

DMV
REAL ID

D.B. Smit
Commissioner

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REAL ID

Recap and Update

- Signed into law on May 11, 2005
- Intent: ID Security; anti-terrorism
- States have the option to not comply
- Effective May 11, 2008, federal agencies cannot accept state-issued credentials from states not in compliance with REAL ID requirements
- Federal funds not dedicated

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Expectations

- Full compliance dramatically changes DMV service model
 - Document verification, scanning and storage
 - Electronic data exchanges that currently do not exist
- Eliminates alternative service options for at least 5 years; 250,000 more customers annually in CSCs
- Increases privacy concerns of customers
- Creates need for extensive public awareness

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Recent Actions

- Real ID Report , December 2006

Key Recommendations:

- Require the use of alternative services
- Increase the use of DMV Selects
- Consider extending the validity period of licenses
- Create a central verification unit
- Advocate for grandfathering of licensed drivers
- Advocate for federal funding
- Extend the deadline for implementation

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Policy Approach

- Centralize Driver's License Issuance
- Centralize identity verification to allow for improved standardization and scrutiny of documents
- Transition business operations and transactions to more cost effective delivery channels
- Improve and upgrade IT systems
- Implement demand based resource allocation

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Timeline

- Federal regulations have been drafted and are being reviewed by the Office of Management and Budget
- DMV will continue to transition vehicle work to preferred channels – ongoing
- Procure Central License Issuance Vendor – underway
- Public Awareness Campaign – Summer 2007
- Establish Verification Unit – Fall 2007
- Implementation Deadline– May 2008 *Deadline extension needed*

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Challenges

- Without improvements in operations, Real ID could substantially increase wait times
- Licensing transactions could take days or weeks instead of same visit issuance
- Increased limits on who can meet the threshold for a compliant license
- Delay on federal regulations and debate in Washington makes planning difficult; DMV must proceed with business improvements to be prepared



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Cost Estimates

- Directly Related
 - Initial \$2.0
 - Funded 2006 Session
 - Verification unit (recurring) \$5.0

- Indirectly Related
 - Central Issuance (recurring) \$3.9
 - Service Delivery (recurring) \$5.3
 - Systems Redesign \$31.8
 - Funded 2006 Session (over 6 years)



Budget Bill

- REAL ID \$13.0 m
 - Personnel (140) \$4.5 m
 - IT \$1.0 m
 - License Central Issuance \$2.0 m
 - DMV Select Compensation \$0.9 m
 - Public Awareness Campaign (1st of 2 years) \$1.2 m
 - Other Operating (facilities/supplies) \$0.1 m
 - Address Customer Service Needs \$3.4 m
 - Customer Contact Center Improvement, Staffing retention, fraud prevention training

Budget Bill

- Revenue
 - DMV revenue projected to decline by .5% for FY 2007
 - DMV retains \$2 surcharge from Information Product Fees to generate \$3.3 million in FY 2007 and \$10.2 million in FY 2008
- Language
 - Enabling language for DMV to establish policies and procedures to direct vehicle registration renewal transactions to more cost effective delivery channels to mitigate the impact of REAL ID

Summary

- Without federal regulations, planning is difficult at best
- Virginia will face a significant impact on service delivery, therefore must prepare now
- In the absence of federal support, DMV will need long term funding to support REAL ID