



Report of the Vermont State Auditor

July 22, 2009

DEPARTMENT OF MOTOR VEHICLES

Performance Measurement System Could Be Enhanced

Thomas M. Salmon, CPA
Vermont State Auditor
Rpt. No. 09-4

Mission Statement

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**THOMAS M. SALMON, CPA
STATE AUDITOR**



**STATE OF VERMONT
OFFICE OF THE STATE AUDITOR**

July 22, 2009

The Honorable Shapleigh Smith
Speaker of the House of Representatives

The Honorable Peter D. Shumlin
President Pro Tempore of the Senate

The Honorable James Douglas
Governor

Mr. Howard Deal
Deputy Commissioner, Department of Motor Vehicles

Dear Colleagues:

A commitment to a high-quality performance measurement system can have significant benefits, including the identification of inefficiencies and underperforming programs and resulting corrective actions. This is particularly true in times of difficult budget choices when performance information, such as goals, measures, and related actual results, can provide critical insight into whether specific programs or activities merit additional funding, deserve less funding, or should have their actions redirected along more fruitful lines.

This report evaluates the performance measurement system used by the Department of Motor Vehicles (DMV). Overall, while DMV has integrated various performance measurement elements within its operations, its performance measurement system warrants improvement. Accordingly, we are making a number of recommendations intended to improve DMV's performance measurement system and provide a more balanced picture of the quality and effectiveness of the Department's operations.

I would like to thank the management and staff of DMV for their cooperation and professionalism. If you would like to discuss any of the issues raised by this audit, I can be reached at (802) 828-2281 or at auditor@state.vt.us.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Salmon CPA". The signature is written in a cursive style and is enclosed in a thin black rectangular border.

Thomas M. Salmon, CPA
State Auditor

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Abbreviations

AOT	Agency of Transportation
DMV	Department of Motor Vehicles
VSA	Vermont Statutes Annotated

Introduction

Some federal agencies, states, and local communities have demonstrated a deep-seated commitment to effective government performance measurement. These governmental organizations have found that a commitment to fact-based measurement of performance can have significant benefits. For example,

- Some Federal organizations have used performance information to identify problems in programs and take corrective action, prioritize and allocate resources, and share more effective processes and approaches.¹ For example, the National Highway Traffic Safety Administration used performance information to identify, develop, and share effective programs and strategies to increase safety belt usage. This contributed to an increase in seat belt usage nationally from 11 percent in 1985 to 80 percent in 2004.
- According to a recent report, Indiana, Maryland, Utah, and Virginia, which are performance measurement leaders, used performance data to help deal with budget difficulties resulting from the recent economic downturn.² These states used their performance measurement systems to reduce budgets by identifying and discontinuing underperforming programs as well as to redirect at least some of these savings to programs that showed more progress and promise.
- The use of a performance measurement system in Baltimore reportedly resulted in (1) the reduction and control of the city's use of overtime, (2) the reduction in absenteeism and accident time utilization, (3) the termination of costly initiatives that were inconsistent with mayoral priorities, (4) increased access by citizens to government performance data, and (5) improved intergovernmental and intragovernmental cooperation.³

¹*Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making* (U.S. Government Accountability Office, GAO-05-927, September 9, 2005).

²*Trade-off Time: How Four States Continue to Deliver* (The Pew Center on the States, February 2009).

³*The Baltimore CitiStat Program: Performance and Accountability* (IBM Endowment for The Business of Government, May 2003).

Given the benefits that can accrue from the effective use of performance measurement, our office has undertaken a series of audits focusing on this subject. As part of this effort, this report addresses performance measurement at the Department of Motor Vehicles (DMV), which administers motor vehicle transactions, such as issuing of drivers' licenses, promoting highway safety, and collecting transportation revenues.

Our audit objectives were to (1) evaluate whether DMV has goals and measures that gauge the effectiveness and efficiency of its major programs and operations, (2) ascertain the extent to which DMV tracks actual results against performance targets and validates the reliability of such data, and (3) determine whether DMV is reporting performance measurement data to the legislature for each of its goals. To perform this audit, we evaluated DMV's performance measurement system against 21 practices that we developed using a wide variety of federal, state, and private sector sources. In particular, we reviewed DMV's most recent performance information, interviewed key management staff, and reviewed relevant supporting documentation. Appendix I provides more detailed information on our scope and methodology.

Highlights: Report of the Vermont State Auditor

Department of Motor Vehicles: Performance Measurement System Could Be Enhanced

(July 22, 2009, Rpt. No. 09-4)

Why We Did This Audit

Performance measurement has been used by other governments to more effectively manage their operations. To assess whether the Department of Motor Vehicles (DMV) has a performance measurement system that could be used in this manner, we evaluated whether the Department has goals and measures that gauge the effectiveness and efficiency of its major programs and operations, ascertained the extent to which DMV tracks actual results against performance targets and validates the reliability of such data, and determined whether DMV is reporting performance measurement data to the legislature for each of its goals.

What We Recommend

We provided a variety of recommendations to improve DMV's performance measurement system. For example, we recommended that DMV develop a written strategic plan, develop targets for all measures, and require that the sources and methods used to develop actual performance results be documented and that actual results be validated for all measures.

Findings

DMV has developed a set of goals and measures that allows it to assess many aspects of its major programs and operations. In particular, its goals and related measures encompass customer service, highway safety, and revenue collection, which are major areas of DMV operations. However, in developing its current set of goals and measures, DMV utilized a strategic planning process that was a limited update of an older analysis and did not result in a strategic plan. Without such a plan, DMV does not have a single document that brings together the critical planning elements of its performance measurement system, thereby making it much more difficult to evaluate whether DMV's planned activities are designed to make the achievements of its goals and mission likely or whether there are gaps. In addition, not all DMV goals had measures specifically established to gauge their desired outcomes. For example, as part of DMV's goal to promote and support highway safety through education efforts, DMV measured the percentage increase/decrease in the number of participants in the Vermont Rider Education Program, a motorcycle training program. Such a measure is of limited use in evaluating to what extent this program has positively influenced highway safety or has benefited its participants.

The extent to which DMV used performance targets and tracked and validated actual results were mixed. First, DMV had targets for 11 of its 13 measures. Second, DMV documented the sources and methods used to calculate actual results for eight measures. Third, DMV had evidence to show that it was actively tracking and monitoring a little over half of its measures, particularly those related to customer service. However, the department could not demonstrate that it was actively tracking results for other measures. Finally, we found significant methodological errors in DMV's calculation of fiscal year 2008 results for three of the four measures that we tested. For example, one of DMV's customer service measures is the percentage of customers who visit DMV offices that are waited on within 30 minutes. However, the methodology used by DMV to calculate the fiscal year 2008 results pertaining to this measure did not take into account all customers who waited more than 30 minutes for service. Errors such as this could have been detected through a validation process, but DMV does not have such a process in place. Establishment of performance targets for all measures and more systematic tracking and validation of actual results could improve the completeness and reliability of DMV's performance measurement system.

DMV's performance measurement information reported to the Legislature was limited. DMV's Deputy Commissioner cited a variety of reports from DMV and its parent agency—the Agency of Transportation (AOT)—as containing the Department's performance information. In some cases, these reports contained selected DMV measures along with associated targets and actual results. However, in other cases, measures were reported without related targets or narrative explanation of actual performance. Moreover, none of DMV's goals and strategies was reported. In addition, neither the DMV nor the AOT reports contained relevant data limitations in their reports to the Legislature. More complete and consistent reporting of the Department's goals, measures, strategies and targets would provide the Legislature with a better set of performance measurement information with which to assess DMV's progress.

Background

For about 15 years, State government organizations have been required to annually submit various performance measurement information to the General Assembly. However, these requirements did not include definitions of the various terms commonly used in a performance measurement system. Accordingly, in order to evaluate and report on State organizations' performance measurement systems on a consistent basis, we adopted performance measurement definitions used by others and applied them to DMV's performance measurement system based in part on discussions with department officials. In fiscal years 2008 and 2009, DMV had five goals and 13 measures.

Vermont Performance Measurement Requirements

In June 1994, Act No. 210 established 32 VSA 307(c), which requires that State agencies, departments, and offices submit certain performance information to the General Assembly annually. In particular, these entities are required to submit with their budgets:

- a statement of mission and goals;
- a description of indicators used to measure output and outcome; and
- a description of the means and strategies for meeting the needs of the agency or program, including future needs for achieving the goals.

In support of this statute, in its instructions for the development and submission of the fiscal year 2010 budgets, the Department of Finance and Management required organizations to submit to the House of Representatives and Senate Appropriations Committees (1) mission statements, including goals, (2) indicators chosen to measure results, impacts, and outcomes, and (3) quantified data on the extent to which results, impacts, and outcomes are being achieved.

Performance Measurement Terminology

A key consideration in evaluating a performance measurement system is the use of uniform terminology to describe major components of such a system. Neither the State's performance measurement statute, nor the Department of Finance and Management's related instructions include definitions of

performance measurement terms. Moreover, our research did not discover a standard set of performance measurement terms that were commonly used.

We adopted the following definitions in order to evaluate State organizations' performance measurement systems on a consistent basis. These terms were largely adapted from the Urban Institutes' 2006 edition of *Performance Measurement: Getting Results* and, in those cases in which this document did not define a term, from the Government Finance Officers Association.⁴

- Goal (sometimes called objective): A statement of direction, purpose, or intent based on the needs of the community. A goal is a broad statement of what a program expects to achieve sometime in the future.
- Measure (sometimes called performance measure or performance indicator): A specific numerical measurement for each aspect of performance under consideration. There are various types of measures, including those related to output, intermediate outcome, outcome, and efficiency information. An output measure is the amount of products and services delivered (completed) during a reporting period, such as the number of smoking cessation programs held. Intermediate outcomes are expected to lead to a desired end, but are not ends in themselves. For example, the percentage of smokers who have completed a smoking cessation program could be an intermediate outcome. Outcomes are the desired results of the program, such as a reduction in the number or percentage of people smoking or a reduction in the number or percentage of smoking-related illnesses. Finally, efficiency measures the relationship between the amount of input (usually cost or employee time) and the amount of output or outcome of an activity or program, such as the cost per service delivered.
- Target (sometimes called benchmarks): A desired numerical value related to a measure.
- Strategic Planning: A disciplined effort to produce fundamental decisions and actions that shape and guide an organization's mission, goals, and objectives, and develop long-term strategies for organizational success; results in a strategic plan or blueprint stating the mission, goals, and objectives of an organization.

⁴The Government Finance Officers Association has a performance management research project, which developed a glossary of performance measurement terms (currently in draft form).

DMV Organizational Structure and Mission

The administration of motor vehicle related laws in Vermont is entrusted to DMV, which reports to the Agency of Transportation (AOT). DMV is comprised of three divisions: Enforcement and Safety, Operations, and Support Services.

- The Enforcement and Safety Division is responsible for enforcing commercial vehicle safety laws and regulations; regulating, monitoring and investigating illegal or questionable activities relating to licensing, registration and title fraud; regulating inspection stations and vehicle dealerships; and providing general law enforcement support services. The Enforcement and Safety Division also assists the Motor Vehicle Arbitration Board that hears claims related to the administration of the Lemon Law.⁵
- The Operation Division is responsible for all customer-service functions, namely over-the-counter transactions at six branch offices and two mobile vans, transactions received through the mail, over the phone, by kiosk and via the Internet. Transactions handled by the Operation Division include driver license issuance, suspension and reinstatement, crash reporting, oversize permitting, and the collection and distribution of fuel taxes.
- The Support Service Division is responsible for facility management for DMV office locations, budget planning and financial services, revenue collection, human resources, training, project management and implementation, stockroom and mailroom operations, and general support services.

Table 1 summarizes the Department of Motor Vehicles' five fiscal year 2008 and 2009 strategic goals and 13 measures related to these goals.

⁵Vermont's Lemon Law is the Motor Vehicle Arbitration program, established in 1984, that provides consumers with a forum through which to resolve warranty problem(s) with motor vehicles pursuant to 9 VSA §4170-4181.

Table 1: DMV Strategic Goals and Measures

Goal 1. Continually strive to enhance level of customer service and heighten public awareness of the service offered.
Percentage of customers that are waited on in 30 minutes or less
Percentage of days the mail backlog is 7 days or less
Average time a customer waits in telephone queue
Percentage of registration renewals that are processed over the web, by kiosk or via Interactive Voice Response
Goal 2. Promote and support highway safety and the maintenance of transportation infrastructure through enforcement, vehicle safety, and education efforts.
Percentage increase/decrease in students participating in Vermont Rider Education Program
Percentage of vehicles and/or drivers found in violation of the Motor Carrier Safety Administration Program ^a regulations
Number of trucks weighed and percentage of overweight violations found
Number of total abstinence ^b investigations conducted, the number of applicants successfully completing the process, and the average number of resource hours per investigation
Goal 3. Modernize the Department's computer system to create one common name file and consolidate its many databases and current mainframe based system.
Complete system design, user acceptance testing, and user training to ensure a December 2009 implementation
Goal 4. Ensure Vermont's compliance with the Western Hemisphere Travel Initiative as it relates to land and sea border crossings.
Design, develop and implement an Enhanced Drivers Licenses ^c program to be rolled out to the general public to ensure compliance by the federal government's June 2009 effective date
Goal 5. Record revenue collected by the Department in a timely and accurate manner to allow the Administration to have an accurate picture of DMV revenue and make proper decisions related to the financial health of the Transportation Fund.
Percentage of times all monthly revenue collected is properly classified by the end of the month
The number of deposit errors occurring monthly
The number of days to properly classify each day's revenue

^aThe Motor Carrier Safety Administration Program is a federal program with a mission to reduce crashes, injuries, and fatalities involving large trucks and buses.

^bAfter multiple driving under the influence convictions, individuals whose licenses have been revoked have an opportunity for reinstatement by successfully completing the state's Project CRASH Total Abstinence Program. This program provides the opportunity to undergo a "total abstinence" investigation conducted by DMV's investigative staff. DMV investigates these individuals to prove whether they have refrained from alcohol and/or drugs during their required three years of total abstinence.

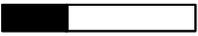
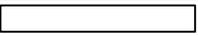
^cEnhanced Drivers Licenses and Non-Driver's ID cards are forms of documentation that are allowed to be used by U.S. citizens when they travel in the Western Hemisphere in lieu of passports or passport cards.

DMV's Goals and Measures Were Germane to its Operations, But Could Be Improved

DMV has developed a set of goals and measures that allows it to assess many aspects of its achievements. However, the latest DMV strategic planning process was largely a limited update of an older analysis and did not result in a strategic plan. A strategic plan would have provided DMV with a forward looking multi-year document that summarizes the Department's goals and outlines the strategies of how those goals would be achieved. In addition, while DMV utilized a mix of measures to assess the accomplishment of its goals, some improvements could be made in developing additional outcome measures. Table 2 provides a summary of our assessment of the extent to which DMV has implemented certain practices that we used to evaluate DMV's goals and measures.⁶

⁶Appendix I provides a description of how we chose these practices and more detail on our evaluation criteria.

Table 2: Summary of Practice Results Related to Goals and Measures

Overall Assessment	No.	Practice Description	Comment
	1.1	The organization has established one or more goals that describe what it is trying to achieve.	DMV has developed five strategic goals.
	1.2	The organization's goals and major programs and operations are aligned.	DMV has fully aligned its goals and major operations.
	1.3	The organization's goals were developed through a strategic planning process that resulted in a written plan.	DMV management staff described a department-wide strategic planning processes used in 2004 and a much more limited process in 2007 that resulted in the development of the department's current goals and measures. However, these processes were not well documented. In addition, DMV has not developed a strategic plan.
	1.4	The organization's current goals are consistent with those in its strategic plan.	DMV did not have a strategic plan, although various documents at the Department and Division level included elements of a strategic plan.
	1.5	All goals have one or more relevant measures.	Each of DMV's five strategic goals had relevant measures.
	1.6	The organization has a mix of measures, such as outcome, intermediate outcome, output, and efficiency measures, that demonstrate progress towards intended results and the economic use of resources	Overall, DMV developed a reasonable mix of measures. However, not all operational areas included outcome measures, which could have provided a more multifaceted perspective related to these areas.
	1.7	The organization's measures are quantified or quantifiable.	DMV's measures were quantified or quantifiable.

Legend:

-  Fully addressed—The practice was in place.
-  Largely addressed—The elements of the practice were in place more often than not.
-  Somewhat addressed—Less than half of the practice elements were in place or the elements were in place for less than half of the organization's programs or operations.
-  Not addressed—The practice was not in place.

A More Formal Strategic Planning Process Could Benefit DMV

According to the Council of State Governments, taken together, strategic planning and performance measurement form a continuous process of governing for results.⁷ Strategic planning, including a resulting strategic plan, is the starting point of an effective performance measurement system in that it forms the basis for the identification of the goals to be accomplished, strategies for meeting these goals, and measures for gauging the extent to which they have been achieved. Indeed, other states that are considered leaders in performance measurement link their strategic planning and performance measurement systems.

According to DMV management officials, in 2004 the Department undertook a major strategic planning project that included a reevaluation of its mission, establishment of goals, development of strategies, objectives, measures, and a redefinition of its core values. DMV management indicated that more recently, in 2007, they performed a much more limited update of the 2004 analysis.⁸ According to the DMV management officials, this 2007 update was conducted by the Department's top management without much involvement of the Department's staff. The 2007 strategic planning update did not result in a written strategic plan; instead it culminated in a short list of goals, measures and targets for fiscal years 2008 and 2009.

A strategic plan is an important product of a strategic planning process because it provides an explicit link between the organization's mission, the goals that are an outgrowth of this mission, and discussions of how the organization intends to meet these goals. There is no single format that a strategic plan needs to take. Texas, Virginia and Washington, acknowledged performance measurement leaders, require state organizations to develop forward looking multi-year strategic plans that include the following common elements (1) a mission, (2) goals, (3) measures and targets, and (4) strategies or action plans. Other elements that can be found in a strategic plan include descriptions of (1) external factors that influence an organization's performance and (2) available resources.

⁷*The Book of States* (The Council of State Governments, 2003 Edition, Volume 35).

⁸In its comments on a draft of this report, DMV noted that it had participated in AOT's strategic planning efforts and that the Department's 2007 strategic planning update was performed in part to ensure that it was properly aligned with AOT's goals and objectives.

As part of its broad guidance, Washington State directs state organizations to develop strategic plans that communicate to internal and external customers and stakeholders the answers to the following questions:

- Where do we want to be?
- Where are we today?
- How do we close the gap?

In addition, strategic plans are particularly important when there are substantial operational and programmatic changes being made. In the case of DMV, the Department is in the process of implementing a new system, VTDrives. This system is expected to provide a variety of improvements in DMV's operations, such as (1) enhanced service to customers through reduced mail processing time, increased availability of on-line information and improved accuracy, (2) reduced processing steps, and (3) faster accounting of revenue collected. A strategic plan would help DMV determine how it will document the (1) operational changes being made that are associated with this new system and (2) extent to which expected improvements are being achieved.

Without a strategic plan, DMV does not have a single document that brings together the critical planning elements of its performance measurement system, thereby making it much more difficult to evaluate whether DMV's planned activities are designed to make the achievements of its goals and mission likely or whether there are gaps.

DMV Generally Had a Mix of Measure Types, But Could Utilize More Outcome Measures

Other states, the federal government, research organizations, and other groups agree that, to be effective, it is critical for performance measurement systems to include quantifiable measures that are logically linked to goals and can be used to evaluate various aspects of execution and accomplishment.

On the positive side, DMV developed a mix of measures that, in general, were designed to provide a broad assessment of the Department's achievements. In particular, DMV effectively evaluated the achievements of its customer service goal by utilizing outcome-oriented measures, such as a measure of wait times of customers that visit DMV offices. Wait time measures are widely used by other states to gauge customer service

performance. In addition, all DMV strategic measures were quantified or quantifiable.

On the other hand, the DMV goal to promote and support highway safety through enforcement, vehicle safety and education efforts did not include outcome-oriented measures that would provide a more comprehensive evaluation of whether the goal was being achieved. The measures associated with two of the programs within the highway safety goal illustrate the limited evaluative use of the current measures.

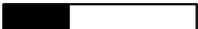
- The Vermont Rider Education Program’s measure of the percentage increase/decrease in students participating in motorcycle training courses only addressed the initial attendance of students in the program. However, this measure does not demonstrate the successful completion of the program, participants’ satisfaction level, or percentage of accidents by motorcycle riders as a whole versus those who successfully completed this safety program. Such measures would better indicate the success and value of the program. In its response to a draft of this report, DMV expressed concern about the possible additional effort that it might take to track whether students are involved in motorcycle crashes. While this is a valid concern, DMV needs to balance any increased effort against the gain that could be derived from having a more thorough assessment of whether the education program is achieving its ultimate intent—improved highway safety.
- DMV’s total abstinence investigation program, which provides certain individuals with multiple driving under the influence convictions with the opportunity to have their drivers licenses reinstated if certain conditions are met, used a measure of the number of investigations conducted, the number of applicants that successfully completed the process, and the average number of resource hours per investigation. A measure that would better demonstrate the desired outcome of this program and achievements related to the highway safety goal would be a measure of the re-offender rate. In its response to a draft of this report, DMV noted that the system developed to track results for the program’s current measure established a foundation for measuring the re-offender rate.

Well-crafted multi-dimensional performance measures are critical elements of an effective performance measurement system. They enable the system to provide insightful information to decision makers in deciding, for example, whether programs are working as effectively as intended or whether corrective action needs to be taken.

Targets Generally Established, But More Consistent Tracking of Results Could Benefit DMV

DMV generally established targets for its measures and tracked actual results, although the Department was not consistent in its application of practices related to these activities. For example, DMV established targets for almost all of its measures, but routine comparisons were not performed between targets and actual results for many measures. In addition, the Department did not have a process in place to ensure the reliability of the reported fiscal year 2008 performance data. The latter could have helped DMV avoid significant errors found in three of the four fiscal year 2008 results that we reviewed. Table 3 provides a summary of our assessment of the extent to which DMV has implemented the practices that we used to evaluate DMV's use of targets and actual results.⁹

Table 3: Summary of Practice Results Related to Targets and Actual Results

Overall Assessment	No.	Practice Description	Comment
	2.1	Suitable numerical targets are established for every measure at least annually.	Almost all of DMV's measures had targets. Two measures did not have targets and a few targets were not good indicators of progress.
	2.2	The organization tracks actual results for each measure.	DMV did not have an overall monitoring system in place to track actual performance results for all measures. However, DMV could demonstrate that it was tracking actual results for a little over half of the measures at least annually.
	2.3	The organization compares actual results to targets on at least an annual basis.	DMV compared actual results to targets for 5 of its 13 measures.
	2.4	The organization has identified the methods and sources for the collection of actual results, including relevant limitations.	For 8 out of its 13 measures, DMV had documentation that defined the measures, including their purposes and the methods and sources of data collection. However, not all descriptions contained information on relevant data limitations.
	2.5	The organization has documentation that supports its actual results.	Three of the four fiscal year 2008 actual results that we chose to review had significant errors in the methodologies used in their calculations. In addition, support documentation was not always available to re-perform calculations. DMV did not require that documentation supporting actual results be kept.

⁹Appendix I provides a description of how we chose these practices and more detail on our evaluation criteria.

Overall Assessment	No.	Practice Description	Comment
<input type="checkbox"/>	2.6	The organization has processes to validate that actual performance results are accurate and reliable.	DMV did not require that practices be employed to validate actual results.

Legend:

- Fully addressed—The practice was in place.
- Largely addressed—The elements of the practice were in place more often than not.
- Somewhat addressed—Less than half of the practice elements were in place or the elements were in place for less than half of the organization’s programs or operations.
- Not addressed—The practice was not in place.

DMV Could Establish a More Effective Performance Measurement Monitoring Process

According to the Urban Institute, internal performance reporting is vital to stimulating service improvement. While such reporting can take many forms, according to the U.S. Government Accountability Office, it is important that the data reported can be used to identify the gap between the organization’s actual performance level and its desired result (i.e., target). By analyzing this gap, management can direct its resources toward those processes that are most in need of improvement.

DMV has not established a comprehensive performance measurement monitoring system that would allow it to routinely identify performance gaps. In particular, DMV did not have a centralized mechanism in which actual results for all goals and measures were routinely reported to management and compared to desired targets (in some cases such targets were not established).

The Department also could not demonstrate that it was actively tracking and monitoring results for almost half of the measures for fiscal year 2008. For example, DMV had a measure related to the number of days that it takes to properly classify each day’s revenue. DMV could not provide documentation of the fiscal year 2008 results related to this measure and DMV officials provided conflicting information regarding who was responsible for collecting this data. In another example regarding DMV’s measure related to the percentage of vehicles and/or drivers found in violation of Motor Carrier Safety Administration Program regulations, DMV could not provide us with a document showing the overall percentage of violations in fiscal year 2008. However, the Department provided us with a document with which we could calculate this percentage. Without documentation that showed the measure’s actual fiscal year 2008 result, DMV lacked evidence that it was actively

monitoring this measure. This is particularly important because although DMV did not establish a target for this measure, it expects the percentage of violations to go down as the number of inspections increases thereby demonstrating the positive effect that inspections can have on highway safety.

Table 4 summarizes the extent to which targets and actual results were available for fiscal year 2008 for each goal and measure.

Table 4: Summary of Availability of Fiscal Year 2008 Targets and Actual Results

Goal/Measure	Fiscal Year 2008 Actual Results for Measure			Targets Established and Compared to Actual Results
	Contained in Internal or External Reports	Not Contained in Supporting Documentation, But Could Be Calculated	No Data Available	
Goal 1: Continually strive to enhance level of customer service and heighten public awareness of the service offered.				
Percentage of customers that are waited on in 30 minutes or less	X			Yes
Percentage of days the mail backlog is 7 days or less	X			Target established, not compared to actual results
Average time a customer waits in telephone queue	X			Yes
Percentage of registration renewals that are processed over the web, by kiosk or via Interactive Voice Response	X			Yes
Goal 2: Promote and support highway safety and the maintenance of transportation infrastructure through enforcement, vehicle safety and education efforts.				
Percentage increase/decrease in students participating in Vermont Rider Education Program, a motorcycle training program	X			Target established, not compared to actual results
Percentage of vehicles and/or drivers found in violation of Motor Carrier Safety Administration Program regulations		X		No target established
Number of trucks weighed and percentage of overweight violations found	X (number of trucks weighed)	X (% of overweight violations found)		Targets established, not compared to actual results
Number of total abstinence investigations ^a conducted, the number of applicants successfully completing the process and the average number of resource hours per investigation	X (number of investigations, number of successful applicants)	X (average number of resource hours)		No target established

Goal/Measure	Fiscal Year 2008 Actual Results for Measure			Targets Established and Compared to Actual Results
	Contained in Internal or External Reports	Not Contained in Supporting Documentation, But Could Be Calculated	No Data Available	
Goal 3: Modernize the Department's computer system to create one common name file and consolidate its many databases and current mainframe based system.				
Complete system design, user acceptance testing and user training to ensure a December 2009 implementation	X			Yes
Goal 4: Ensure Vermont's compliance with the Western Hemisphere Travel Initiative as it relates to land and sea border crossings.				
Design, develop and implement an Enhanced Drivers License ^b program to be rolled out to the general public to ensure compliance by the federal government's June 2009 effective date	X			Yes
Goal 5: Record revenue collected by the Department in a timely and accurate manner to allow the Administration to have an accurate picture of DMV revenue and make proper decisions related to the financial health of the Transportation Fund.				
Percentage of times all monthly revenue collected is properly classified by the end of the month			X	Target established, actual results not available
Number of deposit errors occurring monthly			X	Target established, actual results not available
Number of days to properly classify each day's revenue			X	Target established, actual results not available

^a After multiple driving under the influence convictions, individuals whose licenses have been revoked have an opportunity for reinstatement by successfully completing the state's Project CRASH Total Abstinence Program. This program provides the opportunity to undergo a "total abstinence" investigation conducted by DMV's investigative staff. DMV investigates these individuals to prove whether they have refrained from alcohol and/or drugs during their required "three years" of total abstinence.

^b Enhanced Drivers Licenses and Non-Driver's ID cards are forms of documentation that are allowed to be used by U.S. citizens when they travel in the Western Hemisphere in lieu of passports or passport cards.

According to DMV's Deputy Commissioner, the Department has previously considered implementing a centralized reporting system for its performance measures, but other priorities took precedence and a system was not developed. Such a systematic tracking mechanism would provide for a more effective continuous monitoring process in which performance results are monitored and gaps between actual results and targeted results are identified on a more routine basis for all goals and measures.

Reliability of Actual Results Could Be Improved

In order to successfully measure progress toward intended results, organizations need to build the capacity to gather and use performance information. Ultimately, the usefulness of this information depends on the

degree of confidence that users have in the data. Such confidence can be gained when organizations (1) identify the methods and sources for the collection of actual results and (2) have processes to validate that actual performance results are accurate and reliable. For example, Texas and Utah require that state organizations develop definitions and calculation methodologies for their measures. In addition, at the Federal level, the Government Performance and Results Act of 1993 requires each agency to describe the means to be used to verify and validate measured values. The importance of such verification and validation is echoed by the other organizations, such as the Governmental Accounting Standards Board, the Council on State Governments, and the Government Finance Officers Association.¹⁰

Although the Department of Motor Vehicles largely documented its data collection sources and methods, three of the four fiscal year 2008 actual results that we reviewed had significant methodological errors. Specifically,

- *Percentage of customers waited on within 30 minutes.* DMV breaks down each day into half-hour increments and calculates an average wait time for each of these increments, which it uses to calculate the actual results for this measure, as follows:

$$\frac{\text{\# of } \frac{1}{2} \text{ hour increments in which the average wait time was 30 minutes or less}}{\text{Number of total } \frac{1}{2} \text{ hour increments in a work day}}$$

However, this calculation is not consistent with the title of the measure. To be consistent with the title of the measure, we would have expected that the following calculation be used:

$$\frac{\text{\# of customers whose actual wait times was 30 minutes or less}}{\text{Total number of customers}}$$

DMV's methodology also did not take into account all customers who waited for more than 30 minutes. For example, for the week ending February 22, 2008, DMV's wait-time results for one branch office showed that 87 percent of customers were waited on in 30 minutes or less. However, the system reports DMV generated to support this percentage

¹⁰*Reporting Performance Information: Suggested Criteria for Effective Communication* (Governmental Accounting Standards Board, August 2003), *The Book of the States* (The Council of State Governments, 2003 Edition), and *An Elected Official's Guide to Performance Measurement*, (Government Finance Officers Association, 2000).

showed at least four customers who waited over 30 minutes being counted as having been served within 30 minutes. This happened because the average wait time calculated for the applicable ½ hour increments was within the 30 minute standard (i.e., for these increments, the customers who waited over 30 minutes were offset during the averaging process by those who waited less than 30 minutes). Since this problem is a function of the system reports that DMV uses to calculate wait time results, we would expect that these types of errors would have occurred in other weeks and for other branch offices as well.

We could not recalculate the actual average wait time for this week or the year as a whole because the wait time reports from the DMV's system do not contain sufficiently detailed data to perform this calculation. According to an official from the company that provided this system to DMV, such reports could be generated with additional programming.

- *Percentage of days the mail backlog was 7 days or less.* Actual results were calculated based on the backlog at the end of a week and did not take into account backlogs that may have occurred during the course of the week. In addition, DMV calculated the percentage of days the mail backlog was 1 day or more rather than the percentage of days the backlog was seven days or less, as defined by the measure. Supporting documentation was not available to recalculate actual fiscal year 2008 results for this measure.
- *Percentage of registration renewals that are processed over the web, by kiosk, and via Interactive Voice Response.* Actual results were calculated as the ratio of the web, Interactive Voice Response and kiosk-processed transactions to the number of registration renewal notices mailed out, instead of to the total number of registration renewals actually processed by the Department.

We recalculated DMV's results for this measure using the actual registration renewals for fiscal year 2008 (512,280)¹¹ instead of the number of renewal notices that were mailed out (737,960). Our calculation shows that 24.4 percent of registration renewals were processed through electronic means rather than the 16.9 percent that DMV calculated.

¹¹AOT Annual Fact Book, 2009.

It is likely that a verification and validation of DMV’s calculation methodologies and actual results would have caught such errors. Currently DMV does not require that such a process be in place. Verification and validation techniques that can be employed include management review of methodologies, independent review of calculations or spreadsheet formulas, analytical review, comparison of results to other sources, or tests of the underlying detail.

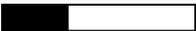
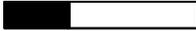
Reporting of Performance Measurement Information Could Be Improved

DMV’s performance measurement information reported to the Legislature was limited. DMV’s Deputy Commissioner cited five DMV and AOT reports as containing such information. Taken collectively, these reports contained some DMV performance measurement information, such as customer service measures, targets, and actual results. However, critical performance information, such as the strategies that DMV was employing, or planned to employ, were not addressed. Table 5 summarizes our assessment of the extent to which the DMV and AOT reports to the Legislature contained important performance measurement elements.¹²

Table 5: Summary of Practice Results Related to Performance Reports to the Legislature

Overall Assessment	No.	Practice Description	Comment
	3.1	As part of performance report(s) to the legislature, the organization includes one or more goals related to its major programs or operations.	DMV’s goals were not included in the DMV or AOT reports submitted to the Legislature. ^a
	3.2	As part of performance report(s) to the legislature, the organization includes a description of the strategies that it will be pursuing to meet its goals.	DMV’s strategies to meet its goals were not reported to the Legislature.

¹²Appendix I provides a description of how we chose these practices and more detail on our evaluation criteria.

Overall Assessment	No.	Practice Description	Comment
	3.3	As part of performance report(s) to the legislature, the organization includes measures that are linked to reported goals.	Collectively, DMV and AOT reported to the Legislature performance information for eight of DMV's measures. However, as noted in practice 3.1, DMV's goals were not reported to the Legislature.
	3.4	As part of performance report(s) to the legislature, the organization includes a variety of measure types, such as outcome, intermediate outcome, output, and efficiency measures.	Overall, DMV developed a reasonable mix of measures, many of which were reported in one or more reports to the Legislature. However, not all operational areas included outcome measures, which could have provided a more multifaceted perspective related to these areas.
	3.5	The goals and measures reported to the legislature are generally consistent from year to year.	In most cases, the measures reported to the Legislature were consistent between fiscal years 2009 and 2010. However, DMV goals were not reported to the Legislature in either year.
	3.6	As part of performance report(s) to the legislature, the organization includes future targets for each reported measure.	DMV and AOT reports contained future targets for a few measures.
	3.7	As part of performance report(s) to the legislature, the organization includes a comparison of its prior years' numerical targets to its actual results for each reported measure.	DMV's results were provided to the Legislature in multiple reports and comparisons of actual results to targets varied in each of these reports. For example, in one report DMV compared actual results to related targets for each of the measures included in this report, but in another case such a comparison was made for only one third of the six measures reported.
	3.8	As part of performance report(s) to the legislature, the organization incorporates a narrative explanation of its results, including, when applicable, (1) an analysis of why a target was not met and corrective actions being taken and (2) relevant data limitations.	For the eight DMV measures reported to the Legislature, DMV or AOT generally incorporated narrative explanations of the results. However, relevant data limitations were not disclosed in any of the reports. For instance, customer wait time for the DMV offices was reported as a statewide indicator, however, transactions conducted at two mobile vans were excluded from the calculations and this exclusion was not described. Finally, in at least two cases, DMV reported inaccurate information comparing results for two years.

^a AOT reported its agency-level goals only.

Legend:

-  Fully addressed—The practice was in place.
-  Largely addressed—The elements of the practice were in place more often than not.
-  Somewhat addressed—Less than half of the practice elements were in place or the elements were in place for less than half of the organization's programs or operations.
-  Not addressed—The practice was not in place.

More Complete Reporting of Performance Information Could Benefit Decision-Makers

DMV's Deputy Commissioner cited the following documents as containing DMV performance data provided to the Legislature, (1) DMV's fiscal year 2010 budget request, (2) DMV's Customer Service Performance Indicators Reports submitted in 2009 to the House of Representatives and Senate Transportation Committees, (3) AOT's report submitted in 2009, as required by 32 VSA §307(c), to the Appropriations Committees of the House of Representatives and the Senate; (4) AOT's Annual Performance Report, and (5) AOT's 2009 Fact Book.¹³

Our review of these documents found them to be an incomplete assessment of DMV performance. For example, none of the documents included DMV's goals or strategies, which are critical to be able to fully assess the Department's achievements and planned actions. In addition, targets were not identified for all of the measures reported to the Legislature, thereby making it difficult to ascertain whether expected results were achieved. Table 6 briefly outlines the performance measurement information contents of the Department's and the Agency's reports.

Table 6: Reporting of DMV Performance Measurement Elements

Performance Measurement Element	DMV Reports	AOT Reports
Goals	Not reported	Not reported ^a
Strategies	Not reported	Not reported
Actual results related to measures	Reported selectively	Reported selectively
Prior year targets compared to results	Limited	Limited
Future targets	Limited	Limited
Explanations of results achieved	Limited	Limited
Explanations of corrective actions	Limited	Not Applicable ^b
Data limitations	Not reported	Not reported

^a AOT reported its agency-level goals only.

^b AOT did not report actual results for any of DMV measures that did not meet the targets, thus reporting of corrective actions was not applicable.

¹³ Three of these reports contained fiscal year 2008 results. The most recent AOT annual performance report was issued in August 2008 and contained fiscal year 2007 results. The report AOT issued in accordance with 32 VSA §307(c) did not contain DMV actual results, instead referencing the AOT Annual Performance Report.

These reports also sometimes included inaccurate comparative data. For example, in its fiscal year 2010 budget submission, DMV reported a 50 percent increase in the number of trucks inspected for compliance with the Motor Carrier Safety Assistance Program regulations between fiscal years 2008 and 2007, but the actual increase was only 9 percent. According to a DMV program official, this error occurred because some inspections were inadvertently omitted from the fiscal year 2007 results due to an incomplete query.

Performance measurement reports that do not have complete and explicitly linked goals, measures, targets, strategies and actual results are less useful to elected officials because it makes it difficult to judge whether the actual results reported are what should have been expected or whether corrective actions are needed.

Conclusions

DMV has effectively established a number of elements within its performance measurement system, such as a strong link between its goals, measures, and operations. However, there is room for improvement. In particular, DMV could benefit from more complete documentation of its strategic approach, which would provide it with a stronger foundation for its performance measurement decisions. The development of a written strategic plan is particularly important now in light of the planned implementation of VTDrives, a major new system initiative. In addition, a more structured approach to the internal tracking and monitoring of actual results could provide a more systematic analysis of potential performance gaps for all goals and measures in the future. Moreover, more disciplined processes related to the documentation of sources, methods, and the validation of actual results would provide added confidence in the reliability of the actual data that is reported, particularly since we found significant methodology errors in DMV's calculations of actual results. Lastly, more complete and consistent reporting of the Department's goals, measures, strategies, and targets would provide the Legislature with a better set of performance measurement information with which to assess DMV's progress.

Recommendations

We recommend that the Commissioner of the Department of Motor Vehicles:

1. Perform and document a strategic planning process that includes revisiting the Department's goals and measures in order to evaluate (1) whether DMV's current goals and measures are still appropriate in light of expected changes due to the VTDrives implementation and (2) whether outcome measures could be established for the highway safety goal.
2. Develop, document, and periodically update a strategic plan.
3. Establish numerical targets for all measures and regularly update them.
4. Develop a system with which to periodically track and report actual results, including a comparison of results to numerical targets, for all measures.
5. Require that the sources and methods (including data limitations) used to develop actual performance results be documented, and that actual results be validated for all measures and documentation retained.
6. Correct the identified methodology errors in the measures that we reviewed or change the title and/or description of the measures to more accurately reflect the actual results being collected and reported.
7. Report more complete DMV performance measurement information to the Legislature at least annually, including (1) explicitly linked goals, strategies, measures, actual results, and targets, (2) narrative explanations of results and, if applicable, corrective actions that are planned if targets were not met, and (3) data limitations, when applicable.

Management's Response and Our Evaluation

On July 15, 2009, the DMV Deputy Commissioner provided written comments on a draft of this report (reprinted in Appendix II). In his comments, the Deputy Commissioner stated that DMV agreed in concept with the majority of the recommendations in the report. However, he noted that the position of Commissioner is vacant and stated that when this position is filled that the report and its recommendations would be provided to the new DMV Commissioner for review and appropriate action.

The Deputy Commissioner also provided additional information related to the DMV performance measurement system, which we incorporated into the report, as appropriate. In addition, there were two areas in which DMV did not fully agree with the draft report, as follows:

- *Strategic Plan.* DMV agreed that it did not have a single strategic planning document and acknowledged the value of developing such a document. However, DMV disagreed with our assessment that the Department did not have a strategic plan, referring to multiple documents that it stated contained strategic planning elements. For example, DMV cited strategic plans developed by individual divisions as well as the Department's strategic goals, mission statement, and core values. We do not believe that the documents cited by DMV constitute a strategic plan. First, while the division plans cited in the DMV response included various strategies or tasks, (1) the plans generally did not include goals or measures or align the strategies or tasks with the department's goals and measures, (2) one plan did not include timelines to complete planned tasks, (3) one plan was out of date because all tasks were due to be completed by December 2006, and (4) only one of the plans included target information and it was not consistent with the related target set by the Department. Second, as acknowledged by DMV, the Department does not have a single overarching planning document that brings all of its functions under a single umbrella and links its goals, measures, targets, and strategies. Without such a document, it is much more difficult to evaluate whether DMV's planned activities are designed to make the achievement of its goals and mission likely or whether there are gaps.
- *Performance Measurement Reporting to the Legislature.* DMV stated that it planned to adjust its budget document to provide a more cohesive presentation of its mission, goals, objectives, and measures. However, DMV did not fully agree with our assessment that the performance measurement information that it reported to the Legislature was limited. DMV noted that it does not testify on its budget before the House of Representatives and Senate Appropriations Committees.¹⁴ Instead, DMV testifies before the House of Representatives and Senate Transportation Committees and the Department contends that it provides requested performance information to these Committees. We assessed a variety of documents that DMV, or its parent agency AOT, provided to the Appropriations and Transportation Committees or to the Legislature as a

¹⁴DMV's budget request is included in AOT's budget testimony before the Appropriations Committees.

whole and found those to be an incomplete assessment of DMV's performance (see Table 6 on page 21 for a summary of this analysis).

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In accordance with 32 VSA §163, we are also providing copies of this report to the Secretary of the Agency of Administration, Commissioner of the Department of Finance and Management, and the Department of Libraries. In addition, the report will be made available at no charge on the State Auditor's web site, <http://auditor.vermont.gov/>.

Appendix I

Scope and Methodology

To address our objectives we reviewed the State's statutory requirement related to performance measurement [32 VSA §307(c)] and the State's most recent guidance related to this statute. In addition, we identified and reviewed a wide variety of guidance and research related to performance measurement in governmental entities that was published by (1) the Federal government (i.e., the Government Accountability Office and the Office of Management and Budget), (2) states that are acknowledged leaders in performance measurement (e.g., Texas, Utah, Virginia, and Washington), and (3) research organizations and others who have studied performance measurement (e.g., the Governmental Accounting Standards Board, the Government Finance Officers Association, the Council of State Governments, the Urban Institute, and the National Academy of Public Administration).

Using these sources we identified 21 practices to evaluate performance measurement at DMV. These 21 practices are some of the elements of a well-rounded performance measurement system identified by these sources. We chose those practices that were related to our objectives, required by statute, cited by multiple sources as recommended elements of a performance measurement system, and were verifiable through documentation and interviews.

Using the 21 practices as the basis for our audit, we

- identified and reviewed pertinent statutes outlining DMV's responsibilities;
- reviewed and assessed DMV's most recent budget request;
- reviewed and assessed other performance documents, such as the Agency of Transportation Vermont Long Range Transportation Business Plan, the Agency of Transportation Annual Performance Report, the AOT report submitted as required by 32 VSA §307(c), the AOT Annual Fact Book, the DMV Service Level Performance Indicators report and various internal DMV documents related to the performance of its operations;
- interviewed the Deputy Commissioner, Directors of three DMV Divisions, and other applicable officials; and
- obtained and reviewed supporting documentation related to goals, measures, and actual results pertaining to certain major operations.

Appendix I

Scope and Methodology

After completing our analysis, we evaluated DMV against each of the practices using the following evaluation criteria:

- Fully addressed—The practice was in place.
- Largely addressed—The elements of the practice were in place more often than not.¹⁵
- Somewhat addressed—Less than half of the practice elements were in place or the elements were in place for less than half of the organization's programs or operations.
- Not addressed—The practice was not in place.

We considered internal controls and information systems only to the limited extent to which they were related to our objectives. For example, we did not attempt to validate the actual performance results reported by DMV.

We conducted this performance audit in accordance with generally accepted government auditing standards except for the standard that requires that our system of quality control for performance audits undergo a peer review every three years.¹⁶ Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁵These categories include cases that (1) based on inquiry of organization officials, the practice appears to be in place, but supporting documentation was lacking or was in draft form or (2) the organization had documentation supporting that the practice was in place, but other evidence indicated that it had not been completely or consistently implemented. In such cases, the decision as to whether the organization had largely addressed or somewhat addressed a practice was based on the extent to which the elements of the practice had been adopted.

¹⁶Because of fiscal considerations, we have opted to postpone the peer review of our performance audits until 2011.

Appendix II

Reprint of the Department of Motor Vehicles' Response



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DEPARTMENT OF MOTOR VEHICLES
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Agency of Transportation

July 15, 2009

Thomas M. Salmon, CPA
State Auditor
132 State Street
Montpelier, VT 05633-5101

Dear State Auditor Salmon:

The Department of Motor Vehicles would like to thank you and your staff for your work in conducting the review of the Department's Performance Measurement System. The feedback is constructive and the recommendations will be helpful in our future strategic planning endeavors. Enclosed are our comments in response to some of the components of the report.

The position of Commissioner of Motor Vehicles is currently vacant. When the position has been filled, the report and its recommendations will be given to the Commissioner for review and appropriate action. At that time a more concrete plan can be made available to the Auditors office relative to implementing the recommendations at the end of the report.

Very truly yours,

A handwritten signature in cursive script that reads "Howard Deal".

Howard Deal
Deputy Commissioner



Appendix II

Reprint of the Department of Motor Vehicles' Response

Vermont Department of Motor Vehicles
Mission Statement

Our mission is to provide increasingly higher levels of customer service and satisfaction, while providing a safe and rewarding work environment for our employees, complying with all Federal and State mandates, and promoting highway safety.

Comments on the report from the Auditor's Office
on the Performance Measures
of the Department of Motor Vehicles.

The Department of Motor Vehicles would like to thank State Auditor Thomas Salmon and his staff for their work in conducting their review of the Department's Performance Measurement System. Their feedback is constructive and their recommendations will be helpful in our future strategic planning endeavors.

- Page 3 - *DMV's performance measurement information reported to the Legislature was limited.* We do not fully agree with this statement. We realize this finding is in part attributed to the fact we do not supply the information required by statute and The Department of Finance and Management's budget instructions for submittals to the House and Senate Appropriation Committees. However, as explained, DMV does not testify before the House and Senate Appropriations committees on its budget, as that is part of a broader presentation at the Agency level. Our audience on the presentation of budgetary and performance information is to the House and Senate Transportation committees. The audit report indicates "these reports contained selected DMV measures..." This is correct. The performance information presented to those committees is based on information those committees have requested of us in the past and expects us to update when we report to them annually on how things are going at the Department. In that regard they have identified those items that are important to them and we are meeting their expectations in that respect. Additionally, it is not unusual to field ad hoc report requests from either committee on performance data in specific areas at various points in the session.

However, we can and will adjust what we call our "program narrative" in the budget book to represent a more cohesive presentation of our mission, goals, objectives and measures.

- Pages 4 and 5 – Adopting performance measure definitions makes sense and will provide consistency for future planning endeavors.

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Reprint of the Department of Motor Vehicles' Response

- The Department of Motor Vehicles (DMV) is a division of the Agency of Transportation, which establishes Agency Goals. Much of DMV' planning and performance measures fall within the broad goals of the Agency.
- Page 8 – Section 1.4 – The functions of the three divisions of DMV are diverse. Although no single strategic planning document exists under the umbrella of DMV, each of the divisions does operate under an individual strategic plan, that is specific to that division's functions, and in which employees can understand and embrace.
- Page 8 - *Re: Table entry for No 1.4:*
We disagree with the finding that the "practice was not in place" relative to "The organization's current goals are consistent with those in its strategic plan." We believe it is erroneous to imply DMV, " did not have a strategic plan", as your comments indicate. We would agree DMV did not have a single strategic planning document and that is what we feel the comments should reflect. As was pointed out in your other table entries, we do have strategic goals, those goals are aligned with our operations and the goals have measures. Additionally we have a mission statement and core values to guide our organization and all that is aligned in what we do. To say we do not have a strategic plan when virtually all elements of such a plan are in place, just not in one document seems to not accurately reflect what we do/don't have in place. However, once again we do not disagree that we do need to pull all of the information together into one document.
- Page 9 - *A More Formal Strategic Planning Process Could Benefit DMV.*
Agreed. The Department could benefit as a whole by refocusing on our strategic planning efforts, which could include more employee involvement as well as key stakeholder participation. However, no mention is made in the narrative that we are part of a larger Agency and as such had participated in a strategic planning process at that level in 2007, that led directly to a more limited department wide update that year. In fact much of the exercise at the Department level in 2007 was to ensure we were properly aligned with the Agencies goals and objectives. We feel that information was relevant and should be presented in this section, because we are not a stand alone department.
- Pages 3, 16 and 17 - *Reliability of Actual Results Could Be Improved*
We agree. Currently we do not fully account for all customers who have waited for service at our counters. A review will be conducted of our methodology and how statistics are reported. We will be contacting our contractor to explore opportunities to clarify the statistics provided by the call up system; a determining factor in modifying the system may be cost. We also agree the percentage of mail backlog is actually reported by the week, rather than by the day. This is being addressed and will result in a

Appendix II

Reprint of the Department of Motor Vehicles' Response

more accurate account of daily backlogs. Supporting documentation will be recorded and available.

- Page 11 - *DMV Generally Had a Mix of Measure Types, but Could Utilize More Outcome.*

1. The Vermont Rider Education Program's measure of the percentage increase/decrease in students participating in motorcycle training courses only addressed the initial attendance of students in the program. However, this measure does not demonstrate either the successful completion of the program, participants' satisfaction level, or percentage of accidents by motorcycle riders as a whole versus those who successfully completed this safety program. Such measures would better indicate the success and value of the program.

The DMV does gather data on successful completion of the motorcycle training program as well as the level of student satisfaction. To date, the Department has not utilized that measure, instead relying on data to gather student demand in order to build an adequate infrastructure to accommodate requests for training. The Department knows that since the motorcycle training program's inception in 1991, one graduate of the course was killed in a motorcycle crash. It is agreed that tracking the number of students involved in a motorcycle crash to attendance in the motorcycle safety course would be a valid measure, however, under the current system, tracking this information could prove to be a very labor intensive process.

- 2. DMV's total abstinence investigation program, which provides certain individuals with multiple driving under the influence convictions with the opportunity to have their drivers licenses reinstated if certain conditions are met, used a measure of the number of investigations conducted, the number of applicants that successfully completed the process and the average number of resource hours per investigation. A measure that would better demonstrate the desired outcome of this program and achievements related to the highway safety goal would be to measure the re-offender rate or the program's effects on the traffic safety.*

It was believed that total abstinence investigations (TAs) were requiring a high level of commitment of human resources. What was believed to be happening was there was a great emphasis placed by law enforcement in apprehending intoxicated drivers, a great emphasis was placed by substance abuse counselors on rehabilitating offenders, and DMV was on the backside of the cycle and was charged with assuring offenders were eligible to have their license reinstated.

There was no tracking system in place to determine if the number of TA applications was increasing and how many hours were spent on each investigation. A tracking system was developed and is now in place that measures annual increase/decrease in the number of applications, how many pass/fail the investigation, and how many hours are committed to each investigation. We have established the foundation pieces to better measure

Appendix II

Reprint of the Department of Motor Vehicles' Response

information, and as the database grows, we will be able to measure the re-offender rate.

- Page 15. Number of trucks weighed and percentage of overweight violations found. Targets established, not compared to actual results.
The Department has been designated by the Governor as the lead agency for the federal Size and Weight Program as well as the federal Motor Carrier Safety Assistance Program (MCSAP). The programs require the filing of an annual Size and Weight Plan, as well as a Commercial Vehicle Safety Plan. Both reports require the projected number of vehicles weighed and/or inspected. Subsequent follow-up reports to the federal government portray actual numbers of vehicles weighed and/or inspected.
The information for the MCSAP is entered into a federal database, in which the Department has no influence on how reports are generated.
- Page 22 – Recommendations.
Require that the sources and methods (including data limitations) used to develop actual performance results are documented, and that actual results be validated for all measures and retained.
We will begin working on documenting the sources and methods for those measures not already documented with an October target for completion.
Correct the identified methodology errors in the measures that we reviewed or change the title and/or description of the measure to more accurately reflect the actual results being collected and reported.
We are working to correct or re-name these immediately so that they are accurately reflected for FY10 numbers.

We agree in concept with the majority of recommendations listed in the report. However, the position of Commissioner of Motor Vehicles is currently vacant. When the position has been filled, the report and its recommendations will be given to the Commissioner for review and appropriate action.