

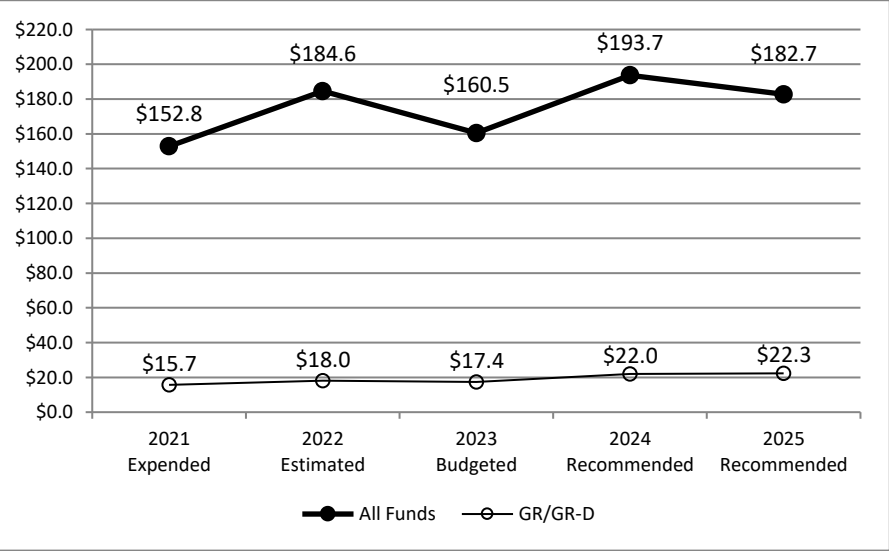
Department of Motor Vehicles Summary of Budget Recommendations - Senate

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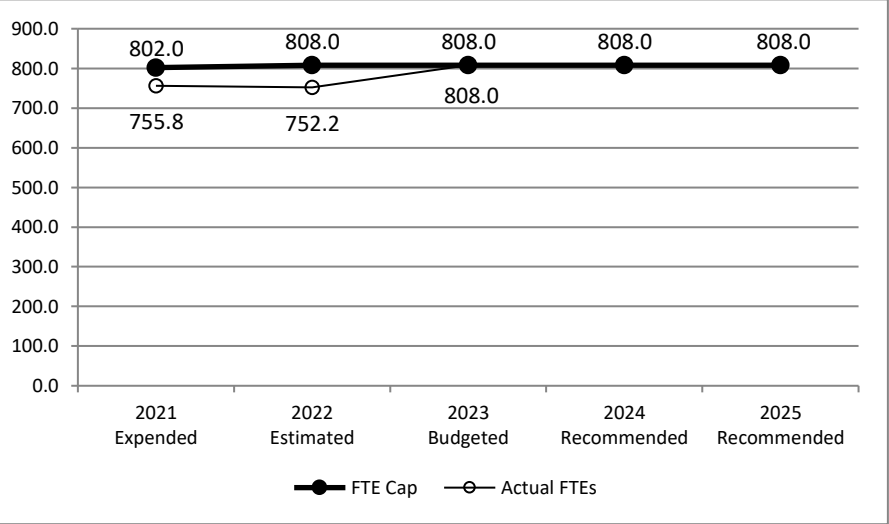
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$35,438,648	\$44,286,665	\$8,848,017	25.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$35,438,648</i>	<i>\$44,286,665</i>	<i>\$8,848,017</i>	<i>25.0%</i>
Federal Funds	\$1,840,250	\$1,174,700	(\$665,550)	(36.2%)
Other	\$307,773,143	\$330,902,457	\$23,129,314	7.5%
All Funds	\$345,052,041	\$376,363,822	\$31,311,781	9.1%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	808.0	808.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Department of Motor Vehicles
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
1)	Decrease for ongoing TxDMV Automation System information technology capital projects.	(\$5.5)	\$0.0	\$0.0	(\$1.8)	(\$7.3)	A.1.4
2)	Increase General Revenue for Motor Vehicle Crime Prevention Authority grants and administration.	\$14.3	\$0.0	\$0.0	\$0.0	\$14.3	B.2.1
3)	Decrease for one-time costs for the webSALVAGE and Accounts Receivable System capital projects.	\$0.0	\$0.0	\$0.0	(\$6.4)	(\$6.4)	A.1.4; C.1.1
4)	Decrease for preliminary costs of the Camp Hubbard Headquarters Renewal project.	\$0.0	\$0.0	\$0.0	(\$6.2)	(\$6.2)	C.1.3
5)	Decrease in Headquarters Maintenance and Regional Service Centers Maintenance projects.	\$0.0	\$0.0	\$0.0	(\$2.6)	(\$2.6)	A.1.1; C.1.3
6)	Increase for Data Center Services to maintain current obligations and provide agency-initiated data storage enhancements in the data center.	\$0.0	\$0.0	\$0.0	\$6.6	\$6.6	C.1.2
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
A)	Increase for Vehicle Titles, Registrations, and License Plates program (postage, sticker paper, personnel, and operating expenses).	\$0.0	\$0.0	\$0.0	\$14.0	\$14.0	A.1.1
B)	Increase for Information Resources support for agency operations.	\$0.0	\$0.0	\$0.0	\$7.8	\$7.8	A.1.4; C.1.2
C)	Increase in central facilities operations and maintenance.	\$0.0	\$0.0	\$0.0	\$1.5	\$1.5	C.1.3
D)	Net increase for vehicle industry licensing, motor carrier services, and enforcement programs.	\$0.0	\$0.0	(\$0.7)	\$1.8	\$1.2	A.1.2; A.1.3; A.1.5; B.1.1
E)	Increase for central administrative support and professional fees and services to support Internal Audit Division technology audits.	\$0.0	\$0.0	\$0.0	\$0.6	\$0.6	C.1.1
F)	Increase for general state employee salary and Executive Director exempt salary increases.	\$0.1	\$0.0	\$0.0	\$7.8	\$7.9	C.1.1; D.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$8.8	\$0.0	(\$0.7)	\$23.1	\$31.3	As Listed
SIGNIFICANT & OTHER Funding Increases		\$14.3	\$0.0	\$0.0	\$40.1	\$53.8	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$5.5)	\$0.0	(\$0.7)	(\$17.0)	(\$22.4)	As Listed

NOTE: Totals may not sum due to rounding.

**Department of Motor Vehicles
Selected Fiscal and Policy Issues - Senate**

1. **TxDMV Automation System.** Recommendations include \$10.5 million in Other Funds from the Texas Department of Motor Vehicles Fund No. 10 (TxDMV Fund) and capital budget authority for the 2024–25 biennium for ongoing TxDMV Automation System information technology projects to maintain the Registration and Titling System (RTS) and associated internal and external facing applications that support motor vehicle dealer licensing and motor vehicle sales, motor carrier credentialing, and data compilation and reporting in alignment with the agency’s request. The recommendations reflect an All Funds decrease of \$7.3 million from the 2022–23 budgeted levels, including a decrease of \$5.5 million in General Revenue Funds and the \$1.8 million in TxDMV Funds.
2. **Supplemental Appropriations: Onetime Information Technology Projects.**
 - a. **Accounts Receivable System Project.** Recommendations reflect a decrease of \$3.2 million in TxDMV Funds appropriated by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for one-time costs of acquiring and implementing a centralized Accounts Receivable System.
 - b. **webSALVAGE Project.** Recommendations reflect a decrease of \$3.1 million in TxDMV Funds appropriated by House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, for one-time costs of the webSALVAGE application project.
3. **Capital Facilities – Headquarters Renewal.** Recommendations include a decrease of \$6.2 million in TxDMV Funds from supplemental appropriations to develop architectural and engineering plans for renovation and replacement of facilities at the department’s Camp Hubbard headquarters in Austin. The Legislature appropriated this funding in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, to initiate the renewal project. The department is requesting \$143.0 million in Revenue Bond proceeds, to be issued by the Texas Public Finance Authority (TPFA), for the Camp Hubbard Renewal Project to finance the demolition of existing facilities, construction of a new office building, renovation of existing buildings, and upgrades to the central utility plant. The request also includes \$24.4 million in TxDMV Funds for the biennium for making lease payments to TPFA for debt service payments on the revenue bonds. Recommendations do not include funding for the project (see Items Not Included in Recommendations #3).
4. **Capital Facilities Maintenance.** Recommendations reflect a net decrease of \$2.6 million in TxDMV Funds from the 2022–23 biennium for agency headquarters facility deferred maintenance and rehabilitation projects and Regional Service Center (RSC) maintenance capital projects. The agency’s 2022–23 base includes \$2.8 million for headquarters maintenance projects from unexpended balances of appropriations carried forward from the 2020–21 biennium. Recommendations for the 2024–25 biennium do not include additional funding for headquarters maintenance but maintain appropriation authority in the 2024–25 biennium for any unexpended balances remaining at the end of the 2022–23 biennium for ongoing headquarters maintenance projects.

Recommendations include \$0.7 million in TxDMV Funds for RSC Maintenance capital projects, an increase of \$0.2 million from the 2022–23 budgeted levels, to continue funding for ongoing maintenance and renovations at the agency’s 16 regional service centers that provide vehicle registration, titling, and permitting customer service. Recommendations also provide appropriation authority in the 2024–25 biennium for any unexpended balances remaining at the end of the 2022–23 biennium for ongoing RSC Maintenance projects. (See Rider Highlights, New Rider #9.)

5. **Data Center Services (DCS).** Recommendations include \$26.9 million in TxDMV Funds for the 2024–25 biennium for DCS, an increase of \$6.6 million from the 2022–23 budgeted levels, to align with the Department of Information Resources’ (DIR) estimate to maintain current DCS obligations (\$24.8 million for the biennium) and one-time costs for agency initiatives to enhance data storage and retrieval through DCS (\$2.0 million).
6. **Motor Vehicle Crime Prevention Authority (MVCPA) Fee and Appropriations.** State law requires insurance companies writing motor vehicle insurance policies in Texas to pay a fee of \$4.00 (MVCPA fee) for each motor vehicle year of insurance for policies issued by the insurer and prescribes the disposition of the fee as follows (Transportation Code §1006.153):
 - (1) 20.0 percent “shall be” appropriated for MVCPA purposes (deposited to General Revenue);
 - (2) 20.0 percent to be deposited to the General Revenue Fund to be used only for criminal justice purposes; and
 - (3) 60.0 percent to be deposited to the GR–Dedicated Account No. 5111, Designated Trauma Facility and Emergency Medical Services Account.

Recommendations provide \$44.2 million in General Revenue funding for MVCPA grants and administration for the 2024–25 biennium (a biennial increase of \$14.3 million) based on the agency’s estimates for the statutory allocation of MVCPA fee revenue collections for the 2024–25 biennium. Recommendations also include a new rider to specify that General Revenue appropriations for the direct and indirect costs associated with the MVCPA program for the 2024–25 biennium are estimated and limited to MVCPA fee revenue collections and to appropriate any unexpended balances of MVCPA program appropriations remaining at the end of the 2022–23 biennium for the same purpose in the 2024–25 biennium. (See Rider Highlights, New Rider #10).

Based on the Comptroller’s January 2023 Biennial Revenue Estimate (BRE) for the 2024–25 biennium, total MVCPA fee revenue is estimated to be \$237.3 million for the 2024–25 biennium, of which the 20 percent MVCPA allocation would be \$47.5 million.

**Department of Motor Vehicles
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations amend the rider to remove capital budget authority for the Growth and Enhancements – TxDMV Operations Support and Replacement Vehicles and align capital budget authority with the 2024–25 funding recommendations for Regional Service Centers Maintenance, TxDMV Automation System, PC Replacement, Technology Replacement & Upgrades – Regional Support for County Tax Assessor-Collector Offices, Data Center/Shared Technology Services, and Cybersecurity.
3. **Appropriation of Special License Plate Fees.** Recommendations amend this rider to update the amount of appropriations from specialty license plate fees deposited to the Texas Department of Motor Vehicles Fund that are included in Strategy A.1.1, Titles, Registrations, and Plates, for the purpose of making contract payments to the vendor selected by the agency for the marketing and sale of personalized and specialty license plates.

New Riders

9. **Unexpended Balance Appropriation: Regional Service Centers Maintenance Project.** Recommendations add a rider to appropriate in the 2024-25 biennium any unexpended balances remaining at the end of the 2022–23 biennium from appropriations for the Regional Service Centers Maintenance capital budget project (estimated to be \$0) to allow project funding authority to continue in the event of delays that may extend the project schedule beyond the end of the current biennium. (See also Selected Fiscal and Policy Issues #4.)
10. **Motor Vehicle Crime Prevention Authority Appropriation.** Recommendations add a rider to:
 - (a) limit the appropriations for Strategy B.2.1, Motor Vehicle Crime Prevention, and other direct and indirect costs of Motor Vehicle Crime Prevention Authority (MVCPA) program (e.g., employee benefits) to the amount of revenue collected for the program pursuant to Transportation Code, Sec. 1006.153 (MVCPA Fee);
 - (b) appropriate additional MVCPA Fee revenue collected above the amounts estimated in the Comptroller’s January 2023 Biennial Revenue Estimate for the 2024–25 biennium and provide unexpended balance appropriation authority for these funds between fiscal years within the 2024–25 biennium; and
 - (c) appropriate in the 2024–25 biennium any unexpended balances remaining from the 2022–23 from the MVCPA appropriation.

(See Selected Fiscal and Policy Issues #6.)

Department of Motor Vehicles
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Other Funds from the Texas Department of Motor Vehicles Fund No. 10 (TxDMV Fund) and capital budget authority for an RTS Replacement Phase One project to replace the agency's legacy Registration and Titling System (RTS). Includes Data Center Services component cost of \$2,328,511 for the 2024-25 biennium.	\$0	\$6,750,000	0.0	Yes	Yes	\$105,000,000
2)	Other Funds from the TxDMV Fund to establish two additional Regional Service Centers (RSC) in Houston and Dallas to address customer service capacity limitations and increased call volume and wait times at the current RSCs. Request includes: • \$0.9 million in capital budget authority for facility build-outs; • \$0.8 million for building rent; • \$0.7 million for 8.0 FTEs (1.0 Manager FTE & 3.0 Customer Service Representatives at each RSC) and associated operating costs; • \$0.5 million in estimated IT costs and other startup costs; and • \$0.5 million for Data Center Services component cost for the 2024-25 biennium.	\$0	\$3,478,411	8.0	Yes	Yes	\$676,040
3)	Other Funds for the financing and construction of a new office building and renovations to existing facilities at the agency's Camp Hubbard headquarters in Austin, including \$143.0 million in Revenue Bond Proceeds to be issued by the Texas Public Finance Authority (TPFA) and capital budget authority for construction of buildings and facilities and \$24.4 million in Other Funds from the TxDMV Fund for making lease payments to TPFA for debt service payments on the Revenue Bonds. (See also Agency Rider Requests Not Included #7, below, and Selected Fiscal and Policy Issues #3.)	\$0	\$167,357,000	0.0	No	No	\$25,586,000

Department of Motor Vehicles
Items Not Included in Recommendations - Senate

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
4)	Other Funds from the TxDMV Fund and increase the FTE cap by 38.0 FTEs each fiscal year to accommodate additional staffing needs for enforcement, licensing and permitting, information technology, specialty plate reviews, public information requests, and facilities maintenance, including: • 10.0 FTEs in Enforcement, including 9.0 Investigators and 1.0 Attorney; • 9.0 FTEs in Motor Vehicle Industry Licensing, including 6.0 Program Specialists for temporary motor vehicle tags and background analysis, 2.0 License & Permit Specialists, and 1.0 Program Supervisor; • 6.0 FTEs in MVCPA, including 2.0 Program Specialists, 1.0 Grant Specialist, 1.0 Tax Audit Manager, 1.0 Tax Auditor, and 1.0 Training and Development Specialist (to be funded by General Revenue Funds included in the 2024-25 recommendations; • 6.0 FTEs in Information Resources, including 2.0 Cybersecurity Analysts, 1.0 Data Architect, 1.0 Data Analyst, and 2.0 System Administrators; • 4.0 FTEs in Titles, Registrations, and Specialty License Plate Services, including 2.0 Operations Specialists and 2.0 Record Analysts; • 2.0 FTEs in Other Support Services for a Maintenance Specialist and HVAC Mechanic; and • 1.0 FTE in Central Administration for an Internal Auditor.	\$0	\$3,715,120	38.0	No	No	\$3,715,120
5)	Other Funds from the TxDMV Fund to increase the state's inventory of general issue license plates from a three-month supply to a six-month supply and to maintain inventory to satisfy current annual demand.	\$0	\$5,200,000	0.0	No	Yes	\$3,708,750
6)	Increase the authorized salary for the Executive Director position to an amount not to exceed \$261,068 in Group 7 (No additional funding is requested. The position is currently a Group 7 with an annual not to exceed amount of \$215,000. Recommendations increase the authorized annual salary to \$222,500 in FY 2024 and \$230,000 in FY 2025 in Group 7.)	\$0	\$0	0.0	No	No	\$0

Department of Motor Vehicles
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Rider Requests Not Included							
7)	New Rider, Camp Hubbard Renewal Project, to authorize issuance of TPFA Revenue Bonds, appropriate the bond proceeds to fund the project, authorize appropriation of TxDMV Funds to pay for project costs including costs of bond issuance, and appropriate TxDMV Funds to make payments to TPFA for debt service on the bonds. (See also Agency Exceptional Items Not Included #3 above.)	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$0	\$186,500,531	46.0			\$138,685,910

Department of Motor Vehicles
Appendices - Senate

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* Appendix is not included - no significant information to report

Department of Motor Vehicles
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
TITLES, REGISTRATIONS, AND PLATES A.1.1	\$149,037,026	\$163,188,932	\$14,151,906	9.5%	Increase of \$14.2 million in Other Funds from the Texas Department of Motor Vehicles Fund (TxDMV Fund), including but not limited to: • an increase of \$11.5 million for postage due to agency anticipated mail volume and postage rate increases; • an increase of \$1.5 million for registration sticker paper costs; • an increase of \$0.8 million in salaries and wages to provide full staffing in the 2024-25 biennium; • an increase of \$0.5 million in anticipated National Motor Vehicle Title Information System fee costs; • an increase of \$0.2 million for Regional Service Centers Maintenance capital budget; and • a decrease of \$0.5 million in other operating and information technology capital expenses.
VEHICLE INDUSTRY LICENSING A.1.2	\$8,275,936	\$8,654,854	\$378,918	4.6%	Increase in TxDMV Funds includes an increase of \$0.3 million for two full years of funding for background checks and an increase of \$0.1 million in salaries and wages to provide full staffing in the 2024-25 biennium.
MOTOR CARRIER SERVICES A.1.3	\$18,973,668	\$19,127,748	\$154,080	0.8%	Net increase in All Funds includes: • an All Funds decrease of \$1.3 million in one-time costs for the TxDMV International Registration Plan (TxIRP) Upgrade project, including \$1.1 million in Federal Funds and \$0.2 million in TxDMV Funds; • an increase of \$0.6 million in TxDMV Funds in professional fees and services and other operating expenses for motor carrier information systems support, including matching funds for federal grants; • an increase of \$0.5 million in TxDMV Funds for salaries and other personnel costs to provide full staffing in the 2024-25 biennium; and • a net increase of \$0.4 million in Federal Funds from ongoing Motor Carrier Safety Administration grant projects.

Department of Motor Vehicles					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
TECHNOLOGY ENHANCEMENT & AUTOMATION A.1.4	\$26,546,152	\$15,909,150	(\$10,637,002)	(40.1%)	All Funds decrease of \$10.6 million includes: • an All Funds decrease of \$7.3 million for TxDMV Automation Systems information technology capital projects, including decreases of \$5.5 million in General Reveue and \$1.8 million in TxDMV Funds; • a decrease of \$3.1 million in TxDMV Funds from supplemental appropriations for webSALVAGE application one-time project costs; and • a decrease of \$0.3 million in TxDMV Funds from supplemental appropriations for one-time programming costs for implementation of SB 1064, 87th Legislature, Regular Session, 2021, regarding extended county fleet registration.
CUSTOMER CONTACT CENTER A.1.5	\$6,572,188	\$6,813,586	\$241,398	3.7%	Increase in TxDMV Funds for salaries and wages and other operating costs to provide funding at full staffing levels in the 2024-25 biennium.
Total, Goal A, OPTIMIZE SERVICES AND SYSTEMS	\$209,404,970	\$213,694,270	\$4,289,300	2.0%	
ENFORCEMENT B.1.1	\$13,837,666	\$14,225,004	\$387,338	2.8%	Net increase of \$0.4 million in TxDMV Funds includes: • an increase of \$0.5 million for salaries and wages and other operating costs to provide funding at full staffing levels in the 2024-25 biennium; and • a decrease of \$0.1 million for replacement vehicles.
MOTOR VEHICLE CRIME PREVENTION B.2.1	\$29,959,210	\$44,211,923	\$14,252,713	47.6%	Increase of \$14.3 in General Revenue to align the Motor Vehicle Crime Prevention Authority (MVCPA) program appropriation with the estimated 20 percent statutory MVCPA Fee revenue allocation for the 2024-25 biennium.
Total, Goal B, PROTECT THE PUBLIC	\$43,796,876	\$58,436,927	\$14,640,051	33.4%	
CENTRAL ADMINISTRATION C.1.1	\$21,745,974	\$19,170,770	(\$2,575,204)	(11.8%)	Decrease of \$2.6 million in TxDMV Funds includes: • a decrease of \$3.2 million in supplemental appropriations for the Accounts Receivable Systems project one-time costs; • an increase of \$0.4 million for salaries and wages and other operating costs to provide funding at full staffing levels in the 2024-25 biennium; and • an increase of \$0.2 million for professional fees and services related to Internal Audit Division information technology audit services

Department of Motor Vehicles					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
INFORMATION RESOURCES C.1.2	\$49,731,037	\$64,367,459	\$14,636,422	29.4%	Increase of \$14.6 million in TxDMV Funds includes: • an increase of \$8.5 million in professional fees and services for implementation of non-capital application security and identity management services, modernization of the TxDMV service desk platform, and other software compliance upgrades; • an increase of \$6.6 million for Data Center Services (DCS) based on the Department of Information Resources' forecast for maintaining current obligations and one-time implementation of new agency initiatives within the DCS capital budget project in the 2024-25 biennium; • an increase of \$0.7 million for PC replacement; • an increase of \$0.4 million for salaries and wages and other operating costs to provide funding at full staffing levels in the 2024-25 biennium; and • a decrease of \$1.6 million from the Growth and Enhancements information technology capital project for department operations support.
OTHER SUPPORT SERVICES C.1.3	\$20,373,184	\$12,851,709	(\$7,521,475)	(36.9%)	Decrease of \$7.4 million in TxDMV Funds includes: • a decrease of \$6.2 million in supplemental appropriations for planning costs for the department's Camp Hubbard Renewal project; • a decrease of \$2.8 million for headquarters facilities deferred maintenance project appropriations carried forward from the 2020-21 biennium; and • an increase of \$1.5 million for non-capital facilities maintenance and operations responsibilities at Camp Hubbard facilities to be transferred from the Department of Transportation to the Department of Motor Vehicles.
Total, Goal C, INDIRECT ADMINISTRATION	\$91,850,195	\$96,389,938	\$4,539,743	4.9%	
SALARY ADJUSTMENTS D.1.1	\$0	\$7,842,687	\$7,842,687	100.0%	Increases of \$7.7 million in TxDMV Funds and \$0.1 million in General Revenue for a general state employee salary increase.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$7,842,687	\$7,842,687	100.0%	
Grand Total, All Strategies	\$345,052,041	\$376,363,822	\$31,311,781	9.1%	

Department of Motor Vehicles
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	802.0	808.0	808.0	808.0	808.0
Actual/Budgeted	755.8	752.2	808.0	NA	NA

Schedule of Exempt Positions					
Executive Director, Group 7	\$202,739	\$210,850	\$215,000	\$222,500	\$230,000

- Note:
- a) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 22-706, August 2022) indicates an average market salary of \$220,221 for the Executive Director position at the Department of Motor Vehicles. The agency is requesting to increase the salary cap for the Executive Director from \$215,000 to \$261,068.
 - b) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.