



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #617

New Customer Service Centers - Madison and Green Bay (Transportation -- Motor Vehicles)

[LFB 2021-23 Budget Summary: Page 590, #3]

CURRENT LAW

The Department of Transportation (DOT)'s Division of Motor Vehicles (DMV) operates 80 permanent customer service centers and 11 satellite service centers around the state. These centers provide essential motor vehicle services, including the registration and titling of motor vehicles and administering driving skills and knowledge tests. In addition, these centers provide other critical services to Wisconsin residents, including issuing driver licenses and identification cards which are the two most common sources to provide proof of identification for voting purposes, as well as providing personal identification that is REAL ID compliant which will be required for federal identification purposes beginning May 3, 2023.

DISCUSSION POINTS

Background

1. Currently, DOT operates one DMV customer service facility (including satellite facilities) per 63,600 Wisconsin citizens. This ratio ranges from one center for 4,300 residents in Florence County to six centers for 951,200 residents in Milwaukee County (approximately one per 158,500 residents). In 2019, DMV customer centers statewide provided over 107,000 driving skills tests and 161,000 knowledge exams, issued more than 1,250,000 driver licenses and identification cards, and processed applications for more than 4,660,000 registrations, 2,017,000 titles, and 1,232,000 license plates, among other services.

2. Over the past 15 years, additional responsibilities have been placed upon the Department's DMV centers related to federal Real ID requirements and state voter identification

requirements that expanded the number of transactions as well as the time it takes to complete some DMV transactions. The federal REAL ID Act of 2005 created minimum federal standards for driver licenses and identification cards in order to be accepted for official federal purposes. Beginning on May 3, 2023 (this date was extended one year from October 1, 2020, to October 1, 2021, under the federal Coronavirus Aid, Relief, and Economic Security Act and again extended in April, 2021, to May 3, 2023), individuals would need a REAL ID compliant license or card in order to have access to federal buildings, including federally-regulated aircraft. Due to these increased standards, under current law any Wisconsin resident wanting to obtain a REAL ID compliant driver license or identification card would need to visit a DMV customer service center in person.

3. Under 2011 Wisconsin Act 23, changes were made to Wisconsin voter requirements related to voter identification and election administration, including creating a proof of identification requirement for most voters with limited exceptions. Acceptable proof of identification includes, among other items, the following items issued by DOT: (a) a driver license (unexpired or expired after the most recent general election); (b) an unexpired driver license receipt; (c) an identification card (unexpired or expired after the most recent general election); or (d) an unexpired identification card receipt. The Department currently requires identification card applicants to provide proof of identity, name, date of birth, Wisconsin residency, and U.S. citizenship or legal presence. Act 23 also required the DMV to provide minimum service levels in each county. This requirement resulted in an additional 32,000 service hours annually since 2011, according to the Department.

4. On March 4, 2019, the Governor signed 2019 Executive Order #14 relating to the accessibility of DMV facilities and DOT-issued voter identification. The order required DOT to develop and implement a plan for expanding accessibility to DOT facilities that provide identification documents required to vote. This plan could include an increase in the hours of availability and exploring future new or relocated service centers in areas easily accessible by public transit and by citizens with limited mobility.

5. Under the plan that DOT developed in response to 2019 Executive Order #14, the Department plans to expand service hours in weeks during which a Presidential primary, fall primary, or fall general statewide election occurs because there has been an increase in customer service during these election weeks in recent elections. The plan also noted that additional customer service centers could be helpful in high-demand communities. Regarding access to customer service centers, the Department noted that access is a key consideration in the location of all centers and they provide public resources related to transit options to their centers.

Additional DMV Centers and Expanded Service -- Dane and Brown Counties

6. In its 2021-23 budget request, the Department included a proposal to establish an additional DMV customer service center in both Madison and Green Bay. The Governor included the additional DMV centers in his budget recommendations. The proposal would provide \$586,600 in 2021-22 and \$663,400 in 2022-23, and 6.0 positions for the additional Madison center and \$407,400 in 2021-22 and \$452,400 in 2022-23 4.0 positions for the additional Green Bay center. DOT indicates that a service center requires office space, parking, furniture, security, and computer equipment. Of the total funding provided, \$160,600 in 2021-22 and \$321,200 in 2022-23 would be for the cost of leasing space in Madison and Green Bay, while the remaining funding would be used for the costs of

operating the facility.

7. Dane and Brown Counties include Wisconsin's second and third largest cities in terms of population. Dane County is currently served by two customer service centers in the City of Madison, which serve 268,000 County residents each, and Brown County is currently served by one center in the City of Green Bay for the County's 261,400 residents. These two counties currently have the highest ratio of residents per center of all 72 Wisconsin counties. Waukesha County, which has one center per 200,200 residents, is the only other county to have a ratio of more than 200,000 residents served per center. Milwaukee County, the state's most populous county, has approximately one center per 158,500 residents.

8. Dane County and Brown County customer service centers also conduct more annual transactions per center than other urban counties according to 2019 data. Dane County centers conducted 136,600 transaction per center in 2019, while Brown County centers conducted and 141,200 per center in that year. By comparison, Milwaukee County DMV centers conducted approximately 94,000 transactions per center.

9. Geographic access to county-wide DMV service centers can also be a concern. The two City of Madison customer service centers are located on the far west side and on the far northeast side of the city. Prior to January, 2018, Madison was served by three customer centers. In January, 2018, the Department consolidated two centers, one on the near west side and the other on the far southwest side of the City, into the single far west side center. DOT indicates that the proposed new center would be located on the City's south side near major City bus routes. If a third center in Madison would be re-instated, the county would have one center per 178,700 residents, and each center would conduct approximately 91,000 transactions each year.

10. In order to assist with customer access and demand during the ongoing pandemic and statewide election, from September to December, 2020, the Department operated a temporary customer service center in Madison. This temporary center was open twice each week from 7:00 AM to 5:00 PM. The temporary center was a located on the city's south side and its location was selected due to the population growth in the area and its proximity to transit routes. This center served an average of 45 customers each day.

11. The City of Green Bay is currently served by one customer service center located on the southwest side of the City near the interchange between I-41 and STH-172. DOT indicates that the location of the proposed new center in Green Bay would be chosen based on the location of the current center, population density, rent costs, and transit options. If Green Bay added a second center, Brown County would have approximately one center per 130,700 residents, and each center would conduct approximately 70,600 transactions each year.

12. Dane County DMV centers currently employ 35.76 FTE at the two Madison customer service centers, while the Brown County center employs 16.80 FTE to carry out the operations at the one Green Bay center. Increasing service hours associated with a new service center without an increase in staffing would directly lead to longer wait times, because the same staffing resources must be allocated across a larger time period. This would decrease the amount of staff available at any time to serve customers.

13. When compared to other areas of the state, residents of both Dane and Brown counties appear to have less access to DMV center locations per capita and the existing DMV centers serving residents of these counties conduct more transactions per site than other urban areas of the state. Further, the additional staff time and documentation associated with the imminent federal REAL ID deadline and state voter identification requirements could further diminish the convenience of service from DMV centers for residents of these counties. Therefore, the Committee could decide to approve the funding and staffing for both of the proposed centers under this request [Alternative 1].

14. A recent trend affecting the utilization of DMV customer service centers is the increased use of online services to fulfill necessary transactions that would have previously required in-person visits, particularly since the coronavirus pandemic. The Department has been seeking opportunities to provide online services, such as online vehicle registration or title transfers, to help reduce the workload at customer service centers in recent years. In addition, the Department has explored installing self-service kiosks at the busiest customer service centers as a strategy to reduce the workload of staff and decrease waiting times while also exposing customers to online service opportunities. Further, in response to the pandemic, DOT implemented several pilot programs to reduce in-person visits to customer service centers, including providing the opportunity for online driver license and identification card renewals and providing waivers to the driving skills test. In two separate recommendations, the administration is recommending decreases in staffing and funding associated with the implementation of these two pilot programs on a permanent basis. If the need for less in-person services become feasible and a reality, the need for service from DMV centers would likely decrease.

15. Given a potential changing environment related to the provision of in-person services required at DMV Centers, additional DMV services in both Dane and Brown County may not be necessary in the near future. However, until the need for in-person services decline, the Committee may want to provide some resources to meet some of the demand for one of these counties at this time. In doing so, the Committee could approve \$586,600 in 2021-22 and \$663,400 in 2022-23, and 6.0 positions for the additional Madison DMV center [Alternative 2]. Alternatively, the Committee could just approve \$407,400 in 2021-22 and \$452,400 in 2022-23, and 4.0 positions for the additional Green Bay DMV center. [Alternative 3]

16. In recognition of the potential for this changing environment, the Committee could also require DOT to conduct a review of the adequacy of DMV service centers statewide, including location accessibility and service times. The Committee could specify that the review also include recommendations for the appropriate provision of in-person services at DMV centers versus online services, including the opportunity for self-service kiosks, and provide information on the feasibility as well the potential issues associated with providing services remotely. [Alternative 4]

17. The Department also indicates new customer service centers in Madison and Green Bay are necessary because of increased demand associated with providing identification cards for voting purposes and to comply with the federal REAL ID Act of 2005 identification requirements. Verification of documentation required for these requirements and the processing of additional licenses or identification cards has increased the workload for all customer service centers in recent years. In addition, subsequent requirements have been implemented related to the accessibility of

DMV facilities for these purposes. These requirements have added to the existing workload of the Madison and Green Bay centers that already have the highest ratio of residents per center.

18. DOT has received funding in the past to assist with the implementation of the federal REAL ID requirements. In 2007, the federal Department of Homeland Security estimated the cost of implementation at \$23.1 billion over 10 years, of which \$10 billion to \$14 billion were estimated to be costs to states. DOT received federal grants from the Department of Homeland Security in 2008, 2010, and 2011, totaling \$3,444,800. Under 2007 Act 20, provided DOT received 25.9 FTE positions to support the implementation of REAL ID provisions. Pursuant to an Act 20 provision, through a Joint Committee on Finance action of June, 2008, DOT received \$11,200,000 SEG in 2008-09 for activities directly related to compliance with the REAL ID Act, including \$319,700 to support the 25.9 FTE positions (full funding of these positions was included in 2009-11 biennial budget standard budget adjustments). In addition, to help cover the implementation and ongoing costs of the federal REAL ID Act, 2007 Act 20 also created a \$10 federal security verification mandate fee, with estimated gross revenues of \$13.8 million once fully implemented, payable upon the issuance, renewal, upgrading, or reinstatement of any license, instruction permit, or identification card. Subsequently, under the 2013-15 biennial budget, DOT was provided \$280,000 annually to establish a five-year replacement cycle for document processing and issuance equipment. The Governor also recommends providing \$400,000 in 2022-23 to aid DMV in costs associated with implementing REAL ID. [See Issue Paper #620]

19. Under the base level funding currently included in the substitute amendment to Assembly Bill 68/Senate Bill 111, expenditures from the transportation fund are significantly higher than under the Governor's recommendations. The Governor's recommendations reduced SEG funding to the state highway improvement program and replaced that funding with bonding. Further, while the 2019-21 budget increased revenues to the transportation fund, the coronavirus pandemic has dampened the impact of those revenue increases to the fund, as well as to ongoing base level revenues. The Committee already took action to reduce transportation fund appropriations, including adopting standard budget adjustments and reestimates of sum sufficient debt service appropriations that reduced appropriations by \$46.5 million in 2021-22 and \$31.4 million in 2022-23. Despite these actions and slightly higher estimated revenues, prior to Committee actions on the remainder of the transportation budget the estimated 2022-23 ending balance is -\$32.3 million. Again, this is largely due to higher base level transportation fund appropriations (\$162.1 million over the biennium). Additional reductions to base level funding, and/or the authorization of bonding in lieu of SEG funding for the state highway improvement program may be needed to balance the fund in the 2021-23 biennium under the substitute amendment, especially considering revenues to the transportation fund will likely remain somewhat dampened when compared to pre-pandemic levels.

20. Conversely, if the Committee believes additional customer service centers in Madison and Green Bay are unnecessary at this time given the potential expansion in the use of online fulfillment of DMV services resulting in the need for less in-person service, or has concern about providing SEG funding given the projected transportation fund condition at the end of the 2021-23 biennium prior to further Committee action, it could choose to take no action. [Alternative 5]

ALTERNATIVES

1. Provide \$994,000 SEG in 2021-22 and \$1,115,800 SEG in 2022-23, and 10.00 FTE SEG positions annually to establish a third customer service center in Madison and a second customer service center in Green Bay.

ALT 1	Change to Base	
	Funding	Positions
SEG	\$2,109,800	10.00

2. Provide \$586,600 SEG in 2021-22 and \$663,400 SEG in 2022-23, and 6.00 FTE SEG positions to establish a third customer service center in Madison.

ALT 2	Change to Base	
	Funding	Positions
SEG	\$1,250,000	6.00

3. Provide \$407,400 SEG in 2021-22 and \$452,400 SEG in 2022-23, and 4.00 FTE SEG positions to establish a second customer service center in Green Bay.

ALT 3	Change to Base	
	Funding	Positions
SEG	\$859,800	4.00

4. Direct the Department to conduct a review of the location and service times of DMV service centers and satellite facilities statewide. Specify that the review also include recommendations for the appropriate provision of in-person versus online services at DMV centers, including the opportunity for self-service kiosks, and provide information on the feasibility and potential issues associated with providing services remotely.

5. Take no action.

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