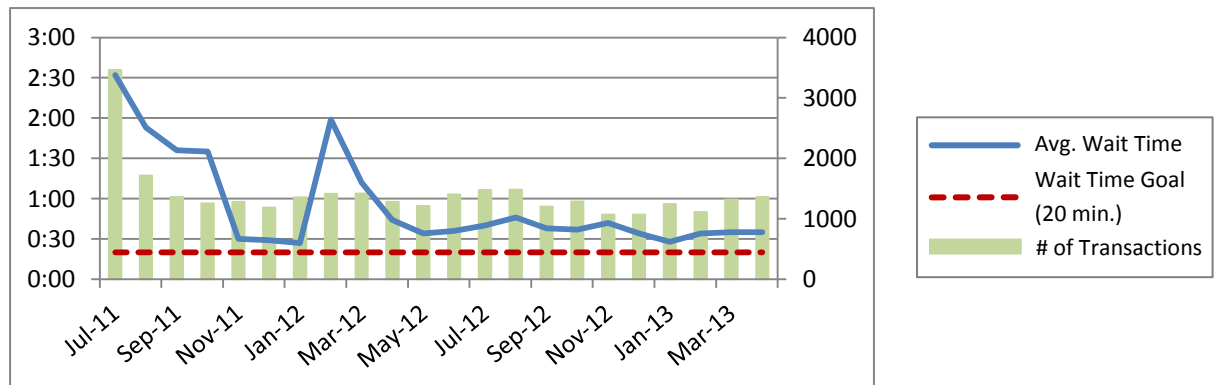
DMV Expenditures by Source, FY 2013		
General Revenue	\$ 18,182,166	90.5%
Federal Funds	1,635,421	8.1%
Restricted Receipts	14,763	0.1%
Operating Transfers	265,114	1.3%
Total	\$ 20,097,464	100.0%

DMV Expenditures by Category, FY 2013		
Personnel	\$ 13,823,214	68.8%
Operating Supplies & Expenses	4,634,786	23.1%
Assistance & Grants	3,650	0.0%
Capital Purchases & Equipment	1,578,814	7.9%
Operating Transfers	57,000	0.3%
Total	\$ 20,097,464	100.0%

WAIT TIME – LICENSE

The Division of Motor Vehicles (DMV) tracks transaction wait times to examine operational efficiency.² DMV uses the indicators to recommend process adjustments to improve customer experience. License transactions include new driver’s licenses, identification cards, and out-of-state transfers.

Figure A: Number of License Transactions and Average Wait Time (hr:min)



Key Points:

- The wait times for licenses in February and March 2012 (1 hour 59 minutes and 1 hour 12 minutes, respectively) resulted from high registration volume during those months (see Wait Time – Registration on the next page). DMV addressed the problem in 2013, when the average wait time for licenses was 34 minutes in February and 35 minutes in March.
- The average wait time for licenses was 35 minutes in April 2013, down from 44 minutes in April 2012.

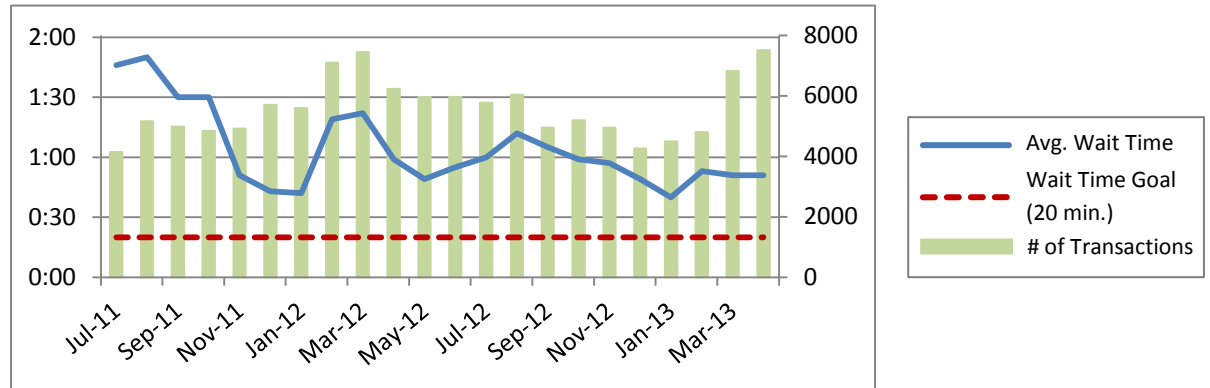
¹ Revenue and expenditure amounts are based on Governor Chafee’s FY 2013 revised budget request, submitted January 16, 2013. Additional DMV budget information available at http://www.budget.ri.gov/Documents/CurrentFY/BudgetVolume1/4_Department%20of%20Revenue.pdf

² Wait times in this report reflect only the transactions in DMV’s Cranston headquarters. Additional branch data are expected later in 2013.

WAIT TIME – REGISTRATION

Registration transactions include new and transfer registration, re-registration, and surviving spouse vehicle registration.

Figure B: Number of Vehicle Registration Transactions and Average Wait Time (hr:min)



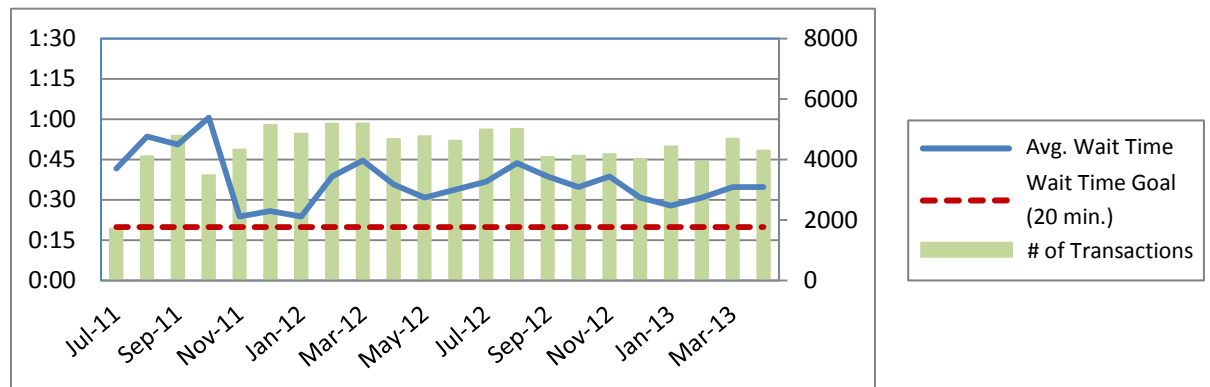
Key Points:

- February and March are high-volume months because March is the annual deadline for commercial vehicle registrations. Despite the high volumes, DMV was able to maintain an average wait time of 51 minutes in March 2013, down from 1 hour 22 minutes in March 2012.
- The average wait time in April 2013 was 51 minutes, down from 59 minutes in April 2012.

WAIT TIME – EXPRESS LICENSE

Express License transactions include license and identification card renewals, license duplications, and changes of address.

Figure C: Number of Express License Transactions and Average Wait Time (hr:min)



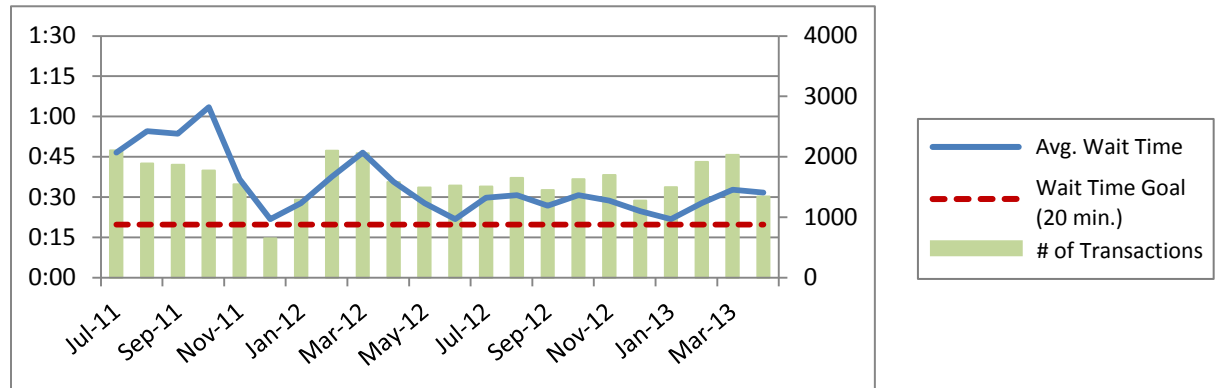
Key Points:

- The average wait time for Express License transactions was 35 minutes in April 2013, down slightly from 36 minutes in April 2012.

WAIT TIME – EXPRESS REGISTRATION

Express Registration transactions include registration updates, duplicate registrations, and vehicle color change registrations (when a vehicle is painted).

Figure D: Number of Express Registration Transactions and Average Wait Time (hr:min)



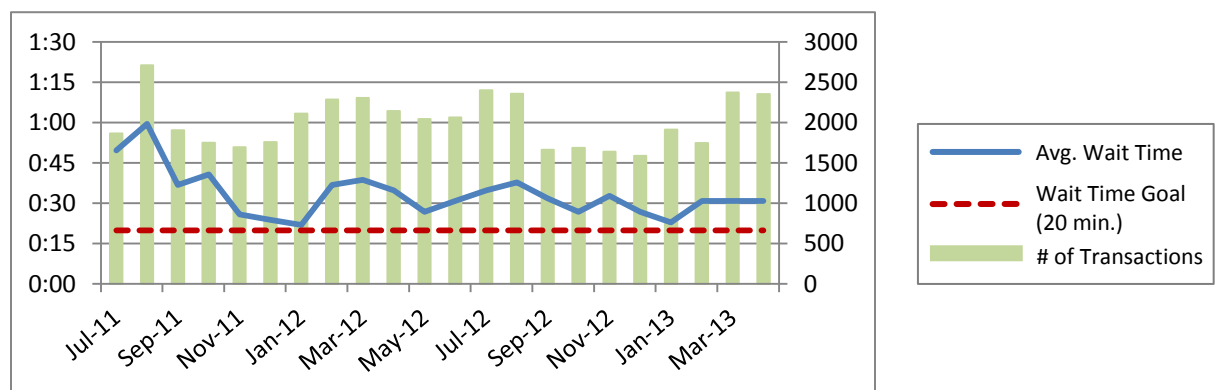
Key Points:

- The average wait time for Express Registration transactions was 32 minutes in April 2013, down from 36 minutes in April 2012.

WAIT TIME - PERMITS

A driver's permit can be issued to any RI resident who is between 16 and 18 years of age, and who has completed the 33 1/2 hour driver education course certified by the Community College of Rhode Island (or another approved course). Permit transactions include scheduled road tests and issuance of license exam permits.

Figure E: Number of Permit Transactions and Average Wait Time (hr:min)



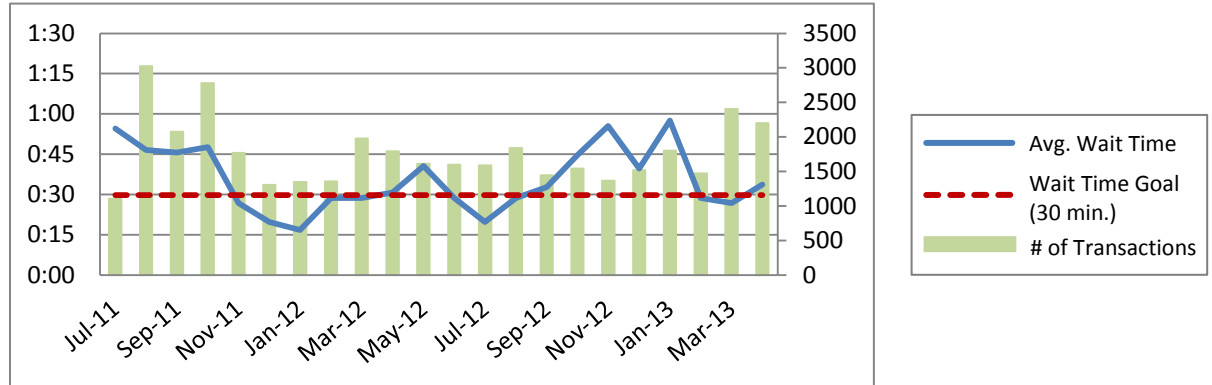
Key Points:

- The average wait time for Permit transactions was 31 minutes in April 2013, down from 35 minutes in March 2012.

WAIT TIME – COMMERCIAL DRIVER'S LICENSE

Commercial Driver's License (CDL) transactions include the issuance of new and renewal commercial driver's licenses.

Figure F: Number of CDL Transactions and Average Wait Time (hr:min)



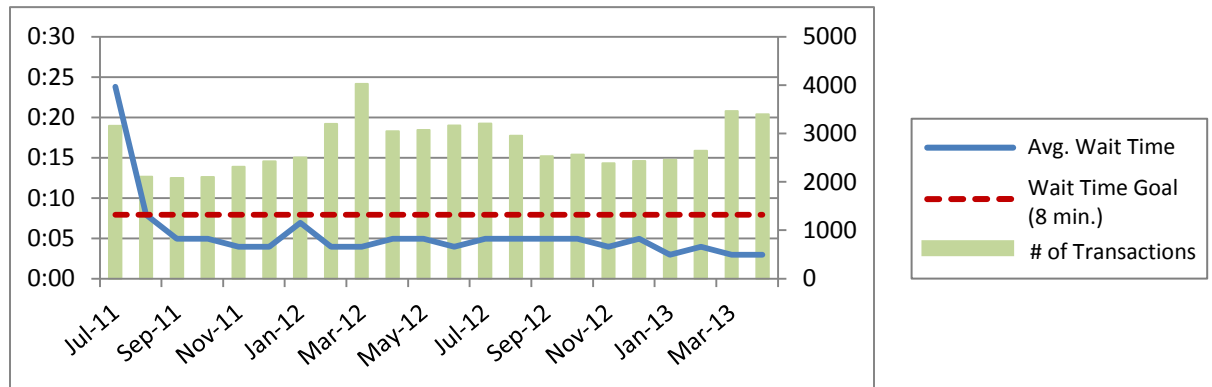
Key Points:

- In February and March 2013, CDL wait times were 29 minutes and 27 minutes, respectively, achieving DMV's target wait time of less than 30 minutes. The CDL wait time in April 2013 climbed to 34 minutes.

BLUE RETURN TICKETS

Customers who wait in line but are unable to complete their transaction at the time of service are given a return ticket, known as a "Blue Ticket." The DMV is working to reduce the number of Blue Tickets distributed by better communicating what documentation customers need to complete their transaction.

Figure G: Number of Blue Ticket Transactions and Average Wait Time (hr:min)



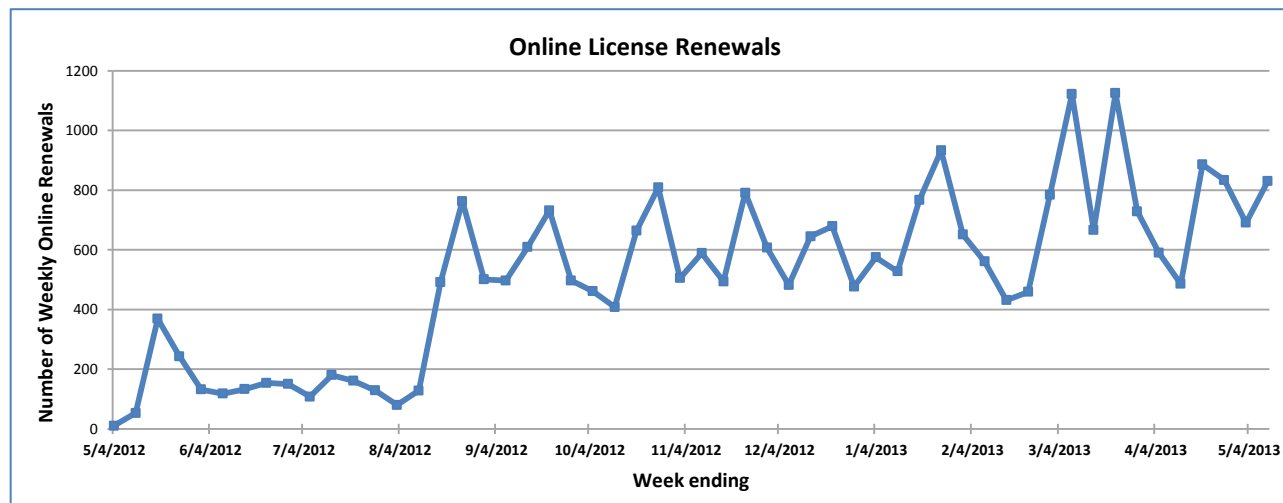
Key Points:

- DMV's Cranston Branch operates a check-in desk that directs customers into the appropriate transaction line and provides information as to what documentation will be needed to complete their transaction. Improvements to the screening process will reduce the need for Blue Tickets.
- Approximately 15.5 percent of each week's total transactions are Blue Return tickets.

PERFORMANCE HIGHLIGHT

DMV Website and Online Transactions

Over the last two years, the Division of Motor Vehicles (DMV) has worked to reduce customer wait times at its branches. Because wait times are greatly influenced by the number of daily transactions processed in a branch, DMV has expanded the transactions that are available online, thereby reducing the need to wait in line for basic transactions. In May 2012, Governor Lincoln Chafee announced that Rhode Islanders could renew their driver's licenses online. As seen in the chart below, Rhode Islanders have increasingly taken advantage of the new service; in the last year, DMV processed 26,668 online license renewals.



Online renewals appear to have reduced traffic at the branches. The table to the right illustrates the number of License Express (renewal) transactions at the Cranston branch in Fiscal Years 2012 and 2013.³ The decline in branch traffic corresponds with the increased use of online license renewals starting in September of FY 2013, as seen above. Overall, between January and March 2013, the Cranston branch processed 13,036 License Express (renewal) transactions. This number represents a 14.4 percent reduction from the 15,226 License Express transactions processed in January to March period of 2012.

License Express Transactions (Cranston)			
Month	FY 2012	FY 2013	Difference
July	1,714	4,989	3,275
August	4,099	5,015	916
September	4,779	4,084	(695)
October	3,475	4,127	652
November	4,328	4,180	(148)
December	5,134	4,010	(1,124)
January	4,857	4,431	(426)
February	5,177	3,918	(1,259)
March	5,192	4,687	(505)
April	4,674	4,297	(377)
May	4,764		
June	4,616		
Jan-March	15,226	13,036	(2,190)

In addition to providing online license renewals, DMV upgraded its website (<http://www.dmv.ri.gov/>) in March 2013 to be more customer-friendly and improve access to online services. Customers may perform at least nine common transactions online, as well as obtain forms and information needed to complete transactions at branches. Future services will allow customers to check wait times by branch, as well as to see whether they have any potential issues with renewing a license or registration before traveling to a DMV branch.

³ The state's Fiscal Year runs from July 1 to June 30; FY 2012 began July 1, 2011 and ended June 30, 2012. Online license renewals began in May FY2012.

Division of Lottery

The Division of Lottery is responsible for administering lottery games and aims to maximize state revenue. In addition to selling tickets, Lottery operates video lottery terminals (VLTs) at the Twin River and Newport Grand facilities and will oversee casino table games at Twin River starting in July 2013. In FY 2013, Lottery has 84.7 full-time equivalent (FTE) employees, 31.0 of which are associated with the division's new casino gaming responsibilities. Nearly all of Lottery's expenditures in FY 2013 are funded from lottery ticket sales and VLT proceeds (99.8 percent). Lottery's largest category of expenditure is operating supplies and expenses (96.7 percent), including prize payments. The tables below illustrate Lottery's funding sources and categories of expenditures in FY 2013.⁴

Lottery Expenditures by Source, FY 2013		
General Revenue	\$ -	0.0%
Federal Funds	-	0.0%
Operating Transfers	400,000	0.2%
Other Funds (Sales)	237,790,597	99.8%
Total	\$ 238,190,597	100.0%

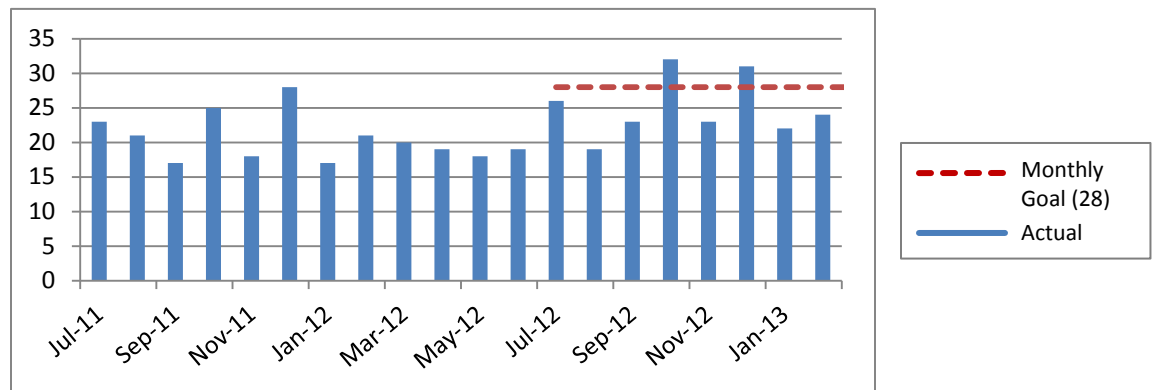
Lottery Expenditures by Category, FY 2013		
Personnel	\$ 6,586,848	2.8%
Operating Supplies & Expenses	230,401,369	96.7%
Capital Purchases & Equipment	547,677	0.2%
Operating Transfers	654,703	0.3%
Total	\$ 238,190,597	100.0%

The tables above illustrate only funds necessary for Lottery's operations. In addition to covering Lottery's own operational costs, Lottery revenues will contribute \$380.2 million to the state in Fiscal Year 2013 – Rhode Island's third largest source of general revenue.⁵

RETAILER NON-SUFFICIENT FUNDS

The Division of Lottery conducts weekly Electronic Funds Transfers (EFTs) to collect sales revenues owed to the state by vendors. The figures below represent the number of EFTs that result in Non-Sufficient Funds (NSF).

Figure H: Number of Electronic Funds Transfers Resulting in Non-Sufficient Funds



Key Points:

- Lottery seeks to minimize the number of NSF transactions to ensure that the state receives all funds it is owed from vendors.
- A retailer will receive a warning upon the first NSF occurrence, a \$50 penalty upon the second, and a \$250 penalty for each subsequent occurrence. Additional NSF transactions may result in the loss of a vendor's license to sell Lottery products and/or criminal charges.

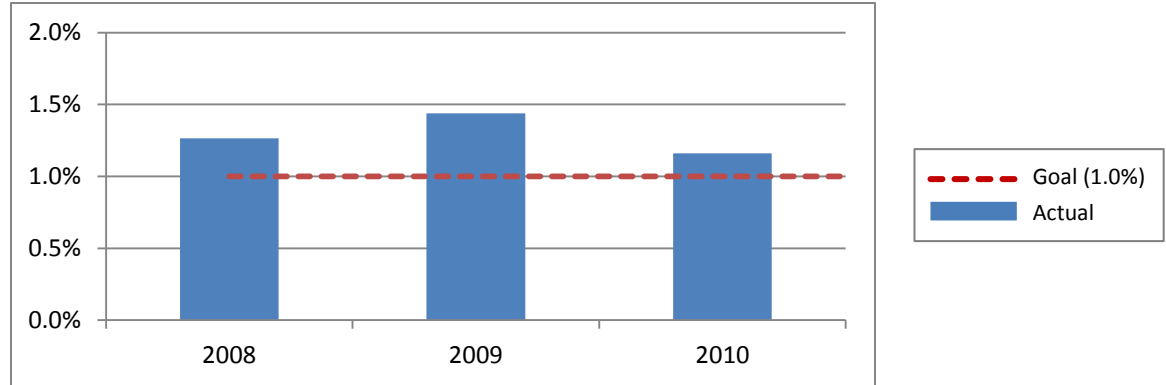
⁴ Additional Lottery budget information available at http://www.budget.ri.gov/Documents/CurrentFY/BudgetVolume/4_Department%20of%20Revenue.pdf.

⁵ Revenue estimates based on the state's Revenue Estimating Conference of May 2013. See http://www.budget.ri.gov/Documents/Revenues/Revenue_Estimating_Conference_Reports/4000_May%202013%20Revenue%20Estimating%20Conference%20Report.pdf

ACCURACY OF CLAIMANT IDENTIFICATION

Lottery is required to obtain personal tax information for people claiming winnings and to report that information to the Internal Revenue Service (IRS) on form W-2G. If Lottery's claimant information does not match the IRS's database, Lottery is required to resolve the discrepancy and collect accurate information.

Figure I: Percent of Claimant IRS Submissions Determined to Have Inaccurate Information



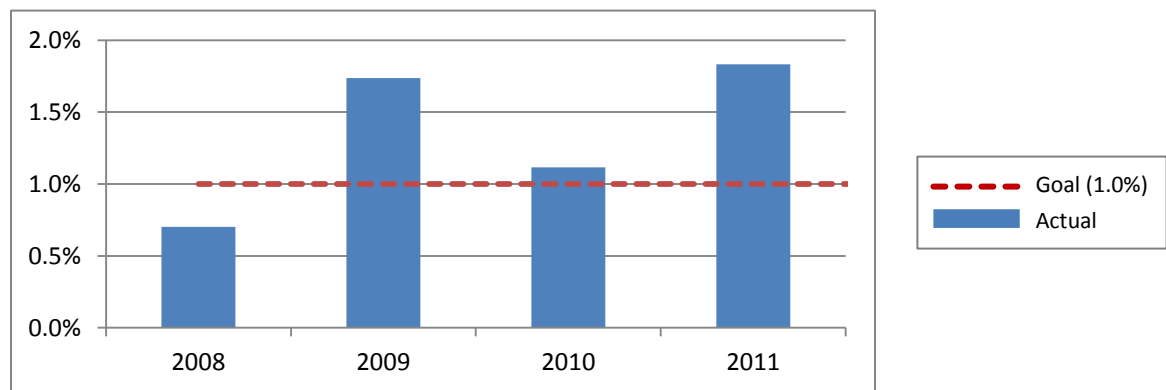
Key Points:

- Lottery seeks to improve accuracy of claimant information on W-2Gs. In September 2012, Lottery began comparing claimant information to Social Security records to ensure accuracy. Since that time, Lottery has detected and resolved 24 discrepancies prior to IRS submission.
- Performance data and targets are provided by calendar year. The 2011 Actual figures will be available from the IRS in September 2013.

ACCURACY OF RETAILER DOCUMENTATION

Lottery collects business tax information as part of retail vendor applications and reports any vendor income from Lottery-related claims on IRS form 1099. If Lottery's vendor information does not match the IRS's database, Lottery is required to resolve the discrepancy and collect accurate information.

Figure J: Percent of Retailer IRS Submissions Determined to Have Inaccurate Information



Key Points:

- Lottery has approximately 1,200 licensed retailers. In 2011, Lottery issued IRS 1099 forms for 273 vendor claims, of which five (1.8%) were returned for insufficient information. To improve accuracy, Lottery is working to obtain access to a database to verify the Federal ID numbers for its agents and ensure accurate filing of 1099 forms.
- Performance data and targets are provided by calendar year. The 2012 Actual figures will be available in September 2013.