

# South Carolina Department of Motor Vehicles



**2023-2024 House Ways & Means Committee  
18 January 2023**



*List of Key Officials*

# **South Carolina Department of Motor Vehicles Key Officials**

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**Brian L. Carlson, Director of Motor Carrier Services**

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**Lauren H. Phillips, Deputy Director, Legislative Affairs**

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**Vacant, Legislative Liaison, Legislative Affairs**



*Agency Overview*

## SCDMV Agency Overview

### Mission Statement

The South Carolina Department of Motor Vehicles (SCDMV) administers the state's motor vehicle licensing and titling laws by maintaining strict controls to deliver secure and valid identification, licenses, and property records, while accurately accounting for the receipt and timely distribution of all revenue collected in order to best serve our citizens.

To accomplish this mission, the SCDMV will administer South Carolina's motor vehicle laws in an efficient, effective, and professional manner in order to deliver accuracy and security in all transaction documents and to provide the highest levels of customer service to the citizens of South Carolina.

### Major Program Areas

**Executive Director:** The Executive Director of the SCDMV is appointed by Governor McMaster and confirmed by the Senate. The Executive Director is responsible overseeing the agency's day-to-day functions to ensure the mission stated above is met for the betterment of the State of South Carolina. The Executive Director is Kevin Shwedo.

**Chief of Staff/Operations:** The Chief of Staff/Operations Office oversees Legislative Affairs, Strategic Communications, Constituent Services, Training, Policies and Procedures, Information Security, and Information Technology. In this dual role, Rob Bailes serves as the agency's Chief of Staff and Director of Operations.

**Administration:** Administration manages the agency's Human Resources, Finance, Procurement, Facilities, Inventory, and Grants teams. Administration is led by Director Adam Wagnblas.

**Branch Services:** Branch Services manages the agency's 66 branch offices strategically located throughout the state. This is the largest department in the agency, accounting for more than 800 employees. Branch Services also manages mobile operations and the contact center for the agency. Branch Services is led by Director Courtney Saxon.

**Driver Services:** Driver Services is responsible for Data Quality, Motor Vehicle Records, International Customers, Suspensions, and Financial Responsibility. Driver Services also works extensively with the Judicial Branch. Driver Services is led by Director Shirley Rivers.

**General Counsel:** The General Counsel's Office oversees all of the agency's court cases and legal issues. The SCDMV's General Counsel is Brandy Duncan.

**Inspector General:** The Inspector General's Office oversees Internal Affairs, Driver's License and Title Fraud, Dealer Licensing, and Third-Party Trainers and Schools. Karl McClary is the SCDMV's Inspector General.

**Motor Carrier Services:** Motor Carrier Services oversees CMV functions including International Fuel Tax Agreement (IFTA) processes, International Registration Plan (IRP), and CDL operations. Motor Carrier Services is led by Director Brian Carlson.

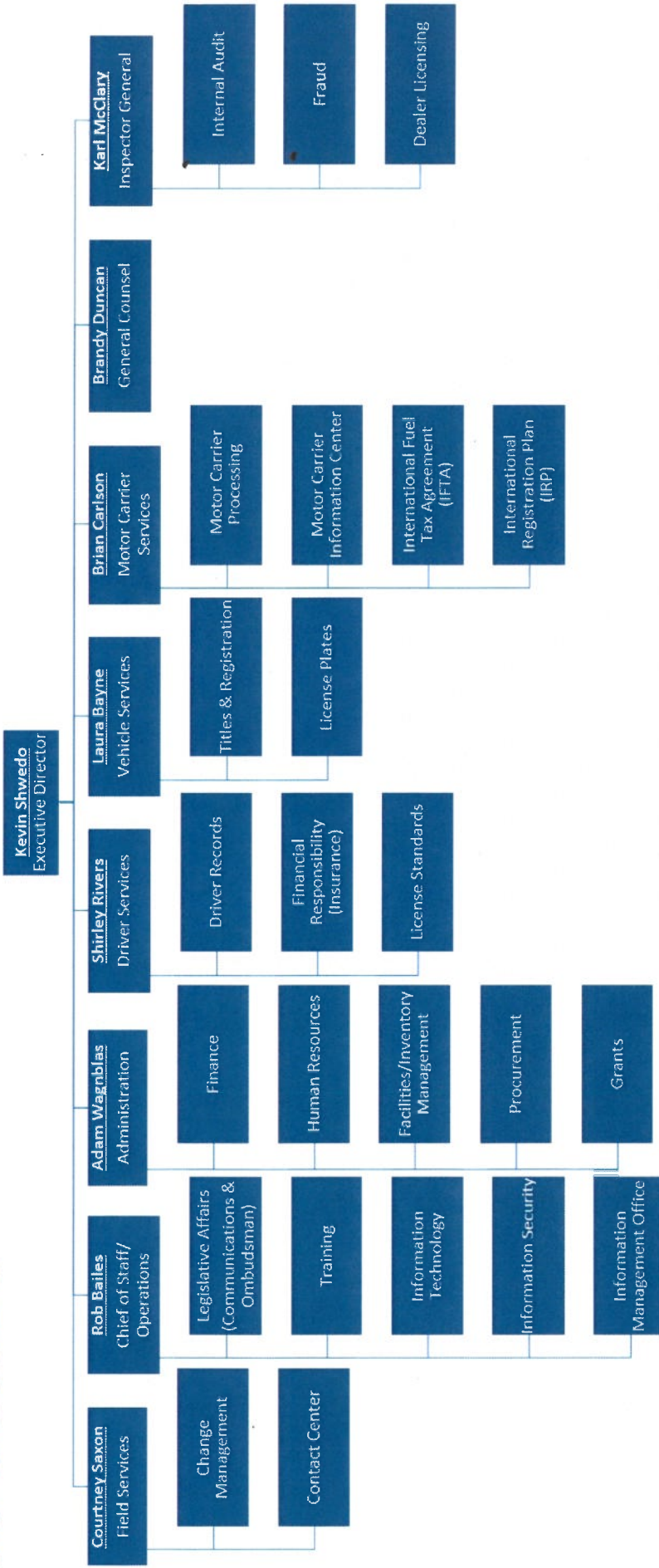
**Vehicle Services:** Vehicle Services oversees all facets of Titles and Registrations. Vehicle Services is led by Director Laura Bayne.



*Organizational Chart*



# SCDMV Organizational Structure



### SCDMV FTE Information

Program	Classification	Authorized	Filled	Vacant
Administration	Exec. Director	1	1	0
	Unclassified	3	3	0
	Classified	126	108	18
Branch Services	Unclassified	1	1	0
	Classified	801	750	51
Vehicle Services	Unclassified	1	1	0
	Classified	199	140	59
Driver Services	Unclassified	1	1	0
	Classified	121	108	13
Inspector General	Unclassified	1	1	0
	Classified	66	47	19
Technology & Product Development	Classified	59	52	7
	Unclassified	1	1	0
Motor Carrier Services	Unclassified	1	1	0
	Classified	12	9	3
<b>Total</b>		<b>1,393</b>	<b>1,223</b>	<b>171</b>





*Performance Update*

## SCDMV Performance Update

- The agency distributed \$763,583,151.32 in FY22. While less than what the agency distributed in FY21, in FY23, the agency is anticipating a one percent increase above FY22's amount as of November 2022. In FY23 through November, the agency has distributed \$310,133,514.28.
- The General Assembly funded an additional \$4.1m for an Equitable Compensation Plan at the start of FY23, which was distributed to the workforce in December 2022 with backpay dating to the start of the fiscal year. This was the second round of funding graciously appropriated by the General Assembly for this initiative and nearly every employee at the agency was impacted by this request. DMV employees have a true path to future opportunities now, and employees can more easily see steppingstones of their career with the DMV. Now, 68 percent of DMV employees are paid at or above the state average by job class. For employees occupying FTEs in band 5 and below, 73 percent are paid at or above the state average by job class. A total of \$9.1m was provided to the agency in the past two fiscal years. Of this money, 77.16 percent went to pay bands five and below. The remaining was allocated to pay bands six and above with the exclusion of the agency's Executive Director.
- The federal enforcement date of the REAL ID Act of 2005 was recently moved to May 2025 (from May 2023), meaning South Carolinians have even more time to ensure they have federally compliant driver's licenses and identification cards when boarding commercial flights in the future. More than 2.3 million residents now have a REAL ID accounting for more than 51 percent of licenses and IDs issued. With the new enforcement date, the agency estimates an additional 1.1 million REAL IDs may be issued, however, it seems the most inclined to transition to a REAL ID have done so.
- The agency implemented sweeping changes to the information it provides to the State Election Commission (SEC) in March 2022 in compliance with state and federal law. More than 325,000 address changes that occurred at the DMV have been sent to the SEC in less than a year. Additionally, the agency supplies other weekly, monthly, and annual reports to the agency to assist in carrying out secure elections open to all qualified voters. The DMV recognizes the critical nature of this partnership, particularly leading up to the 2024 election.
- As of the authoring of this document, the State Fiscal Accountability Authority (SFAA) is reviewing a to-be-published request for proposal (RFP) that would secure a vendor to partner with the DMV and issue the most secure driver's licenses and identification cards to date via a model called central issuance. The RFP is anticipated to be published in the coming days with an award date in spring 2023. This State is one of three in the Southeast that does not issue driver's licenses and identification cards via central issuance (including Arkansas and Louisiana). Using this model, most people will no longer receive a physical card at DMV branches. Customers will still visit the DMV, when needed, to have their photographs taken, but they will leave the office with a temporary paper credential and, if already a license/ID card holder, a hole punched in that card (to show they recently applied for a new one) while awaiting their new license or ID in the mail. More than 90 percent of all US-issued licenses and IDs are delivered this way. Not only does this mean shorter wait times at DMV branches and more efficient staff members who do not have to account for inventory or review fraud reports, but this means identity documents are only

issued to people who have passed a series of checks (which are all currently completed *after* a physical card has been issued). The agency estimates this issuance model will be implemented during calendar year 2024.

- The agency will submit recommendations to the General Assembly later this year regarding the implementation of mobile identities in this State with the goal of installing secure, State-issued driver's licenses and identification cards on residents' mobile devices (with their permission) in the coming years. The recommendations come as a result of the currently authorized Mobile Identities Study Committee created in the FY23 Appropriations Act.
- The State's new Motor Carrier Services directorate continues to focus on the important role the trucking community plays in ensuring commerce occurs with expediency. The FY23 Appropriations Act funded this directorate to focus on the needs of intrastate and interstate commercial motor vehicles. Simultaneously, the agency has grown its commercial driver's license focus in a variety of ways. The Examiner Training Unit, which trains every DMV examiner as well as Third Party Tester on how to administer road tests for every license type, was expanded and is now fully staffed to provide greater throughput at a once bottlenecked point in the licensing chain. The agency is poised to host its second CDL Day at the State Fairgrounds in January, and the agency is actively working to implement a modern CDL Skills Test recently approved by the Federal Motor Carrier Safety Administration. Finally, the DMV will begin expanding existing CDL skills test pads at its branches and paving new locations to provide even greater access to customers interested in obtaining commercial licenses.
- In the past seven years, the number of registered organ donors in South Carolina has more than doubled. Now, more than 2.3 million license holders have checked "YES!" to give the gift of life. The agency's new goal is to exceed 2.5 million participants by December 2025, meaning 56 percent of all license or ID card holders would be organ donors. This selfless gift is one the agency celebrates. Have you ever been to one of our branches and heard clapping? This means a customer decided to donate money to Donate Life South Carolina in support of its mission.



*Financial Update*

### SCDMV Appropriations vs. Actual Spend FY2021-2022

State Funded Program	General Fund			Earmarked			Federal		
	Approp.	Actual	Variance	Authority	Actual	Variance	Authority	Actual	Variance
Administration	6,523,304	7,255,463	(732,159)						
Branch Services	39,840,453	35,703,731	4,136,723						
Driver Services	6,390,354	6,714,184	(323,830)						
Vehicle Services	7,768,521	8,434,240	(665,719)						
Office of Inspector General	2,900,214	2,651,733	248,481						
Information Technology	13,564,423	13,117,132	447,291						
Employer Contributions	21,049,487	20,125,012	924,474						
Facial Recognition	245,000	30,900	214,100						
Mail Tracking System	457,500	-	457,500						
Plate Replacement				7,500,000	5,444,317	2,055,683			
Real ID				4,200,000	12,289	4,187,711			
Earmarked Fund				8,247,596		8,247,596	1,700,000	449,628	1,250,372
<b>Grand Total</b>	<b>\$ 98,739,256</b>	<b>\$ 94,032,394</b>	<b>\$ 4,706,862</b>	<b>\$ 19,947,596</b>	<b>\$ 5,456,606</b>	<b>\$ 14,490,990</b>	<b>\$ 1,700,000</b>	<b>\$ 449,628</b>	<b>\$ 1,250,372</b>

**SCDMV Appropriations vs. Actual Spend FY2022-2023 (as of 12/29/2022)**

State Funded Program	General Fund			Earmarked			Federal		
	Approp.	Actual	Variance	Authority	Actual	Variance	Authority	Actual	Variance
Administration	9,030,013	3,659,365	5,370,649						
Branch Services	41,042,722	20,250,792	20,791,929						
Driver Services	7,560,289	3,185,342	4,374,947						
Vehicle Services	10,989,489	2,327,387	8,662,102						
Office of Inspector General	3,640,852	1,927,670	1,713,182						
Motor Carrier Services	679,076	678,048	1,028						
Information Technology	14,575,110	5,801,406	8,773,704						
Employer Contributions	24,628,690	11,910,482	12,718,208						
Facial Recognition	245,000	32,250	212,750						
MCS Reorganization	1,092,000	550,481	541,519						
Mail Tracking System	457,500	-	457,500						
Plate Replacement		2,995,101	(2,995,101)	7,500,000		7,500,000			
Real ID				4,200,000	1,410,629	2,789,371			
Earmarked Fund				8,247,596		8,247,596	1,700,000	243,016	1,456,984
<b>Grand Total</b>	<b>\$ 113,940,741</b>	<b>\$ 53,318,324</b>	<b>\$ 60,622,417</b>	<b>\$ 19,947,596</b>	<b>\$ 1,410,629</b>	<b>\$ 18,536,967</b>	<b>\$ 1,700,000</b>	<b>\$ 243,016</b>	<b>\$ 1,456,984</b>



## SCDMV Carryforward Balances

### General Fund

FY22 General Fund Budget	\$98,739,256
FY22 General Fund Spend	(\$94,032,394)
FY22 General Fund Remaining	\$4,706,862
FY21 General Fund Remaining	\$6,060,277
FY20 General Fund Remaining	\$4,245,761
FY19 General Fund Remaining	\$8,548,120
FY18 General Fund Remaining	\$1,816,927
FY17 General Fund Remaining	\$3,207,311
<b>DMV Cumulative General Fund Carryforward</b>	<b>\$28,585,258</b>

### Earmarked Funds

FY17 Beginning Balance	\$22,504,382
FY17 Expenditures (net)	(\$7,754,391)
FY18 Expenditures (net)	(\$457,979)
FY19 Expenditures (net)	(\$3,408,064)
FY20 Expenditures (net)	\$386,163
FY21 Expenditures (net)	(\$2,835,290)
FY22 Expenditures (net)	(\$990,985)
FY23 Expenditures (net) YTD	(\$2,096,185)
<b>Current Earmarked Funds Balance (10/03/2022)</b>	<b>\$5,347,651</b>



*Budget Request Summary*

FY 23-24 Prioritized Budget Request Summary  
 R400 - South Carolina Department of Motor Vehicles

BUDGET REQUESTS		FUNDING						FTEs				
Priority	Request Type (recurring, non-recurring, capital)	Request Title	Brief Description	General - Recurring	General - Nonrecurring	Other	Federal	Total	State	Other	Federal	Total
1	Non-Recurring	Non Recurring SCDMV System Modernization	A Non-Recurring request to modernize DMV's customer record system and replace Phoenix with a Commercial-Off-The-Shelf solution. The agency estimates the current Phoenix system will become untenable within the next five years, and without a replacement system in place, the SCDMV would be unable to carry out its charter of administering the state's motor vehicle laws.		100,000,000.00			100,000,000.00				0.00
2	Recurring	Recurring SCDMV System Modernization	A Recurring request to modernize DMV's customer record system and replace Phoenix with a Commercial-Off-The-Shelf solution. The agency estimates the current Phoenix system will become untenable within the next five years, and without a replacement system in place, the SCDMV would be unable to carry out its charter of administering the state's motor vehicle laws.	16,000,000.00				16,000,000.00				0.00
3	Recurring	FY24 Functional Capability Gaps	A Recurring request for FTE funding, the requested funding would provide support for key areas within the agency including Information Security & Contract Management, as well as supporting the additional demand on the agency from adding another Directorate.	828,759.00				828,759.00				0.00
4	Recurring	Disaster Recovery Services	In accordance with Executive Order 2022-03, the SCDMV is transitioning to the Department of Administration's Shared Services. The Recurring request would fund the Disaster Recovery component of SCDMV's Shared Services transition.	620,000.00				620,000.00				0.00
5	Non-Recurring	Modular Furniture For New Mt. Pleasant SCDMV Branch Office	Due to a completely different design/layout of the new office location in the Mt. Pleasant leased buildings, the SCDMV must procure new modular furniture, as current furniture will not physically fit into the new workspace.		202,182.00			202,182.00				0.00
6												0.00
<b>TOTAL BUDGET REQUESTS</b>				\$ 17,448,759	\$ 100,202,182	\$ -	\$ -	\$ 117,650,941	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

## **FORM B2 – NON-RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	1
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Non-Recurring SCDMV System Modernization
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	\$100,000,000
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations	
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input checked="" type="checkbox"/>	Related to a Recurring request – If so, Priority # Recurring SCDMV System Modernization	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	<p>There are a number of strategies this funding request would support. A modernized customer record system is anticipated to streamline SCDMV processes meaning citizens and businesses will be served faster and via a wide array of customer service delivery options. The SCDMV anticipates a modernized system could offer customer accounts, more payment opportunities, and built-in financial reconciliation.</p> <p>Depending on the type of system procured, there are additional opportunities to link the SCDMV's system to other state agencies and create a single agency as the point-of-entry to other state agencies meaning citizens would not have to re-validate information already provided to the primary system of record (the SCDMV in this case).</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>Contractors/vendors would receive these funds after a competitive bid process to select an entity to management the modernization process.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

	<p>The SCDMV's current IT system, Phoenix, went "live" in 2002 and has endured more than 11,000 modifications since its introduction. The current system is insufficient to meet the demands of today's motor vehicle administration requirements. Further, Phoenix is built on COBOL programming language which complicates the interface with other more modern applications and greatly inhibits the agility to modify the system. Additionally, the agency is finding it increasingly difficult to maintain COBOL qualified programmers to maintain Phoenix as most COBOL programmers have reached retirement age.</p> <p>The agency estimates the current Phoenix system will become untenable within the next five years, and without a replacement system in place, the SCDMV would be unable to carry out its charter of administering the state's motor vehicle laws. Specifically, the agency would not be able to issue driving or identity documents such as driver licenses and identification cards; would not be able to provide motor vehicle titles or registration documents for personal or commercial motor vehicles and would not be able to collect, reconcile and distribute the nearly three-quarters of a billion dollars of revenue received by the agency on an annual basis. Those revenues are essential to sustain the operations of the SC Department of Transportation, State Infrastructure Bank and State Treasurer's Office, among others.</p> <p>The loss of SCDMV IT system would also result in grave impact to numerous other state agencies and functions. Notably, Law Enforcement agencies in South Carolina as well as throughout the United States would lose access to essential information regarding drivers and motor vehicles, greatly impeding their ability to enforce motor vehicle laws, including verifying a driver's license and insurance status. The State Election Commission would be denied a</p>
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**JUSTIFICATION  
OF REQUEST**

valuable source for registering voters as well as lose the critical ability to update voter address information in voter registration databases, both of which would negatively impact citizen's ability to vote in South Carolina. Finally, without an operational IT system, SCDMV would be unable to fulfill its interstate commercial motor vehicle requirements, putting the state at risk of losing important Federal Highway funds and denying the state important revenue from participation in the International Fuel Tax Agreement (IFTA) program.

In FY21, the SCDMV pursued a strategy of updating the current Phoenix programming language from COBOL to a more modern platform using .NET languages. The SC Legislature appropriated \$5million in that FY for SCDMV to pilot a refactoring of a portion of the Phoenix code to a modern platform. The results of the pilot indicated refactoring of Phoenix code was problematic and a full-scale refactorization would not enable the additional functionality required to make Phoenix adequate for current motor vehicle administration requirements.

Subsequent to the FY21 pilot, the SCDMV began researching alternatives to its current system. In recent years, many states (Georgia, Mississippi, Tennessee, Arkansas, and at least ten others) have transitioned their primary motor vehicle IT systems to Commercial Off-The-Shelf (COTS) solutions. Other jurisdictions, led by AZ, embarked on a consortium to develop a motor vehicle IT system which would share a base code among participating states. Finally, some states decided to build internal IT systems to support their motor vehicle requirements. The SCDMV analyzed each option from the aspects of functionality, time to implement, ability to sustain, and cost. The agency believes implementing a COTS solution or joining a shared-code solution may be viable, however, the time and expertise needed to internally develop a solution is not a viable option for the agency due to Phoenix becoming untenable in the foreseeable future.

A new SCDMV IT system will modernize driver, identity, motor vehicle and commercial motor vehicle functions, and transition the agency to a customer-based account system which will greatly increase customer convenience and visibility of driver and vehicle related products and services. The SCDMV anticipates such a transition will greatly reduce the need for customers to conduct in-person visits to SCDMV branch offices as well as significantly reducing transaction times for transactions conducted at those offices. A new SCDMV IT system will leverage current technology to automate a substantial amount of customer transactions while also providing the ability to quickly and easily integrate technological improvements as they emerge to sustain the system as a state of the art platform for processing driver and motor vehicle transactions. The new system will not only result in improved service for customers by providing them with convenient options for conducting DMV related transactions, but the agency anticipates savings from reduced paper usage, printing, mailing and other indirect costs.

The SCDMV is requesting \$100 Million Non-Recurring to be placed in a special restricted account for the purpose of IT modernization. This appropriation would include the components of providing program management for the entire modernization project, covering the implementation costs of the new IT system, and providing initial support and maintenance coverage of the new system following implementation.

**Program Management (\$8 Million)**

The SCDMV will contract a vendor to provide program management of the overall IT modernization effort. This program manager will initially conduct analysis to inform the agency's modernization approach by determining requirements for a future SCDMV IT system. The program manager will then assist the agency in developing solicitation documents to obtain a future IT system. Finally, during the implementation of the new system, the program manager will provide consultative services and subject matter expertise to the agency to ensure success of the project. By outsourcing the program management component of the modernization effort, the agency anticipates less impact on key SCDMV business units, allowing them to focus more closely on day-to-day work while the program management vendor oversees coordination, development, and implementation of the new IT system.

The American Association of Motor Vehicle Administrators (AAMVA) System Modernization Best Practices published in May 2017 (the most recent publication date), points to the need for strong governance when undergoing system modernization. The SCDMV feels that outsourcing program management responsibilities will not only allow SCDMV staff to remain focused on day-to-day tasks, it will provide an important external perspective for the agency's modernization efforts.

SCDMV estimates the program management component spanning a period of four to five years at a total cost of \$8 million.

**System Implementation (\$75 Million)**

Regardless of whether the SCDMV determines to pursue a COTS solution or a shared-code consortium solution, the agency estimates a three to four year implementation period and a total system implementation cost of \$75 Million.

In addition to significantly improving the customer experience for South Carolina citizens, a modern SCDMV IT system will provide an agile approach to change management processes. Specifically, the system will reduce the time required by SCDMV to enact requirements resulting from new or modified legislation or regulation. As understood by many members of the Legislature, the SCDMV currently requires excessive time to prepare, test and implement computer coding changes and provide training to employees regarding those changes. It is not uncommon for the SCDMV to request a year or longer implementation period to implement requirements of new legislation. However, a new modernized IT system will drastically reduce the time required to implement changes as well as the time required to make employees proficient on changes due to greatly simplify employee transaction process flows.

Making the future SCDMV IT system customer based is an important goal for the agency. This transition, combined with the automation technology of a new modernized IT system will provide customers with improved options for conducting SCDMV transactions. A "SCDMV App" for mobile communications devices, customer self-service kiosks located in retail establishments and virtual DMV offices are all possible and will provide customers with flexibility commensurate with how they bank. Adding services such as mobile driver's licenses, electronic vehicle titling and registration are also greatly enabled with a new modernized IT system.

Further, a new modernized IT system will result in stronger data and reports for both internal and external usage. While the current Phoenix system is limited in its report generating capacity, a new modernized IT system will ameliorate agency information management functions resulting in accurate and timely information to support agency and state decision making.

Finally, a new modernized IT system will provide the SCDMV with the high availability IT architecture needed to adequately support the agency's customers and partners. A continuously operating system will considerably reduce the current number and duration of system outages that negatively affect law enforcement and other state and federal systems or partners as well as commercial customers such as auto dealers that process electronic vehicle registrations in real-time using the SCDMV IT system. The current Phoenix system requires planned maintenance outages on a monthly basis that take the system offline for hours at a time, as well as sporadic unplanned outages that impact customers conducting transactions in branch offices as well as via online services.

**System Support and Maintenance (\$17 Million)**

Following implementation of a new modernized IT system, support and maintenance functions will be required to sustain the system, implement change management requests, and integrate additional functionality. The SCDMV is estimating \$5 Million annually to support and maintain the new modernized IT system and is including \$17 Million in this request to cover support and maintenance costs for the duration of a seven-year project. During implementation, the agency anticipates a sequential transition of the driver and vehicle components of the system,

resulting in the need for partial support and maintenance during the implementation phase (estimated to take three years in total) and then full support and maintenance costs following completion of both components. This request would cover support and maintenance costs for two years following completion of implementation. At that point, the SCDMV would re-evaluate support and maintenance needs and submit a subsequent budget request for enduring support and maintenance funding.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## FORM B1 – RECURRING OPERATING REQUEST

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Recurring SCDMV System Modernization
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$16,000,000</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$16,000,000</b></p> <p><i>What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>
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<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
<input checked="" type="checkbox"/>	IT Technology/Security related	
<input type="checkbox"/>	Consulted DTO during development	
<input checked="" type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # 1	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>There are a number of strategies this funding request would support. A modernized customer record system is anticipated to streamline SCDMV processes, meaning citizens and businesses will be served faster and via a wide array of customer service delivery options. The SCDMV anticipates a modernized system could offer customer accounts, more payment opportunities, and built-in financial reconciliation.</p> <p>Depending on the type of system procured, there are additional opportunities to link the SCDMV's system to other state agencies and create a single agency as the point-of-entry to other state agencies, meaning citizens would not have to re-validate information already provided to the primary system of record (the SCDMV in this case).</p> <p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
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<b>RECIPIENTS OF FUNDS</b>	<p>Contractors/vendors would receive these funds after a competitive bid process to select an entity to manage the modernization process.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

	<p>The SCDMV's current IT system, Phoenix, went "live" in 2002 and has endured more than 11,000 modifications since its introduction. The current system is insufficient to meet the demands of today's motor vehicle administration requirements. Further, Phoenix is built on COBOL programming language which complicates the interface with other more modern applications and greatly inhibits the ability to modify the system. Additionally, the agency is finding it increasingly difficult to maintain COBOL qualified programmers to maintain Phoenix as most COBOL programmers have reached retirement age.</p> <p>The agency estimates the current Phoenix system will become untenable within the next five years, and without a replacement system in place, the SCDMV would be unable to carry out its charter of administering the state's motor vehicle laws. Specifically, the agency would not be able to issue driving or identity documents such as driver licenses and identification cards; would not be able to provide motor vehicle titles or registration documents for personal or commercial motor vehicles and would not be able to</p>
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**JUSTIFICATION OF  
REQUEST**

collect, reconcile and distribute the nearly three-quarters of a billion dollars of revenue received by the agency on an annual basis. Those revenues are essential to sustain the operations of the SC Department of Transportation, State Infrastructure Bank and State Treasurer's Office, among others.

The loss of SCDMV IT system would also result in grave impact to numerous other state agencies and functions. Notably, Law Enforcement agencies in South Carolina as well as throughout the United States would lose access to essential information regarding drivers and motor vehicles, greatly impeding their ability to enforce motor vehicle laws, including verifying a driver's license and insurance status. The State Election Commission would be denied a valuable source for registering voters as well as lose the critical ability to update voter address information in voter registration databases, both of which would negatively impact citizen's ability to vote in South Carolina. Finally, without an operational IT system, SCDMV would be unable to fulfill its interstate commercial motor vehicle requirements, putting the state at risk of losing important Federal Highway funds and denying the state important revenue from participation in the International Fuel Tax Agreement (IFTA) program.

In FY21, the SCDMV pursued a strategy of updating the current Phoenix programming language from COBOL to a more modern platform using .NET languages. The SC Legislature appropriated \$5million in that FY for SCDMV to pilot a refactoring of a portion of the Phoenix code to a modern platform. The results of the pilot indicated refactoring of Phoenix code was problematic and a full-scale refactorization would not enable the additional functionality required to make Phoenix adequate for current motor vehicle administration requirements.

Subsequent to the FY21 pilot, the SCDMV began researching alternatives to its current system. In recent years, many states (Georgia, Mississippi, Tennessee, Arkansas, and at least ten others) have transitioned their primary motor vehicle IT systems to Commercial Off-The-Shelf (COTS) solutions. Other jurisdictions, led by AZ, embarked on a consortium to develop a motor vehicle IT system which would share a base code among participating states. Finally, some states decided to build internal IT systems to support their motor vehicle requirements. The SCDMV analyzed each option from the aspects of functionality, time to implement, ability to sustain, and cost. The agency believes implementing a COTS solution or joining a shared-code solution may be viable, however, the time and expertise needed to internally develop a solution is not a viable option for the agency due to Phoenix becoming untenable in the foreseeable future.

A new SCDMV IT system will modernize driver, identity, motor vehicle and commercial motor vehicle functions, and transition the agency to a customer-based account system which will greatly increase customer convenience and visibility of driver and vehicle related products and services. The SCDMV anticipates such a transition will greatly reduce the need for customers to conduct in-person visits to SCDMV branch offices as well as significantly reducing transaction times for transactions conducted at those offices. A new SCDMV IT system will leverage current technology to automate a substantial amount of customer transactions while also providing the ability to quickly and easily integrate technological improvements as they emerge to sustain the system as a state-of-the-art platform for processing driver and motor vehicle transactions. The new system will not only result in improved service for customers by providing them with convenient options for conducting DMV related transactions, but the agency anticipates savings from reduced paper usage, printing, mailing and other indirect costs.

The SCDMV is requesting \$100 Million Non-Recurring to be placed in a special restricted account for the purpose of IT modernization. This appropriation would include the components of providing program management for the entire modernization project, covering the implementation costs of the new IT system, and providing initial support and maintenance coverage of the new system following implementation.

**Program Management (\$8 Million)**

The SCDMV will contract a vendor to provide program management of the overall IT modernization effort. This program manager will initially conduct analysis to inform the agency's modernization approach by determining requirements for a future SCDMV IT system. The program manager will then assist the agency in developing solicitation documents to obtain a future IT system. Finally, during the implementation of the new system, the program manager will provide consultative services and subject matter expertise to the agency to ensure success of the project. By outsourcing the program management component of the modernization effort, the agency anticipates less impact on key SCDMV business units, allowing them to focus more closely on day-to-day work while the program management vendor oversees coordination, development, and implementation of the new IT system.

The American Association of Motor Vehicle Administrators (AAMVA) System Modernization Best Practices published in May 2017 (the most recent publication date), points to the need for strong governance when undergoing system modernization. The SCDMV feels that outsourcing program management responsibilities will not only allow SCDMV staff to remain focused on day-to-day tasks, it will provide an important external perspective for the agency's modernization efforts.

SCDMV estimates the program management component spanning a period of four to five years at a total cost of \$8 million.

**System Implementation (\$75 Million)**

Regardless of whether the SCDMV determines to pursue a COTS solution or a shared-code consortium solution, the agency estimates a three to four year implementation period and a total system implementation cost of \$75 Million.

In addition to significantly improving the customer experience for South Carolina citizens, a modern SCDMV IT system will provide an agile approach to change management processes. Specifically, the system will reduce the time required by SCDMV to enact requirements resulting from new or modified legislation or regulation. As understood by many members of the Legislature, the SCDMV currently requires excessive time to prepare, test and implement computer coding changes and provide training to employees regarding those changes. It is not uncommon for the SCDMV to request a year or longer implementation period to implement requirements of new legislation. However, a new modernized IT system will drastically reduce the time required to implement changes as well as the time required to make employees proficient on changes due to greatly simplify employee transaction process flows.

Making the future SCDMV IT system customer based is an important goal for the agency. This transition, combined with the automation technology of a new modernized IT system will provide customers with improved options for conducting SCDMV transactions. A "SCDMV App" for mobile communications devices, customer self-service kiosks located in retail establishments and virtual DMV offices are all possible and will provide customers with flexibility commensurate with how they bank. Adding services such as mobile driver's licenses, electronic vehicle titling and registration are also greatly enabled with a new modernized IT system.

Further, a new modernized IT system will result in stronger data and reports for both internal and external usage. While the current Phoenix system is limited in its report generating capacity, a new modernized IT system will ameliorate agency information management functions resulting in accurate and timely information to support agency and state decision making.

Finally, a new modernized IT system will provide the SCDMV with the high availability IT architecture needed to adequately support the agency's customers and partners. A continuously operating system will considerably reduce the current number and duration of system outages that negatively affect law enforcement and other state and federal systems or partners as well as commercial customers such as auto dealers that process electronic vehicle registrations in real-time using the SCDMV IT system. The current Phoenix system requires planned maintenance outages on a monthly basis that take the system offline for hours at a time, as well as sporadic unplanned outages that impact customers conducting transactions in branch offices as well as via online services.

**System Support and Maintenance (\$17 Million)**

Following implementation of a new modernized IT system, support and maintenance functions will be required to sustain the system, implement change management requests, and integrate additional functionality. The SCDMV is estimating \$5 Million annually to support and maintain the new modernized IT system and is including \$17 Million in this request to cover support and maintenance costs for the duration of a seven-year project. Upon successful implementation of a COTS solution, SCDMV intends to return any recurring funding provided beyond the required support and maintenance cost requirements. During implementation, the agency anticipates a sequential transition of the driver and vehicle components of the system, resulting in the need for partial support and maintenance during the implementation phase (estimated to take three years in total) and then full support and maintenance costs following completion of both components. This request would cover support and maintenance costs for two years following completion of implementation. At that point, the SCDMV would re-evaluate support and maintenance needs and submit a subsequent budget request for enduring support and maintenance funding.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>3</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	FY24 Functional Capability Gaps
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$828,759</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$828,759</b></p> <p style="font-size: x-small;"><i>What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>
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<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Strategy 4.2 is to "Continue to request funding for employee salary increases commensurate with performance, duties, and experience."</p> <p>While this budget request fills functional capability gaps the agency currently experiences versus provide increases to existing employees, the reality is that personnel within existing business units of the agency are taking on these responsibilities without receiving additional compensation. The employees who are taking on these responsibilities have expertise in differing areas meaning they're forced to divide their attention between functions that are equally important without devoting the complete time and attention all functions deserve.</p> <p>The use of these funds would be evaluated via the normal Employee Performance Management System.</p> <p style="font-size: x-small;"><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
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<b>RECIPIENTS OF FUNDS</b>	<p>SCDMV FTEs - The funds would be allocated once individuals are hired into the positions articulated in this request.</p> <p style="font-size: x-small;"><i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i></p>
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	<p>In FY23, the agency received appropriations to address functional capability gaps in its workforce as demands on the agency have evolved in recent years. Additionally, as directed in the FY23 General Appropriations Act, the agency established a new directorate in the organization focused on supporting the commercial motor vehicle industry of the state. While Motor Carrier Directorate positions were fully funded in FY23, the SCDMV did not address the added demand on agency support functions resulting from adding another directorate level entity.</p> <p>Capability shortfalls to be addressed in this request include Information Security, Information Management and Contract Management. The ability to adequately support each of these key areas continues to be a challenge for the agency, as the pace of cyberattacks targeting SCDMV networks and IT infrastructure increases as does requests for exchange of driver and motor vehicle information. The SCDMV requires dedicated FTE IT security specialists to expand our operational network security efforts, requires a dedicated IT Business Analyst to properly manage a rapidly growing number of IT connections that exchange critical driver and vehicle information with other U.S. States. In addition, the SCDMV needs improved governance and management of agency contracts, leases, and agreements to support customer and vendor relationships.</p>
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The SCDMV is not requesting FTEs with this request, rather to receive appropriated funding to use existing authorized but unfunded positions in the SCDMV workforce structure. The agency desires funding for salary and fringe for ten positions.

State Classification	State Class Code	Internal Title	Requested Salary	Fringe (47%)	Total
Program Coordinator I	AH35	Policy Analyst	\$42,749	\$20,092	\$62,841
IT Security Specialist I	AM80	Information Security Compliance Analyst	\$61,323	\$28,822	\$90,145
IT Security Specialist II	AM81	IT Security Specialist	\$80,000	\$37,600	\$117,600
IT Business Analyst III	AM05	IT Business Analyst	\$76,123	\$35,778	\$111,901
Program Coordinator II	AH40	Contracts Supervisor	\$57,000	\$26,790	\$83,790
Program Coordinator I	AH35	Contracts Specialist	\$45,000	\$21,150	\$66,150
Program Coordinator I	AH35	Contracts Specialist	\$45,000	\$21,150	\$66,150
HR Coordinator	AG09	Employment & Recruitment/Class and Comp	\$46,947	\$22,065	\$69,012
HR Coordinator	AG09	Employment & Recruitment/Class and Comp	\$46,947	\$22,065	\$69,012
Benefits Manager I	AG56	Payroll and Benefits Supervisor	\$56,026	\$26,332	\$82,358
<b>Grand Total</b>			<b>\$557,115</b>	<b>\$261,844</b>	<b>\$818,959</b>

<b>Recurring Annual IT/Operating Cost Per Employee (10 Total Employees Added)</b>	
Computer and end-user accessories at \$1,428 per employee, replaced every three years	\$476
Managed print printer	\$300
Software, office equipment, and office supplies	\$67
Desk phone	\$137
<b>Total Per Employee</b>	<b>\$980 annually</b>
<b>Grand Total for 10 Employees</b>	<b>\$9,800 annually</b>

Total recurring amount: \$818,959 + \$9,800 = \$828,759

**Justification of needs:**

The agency respectfully requests money to hire an AM80, Information Security Specialist I, Information Security Compliance Analyst to assist with the strategic and tactical objectives to support the agency's ability to manage the governance, risks, and compliance of the information security program. The agency's information security office currently consists of the single Information Security Officer (ISO) who is responsible for governing and managing the overall information security and privacy program for the eight directorates, numerous support units, 66 branch offices, and more than 1,300 employees. In addition to ensuring the proper policy and procedures to secure the agency's information networks, the ISO works to protect the personally identifiable information contained within the more than 12.2 million individual records in the agency's computer system. The rapid proliferation of cyber theft necessitates the agency having a greater information security posture that is anticipative of threats while thwarting attempted intrusions. The advent of new capabilities to support the agency's mission introduces additional privacy and security risks requiring a team effort. This role will help manage efforts to comply with various federal laws and standards and will reduce and identify risks through system audits, assessments, and security awareness training. The role will also expand the privacy program in support of data governance.

The agency respectfully requests an AM81, IT Security Specialist II, to perform daily operational and project IT security work to achieve security objectives and reduce IT security risks. This position will report to a newly created FY23 IT Security Manager. The position provides an FTE to augment three existing contractors to reduce the agency's 100 percent dependency on contractors. The continued increase of security threats requires even more efforts for monitoring, managing, updating, implementing, and testing to ensure the agency adheres to security standards, enhances security technical and procedural controls, and retains a secure IT environment. The agency continues to undergo security assessments and penetration testing. This position will provide the ability to further reduce time required to mitigate and resolve actions that come from those tests.

The agency respectfully requests an AM05, IT Business Analyst III, to support the multiple connections to the American Association of Motor Vehicle Administrators (AAMVA) applications and processes currently used (and critical) to support customer needs. The applicant chosen for this position will answer questions, conduct research, and analyze data for business units. The position will work with IT developers to address any identified issues, as well as support the commercial driver's license (CDL) and State-to-State helpdesks in the agency. This position will serve as the direct liaison to AAMVA to coordinate access and resolve problems on any systems the agency uses. This position is critical to further automate and enhance the agency's State-to-State process to include duplicate resolution, automation for driver history record activation, diving non-CDL and CDL reports, and much more. This role is also critical to other forthcoming projects between AAMVA and federal partners.

The agency respectfully requests an AH40, Program Coordinator II, Contracts Supervisor and two AH35, Program Coordinator I, Contract Specialists, to create a Contract Management Team in the agency. The agency maintains a broad range of contracts between it and both private and public sector entities. This team will be responsible for the execution and accountability of contract deliverables both within the and by the contracted parties. The team will be in the Procurement Office. The supervisor would manage fully executed contracts and provide analysis of any deliverables while managing the specialists. The specialists would monitor deliverables, issue cure letters, when necessary, provide remedies, and, if applicable, ensure timely evaluation and re-negotiations occur. Currently, this responsibility falls on business units, and the agency has recognized the need to increase its efforts to monitor, manage, update, and implement contracts for all stakeholders. The creation of this team is anticipated to reduce risks and ensure contracts are faithfully executed in the best interests of South Carolinians.

The agency respectfully requests the recurring money needed to hire an additional AH35, Program Coordinator I, Policy Analyst due to the new Motor Carrier Services directorate (MCS) and another critical gap the legislature funded in FY22, the creation of an Information Management Office (IMO). Both MCS and the IMO require the establishment and management of many procedures, at a many, and some policies to standardize how these entities carry out their functions for the agency. The additional policy analyst will coordinate these documents, to include lite drafting and routing, signature, and approval gathering to see them come to fruition. Additionally, the policy analyst will manage any future edits to these documents and ensure both created and amended items are communicated to the workforce via weekly newsbreaks. Further, the policy analyst will be a liaison for the MCS directorate and IMO to other areas of the agency - Training, Branch Services, Information Technology, to name a few - to ensure what is being practiced is what is reflected in documentation. The addition of this policy analyst will grow the current Policy and Procedure office from four to five.

The agency respectfully requests two AG09, Employment and Recruitment/Class and Compensation, HR Coordinators to provide better support for SCEIS, NeoGov, agency-wide HR data reporting, and eventually support new functions as we migrate to digital forms/HR technology. The positions will ensure the agency maintains compliance with federal and state human resources regulations, support the move to digital human resources records, and assess human resources data by creating reports to aid in decision making. This team is currently comprised of seven people.

The agency respectfully requests an additional AG56, Benefits Manager I, Payroll and Benefits Supervisor to support the current team of four who manages payroll, benefits, COBRA, leave, ADA, FMLA, and Workers Compensation for the agency's headcount of more than 1450 FTE and temporary employees. Because the existing manager are asked to do the day-to-day work required to support the greater workforce, she cannot focus on processes and strategy to aid in the employee experience and retention. The agency's intent with this new position is to have an additional level of supervision to provide support to the existing manager, oversight and backup of payroll processes, and the ability to separate the workloads into more specialized areas.

**JUSTIFICATION OF REQUEST**

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*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



Agency Name: Department Of Motor Vehicles  
 Agency Code: R400 Section: 82

**FORM B1 – RECURRING OPERATING REQUEST**

**AGENCY PRIORITY** 4  
*Provide the Agency Priority Ranking from the Executive Summary.*

**TITLE** Disaster Recovery Shared Services for the SCDMV  
*Provide a brief, descriptive title for this request.*

**AMOUNT**  
 General: \$620,000  
 Federal: \$0  
 Other: \$0  
 Total: \$620,000  
*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

**NEW POSITIONS** 0.00  
*Please provide the total number of new positions needed for this request.*

**FACTORS ASSOCIATED WITH THE REQUEST**  
 Mark "X" for all that apply:  
 Change in cost of providing current services to existing program audience  
 Change in case load/enrollment under existing program guidelines  
 Non-mandated change in eligibility/enrollment for existing program  
 Non-mandated program change in service levels or areas  
 Proposed establishment of a new program or initiative  
 Loss of federal or other external financial support for existing program  
 Exhaustion of fund balances previously used to support program  
 IT Technology/Security related  
 Consulted DTO during development  
 Related to a Non-Recurring request – If so, Priority #

**STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES**  
 Mark "X" for primary applicable Statewide Enterprise Strategic Objective:  
 Education, Training, and Human Development  
 Healthy and Safe Families  
 Maintaining Safety, Integrity, and Security  
 Public Infrastructure and Economic Development  
 Government and Citizens

**ACCOUNTABILITY OF FUNDS**  
 Strategy 2.3 – Leverage partnerships for deliverability of products and services  
 Strategy 3.1 – Increase the SCDMV’s security posture of is network infrastructure for business to business transactions to better protect citizens data.  
 While the request for funding follows Governor McMaster’s Executive Order 2022-03, the two strategies above show the SCDMV’s own commitment to leveraging existing partnerships for delivering services, part of the entire premise of Shared Services under the Department of Administration, and the agency’s drive to do all it can to protect the personally identifiable information of millions of South Carolinians and additional drivers and vehicle owners from other states.  
 By funding this request, not only is the SCDMV able to adhere to the Executive Order, but the SCDMV and the Department of Administration would be able to point to a specific partnership (Strategy 2.3) aimed at ensuring the data the SCDMV is entrusted to secure remains available for each type of entity and agency that relies upon in the event of a loss (Strategy 3.1).  
 The Department of Administration would bill the SCDMV monthly for disaster recovery services provided upon the SCDMV’s transition to Shared Services. The Department of Administration provided the SCDMV the cost of \$3.1 million for a five-year period leading to this recurring request of \$620,000 annually.  
*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

**RECIPIENTS OF FUNDS**  
 Department of Administration - The Department of Administration will charge the SCDMV based on the consumption of hardware and software in the Disaster Recovery infrastructure. The cost was provided by the Department of Administration to the SCDMV.  
*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

In accordance with Executive Order 2022-03, the SCDMV is transitioning to the Department of Administration’s Shared Services in September 2023. While the agency can fund some of the transition, the SCDMV does not have existing resources to fund the disaster recovery component of the migration.

**JUSTIFICATION OF  
REQUEST**

The Order directs all Executive Branch agencies to transition to Shared Services, so without the funding for disaster recovery as outlined in this request, the SCDMV will be forced to find money in existing coffers to sustain the transition. If this is the route the Legislature directs the SCDMV to pursue (by not funding this request), the SCDMV anticipates having to cut existing programs to sustain the \$620,000/year, five-year cost.

The amount of this request was calculated based on the quote provided by the Department of Administration to the SCDMV to fund the disaster recovery portion of the Shared Services Initiative. There are no new positions requested to support this financial request.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

## **FORM B2 – NON-RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	5
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Modular Furniture For New Mt. Pleasant SCDMV Branch Office
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	\$202,182
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*What is the net change in requested appropriations for FY 2023-2024? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations	
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>The agency's top goal in its Accountability Report is to "Deliver an excellent customer service experience while upholding the existing laws that govern agency operations. The first strategy under that goal is to "Ensure the average initial wait time for a customer says below 20 minutes per business day." Neither this strategy nor goal can be accomplished if the agency cannot continue without a presence in the Mount Pleasant area of Charleston County. The agency is currently co-located with Charleston County in Mount Pleasant, and the County has elected to not renew the lease of this agency in its office to account for more county staff required to support county growth and operations in years to come.</p> <p>In the 2020 Census, the Town of Mount Pleasant recorded 90,801 people. The current branch office processes 96,808 transactions daily. If this request is not funded, the people of Charleston County (population 408,235 in the 2020 Census, third most populous in the State) may have a physical location to complete DMV services, but there will be no workspace within that location to complete DMV services, essentially negating the need for an office, and may experience long lines and poor customer service at the two functioning Charleston County offices – two items that would conflict with the agency's Accountability Report.</p> <p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
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<b>RECIPIENTS OF FUNDS</b>	<p>Selected vendor will be awarded funds through the statewide furniture contract.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>JUSTIFICATION OF REQUEST</b>	<p>Due to a completely different design/layout of the new office location in the Mt. Pleasant leased buildings, the SCDMV must procure new modular furniture, as current furniture will not physically fit into the new workspace.</p> <p>The new Mount Pleasant branch is anticipated to be approximately 4,000 square feet. The agency arrived at the \$202,182 nonrecurring cost based on 2020 prices that agency paid to do a similar project at the Greenville-Edgeworth Street office. In 2020, the total cost of that project was \$182,205.69.</p> <p>\$9,349.20 for Protective Pass Thru Screens</p> <p>\$27,058.09 for Office Furniture</p> <p>\$147,798.40 for Cubical Buildout</p> <p>The amount of this FY24 request accounts for an 8% inflation rate over 2020 prices. It is challenging to estimate beyond this cost since the agency does not yet have an executed lease for the desired location as of the time this form was submitted to the Executive Budget Office. Should a price adjustment occur, the agency is more than happy to work that amendment through the House Ways and Means Committee once it begins its budget deliberations in 2023.</p>
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If funding is not received, the SCDMV will be unable to provide the workspace needed to outfit the newly leased building, negating the need for a leased building all together.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



*Proviso Request Summary*

Transportation and Regulatory Subcommittee  
Proviso Request Summary

Renumbered FY 23-24 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/ # of years in budget	Recommended Action	Proviso Language
82.1	DMV: Federal, Other Flow Through Funds	Authorized to expend federal and earmarked funds in the current year for expenditures incurred in the prior year.	FY2004-2005 also a proviso when DMV was a part of DPS	NO CHANGE	In order to complete projects begun in a prior fiscal year, the Department of Motor Vehicles is authorized to expend federal and earmarked funds in the current fiscal year for expenditures incurred in the prior fiscal year.
82.2	DMV: Cost Recovery Fees/Sale of Photos or Digitized Images	The proviso authorizes the collection of various fees related to SCDMV deliverables and FOIA request. The added language clarifies that only FOIA request fees are retained by DMV.	FY2004-2005 also a proviso when DMV was a part of DPS	NO CHANGE	The Department of Motor Vehicles may collect processing fees and fees to recover the costs of the production, purchase, handling and mailing of documents, publications, records and data sets. The department may collect and retain fees to defray the cost associated with fulfilling a Freedom of Information Act (FOIA) request. The amount charged by the Department of Motor Vehicles for any fees collected pursuant to this proviso may not exceed the rate that the department charged as of February 1, 2001. The Department of Motor Vehicles may not sell, provide or otherwise furnish to private parties, copies of photographs, whether digitized or not, taken for the purpose of a driver's license or personal identification card. Photographs and digitize images from a driver's license or personal identification card are not considered public records. With the exception of the cost associated with fulfilling a FOIA request, revenue generated by the fees imposed by this provision must be placed into the State Highway Fund as established by Section 57-11-20 of the 1976 Code and be distributed as provided in Section 11-43-187.
82.3	DMV: DPPA Compliance Audit	Allows fees to defray costs of audits or enforcement of laws	FY2004-2005 also a proviso when DMV was a part of DPS	NO CHANGE	The Department of Motor Vehicles may charge fees to defray the costs associated with auditing and enforcing compliance of all Federal or State statutes and regulations pertaining to personal information for customers receiving information disseminated by the department as allowed by law. This provision does not pertain to state agencies.
82.4	DMV: Underutilized Offices	The Director of the Department of Motor Vehicles is authorized to develop and implement a plan to adjust the hours of operation in DMV field offices based on customer volume; however the legislative delegation of the county in which the affected field office is located must be notified prior to implementation of the plan.	FY2004-2005	NO CHANGE	The Director of the Department of Motor Vehicles is authorized to develop and implement a plan to reduce the hours of operation in underutilized DMV field offices; however the legislative delegation of the county in which the affected field office is located must be notified prior to implementation of the plan. In addition, the director shall review field offices which have a high volume of traffic to determine whether it would be beneficial to expand the hours of operation.
82.5	DMV: Activities Allowed on Special Restricted Driver's License	Dictates activities that may waive or modify restrictions to allow issuing a Special Restricted Driver's License	FY2014-2015	NO CHANGE	In the current fiscal year, employing funds authorized or appropriated to the Department of Motor Vehicles pursuant to Section 82, Part 1A of this act, the department must include employment, school, church-related or sponsored activities, and parentally approved sports activities in the categories for which it may waive or modify restrictions in the special restricted driver's license for certain minors. The licensee must provide the department a statement of the purpose of the waiver or modification of restrictions executed by the parents or legal guardian of the licensee and documents executed by church representatives and/or representatives of the sports entity for which the waiver is being requested.
82.6	DMV: Fund Balance Carry Forward	Allows unexpended fund balances to be carried forward	FY2017-2018	NO CHANGE	The Department of Motor Vehicles may carry forward any unexpended general fund balance or other funds not designated for REAL ID and/or non-recurring expense in Act 37 of 2021 from the prior fiscal year and expend those funds in the current fiscal year for expenditures as needed.
82.7	DMV: Real ID	Allows DMV to expend any earmarked cash reserves on the implementation of REAL ID. The implementation date of REAL ID has been pushed back to May 7, 2025. The SCDMV will continue to use these funds to mitigate increased fines.	FY2017-2018	NO CHANGE	For Fiscal Year 2022-23, the Department of Motor Vehicles may expend any available earmarked cash reserves on the implementation of Real ID.
82.8	DMV: Electronic Verification Processing Fees	DMV is exempt from paying fees to DHEC for birth certificate verifications used for credential issuance	FY2018-2019	NO CHANGE	In the current fiscal year, the Department of Motor Vehicles is exempt from paying fees to the Department of Health and Environmental Control associated with the use of the Electronic Verification of Vital Events (EVVE) system to verify or certify birth certificates during the driver's license or identification card issuance process.
82.9	DMV: Identification Card Fees	Allows DMV to waive the (what was once a \$5) fee associated with issuing an identification card if the card issuance is through an established partnership with a state or federal agency.	FY2018-2019	NO CHANGE	In the current fiscal year, the Department of Motor Vehicles may waive the fee associated with issuing an identification card if the card issuance is through an established partnership with a state or federal agency.
82.10	DMV: Retention of Traceable Temporary License Plates Revenue	This proviso allows DMV to retain \$5 of every traceable temporary license plate it sells directly to customers, and place that revenue in the Plate Replacement Fund. DMV makes no profit from this proviso. DMV purchases the traceable temporary license plate for \$5 and customers purchase it from the agency for \$5.	FY2021-2022	NO CHANGE	For the current fiscal year, the department shall be authorized to retain five dollars from the sale of traceable temporary license plates as found in Section 56-3-210 of the 1976 Code. The funds shall be placed in the department's Plate Replacement Fund and used solely for the purposes of plate production and issuance costs.
82.11	DMV: Provide Data to DOT	DMV shall provide DOT access, at no charge, to the following: (1) all collision data and collision reports; (2) registration information used for toll enforcement; and (3) driver records of employees or prospective employees.	FY2021-2022	NO CHANGE	The Department of Motor Vehicles shall provide access, in compliance with all state and federal privacy protection statutes, to the following data and reports without charge to the Department of Transportation: (1) all collision data and collision reports; (2) registration information used for toll enforcement, and (3) driver records of employees or prospective employees.
82.12	DMV: Commercial Driver's License Skills Test Fee	Authorizes the DMV to charge a fee for the first CDL skills test. 56-1-2090(A)(1) currently allows charging for second and subsequent attempts. This proviso is anticipated to cut down on the agency's large no-show rate. This proviso is supported by the Trucking Industry.	FY2022-2023	NO CHANGE	In the current fiscal year, the Department of Motor Vehicles may charge twenty-five dollars for all commercial driver's license (CDL) applicants who schedule a skills test with the agency. Applicants who schedule a CDL skills test with the department, but cancel at least two business days before the appointment, shall be refunded this fee from the department. Monies from first-time skills test attempts where the applicant does not appear for the skills test shall be retained by the department and used for advancement of the CDL and commercial motor vehicle programs of the State. All other monies for CDL skills test shall be distributed in accordance with Section 56-1-2090(A)(1) of the 1976 Code. In instances where the applicant appears for the scheduled appointment and passes the skills test, the department shall credit this fee towards the applicant's CDL and CDL application. In instances where the applicant appears for the scheduled appointment but does not pass the skills test on the first attempt, the department shall credit this fee towards the applicant's subsequent skills test attempts in accordance with Section 56-1-2090(A)(1).



Transportation and Regulatory Subcommittee Proviso Request Summary					
Renumbered FY 23-24 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/ # of years in budget	Recommended Action	Proviso Language
82.13	DMV: Mobile Driver's License Study Committee	DMV shall lead a study committee with the purpose of making recommendations on the implementation and acceptance of mobile identities in the State of South Carolina.	FY2022-2023	DELETE	In the current fiscal year, the Department of Motor Vehicles shall lead a study committee with the purpose of making recommendations on the implementation and acceptance of mobile identities in South Carolina. The committee shall meet at least quarterly throughout the fiscal year, and the DMV shall author recommendations on adopting mobile identities by the end of the fiscal year. The recommendations shall be addressed to the Chairmen of Senate Finance, Senate Transportation, House Ways and Means, and House Education and Public Works. In addition to the Department of Motor Vehicles, the committee shall consist of at least one member from the following entities: (1)the Department of Public Safety; (2)the Department of Revenue; (3)the Department of Administration; (4)the Department of Employment and Workforce; (5)the State Election Commission; (6)the South Carolina Retail Association; (7)the South Carolina Bankers Association; (8)the South Carolina Sheriffs' Association; (9)the South Carolina Police Chiefs Association; (10)the South Carolina Medical Association; (11)the South Carolina Pharmacy Association; and (12)the South Carolina Applesed Legal Justice Center or a similar organization that represents indigent persons. The Department of Motor Vehicles, in its discretion, and other committee members may recommend additional participants that support the mission of the committee, to include a staff member from the Senate Transportation and House Education and Public Works Committees. Entities listed above must submit the name and contact information of their committee member to the DMV no later than August 1, 2022.
82.14	DMV: Fees for Qualified Service Members	the Department of Motor Vehicles must waive the application, learner's permit, and driver's license fee, and, when applicable, the knowledge test fee for any applicant who qualifies for commercial learner's permits or commercial driver's licenses	FY2022-2023	NO CHANGE	In the current fiscal year, the Department of Motor Vehicles must waive the application, learner's permit, and driver's license fee, and, when applicable, the knowledge test fee for any applicant who qualifies for commercial learner's permits or commercial driver's licenses under the provisions of 49 CFR Section 393.77.
82.15	DMV: Biennial Plates Commercial Motor Vehicles	The department may issue biennial plates to large commercial motor vehicles until all provisions of Act 37 of 2021 are enacted.	FY2022-2023	NO CHANGE	The department may issue biennial plates to large commercial motor vehicles until all provisions of Act 37 of 2021 are enacted.
82.15	DMV: Special Account for System Modernization	SCDMV desires explicit language in the Appropriations Act that outlines that any recurring and/or non-recurring appropriations provided for System Modernization be placed in a special funded program	FY2023-2024	ADD	In the current fiscal year, the Department of Motor Vehicles may expend funds from a special funded program created for the sole purpose of IT system modernization. Any unspent money may be carried forward and retained by the agency within the designated special funded program.
82.16	DMV: SCDMV Authorized to Charge a Witness Fee	Provides Department of Motor Vehicles with the authorization to charge a witness fee of \$100 per hour, up to \$1,000 a day, for each employee testifying in matters which do not involve the Department as a party	FY2023-2024	ADD	In the current fiscal year, the Department of Motor Vehicles is authorized to charge a witness fee of \$100 per hour, up to \$1,000 a day, for each employee testifying in matters which do not involve the Department as a party. This fee shall be charged in addition to any court prescribed payment due as compensation or reimbursement for judicial appearances and depositing into a designated revenue account. The Department is authorized to receive, expend, retain, and carry forward these funds.
82.17	DMV: Emergency Powers of the SCDMV	Provides authority to the SCDMV to issue waivers for both expiration dates and fees and penalties if citizens' items expire during the State of Emergency	FY2023-2024	ADD	In the current fiscal year, in the event of a State of Emergency declared by the Governor or during extenuating circumstances outside of the Department of Motor Vehicles's control, the Agency may: (a) Temporarily extend expiration dates for any products issued by the Department provided that extensions are only granted for citizens with items due for expiration during the State of Emergency; (b) Temporarily waive delinquent fees and penalties of any type provided that waivers are only granted for citizens with items that fall under the provisions of subsection (a); (c) Provide meals to employees who are working in support of the State of Emergency; or (d) Implement any waivers issued by the Federal Motor Carrier Safety Administration, International Fuel Tax Agreement, International Registration Plan, or other federal entities and programs issued during the State of Emergency as deemed necessary by the Executive Director or his or her designee.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

### **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	82.13 <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
<b>TITLE</b>	Mobile Driver's License Study Committee <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
<b>BUDGET PROGRAM</b>	All SCDMV Funded Programs <i>Identify the associated budget program(s) by name and budget section.</i>
<b>RELATED BUDGET REQUEST</b>	N/A <i>Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.</i>
<b>REQUESTED ACTION</b>	Delete <i>Choose from: Add, Delete, Amend, or Codify.</i>
<b>OTHER AGENCIES AFFECTED</b>	N/A <i>Which other agencies would be affected by the recommended action? How?</i>

<b>SUMMARY &amp; EXPLANATION</b>	<p>Fiscal Year 2023 Proviso 82.13 mandates the Department of Motor Vehicles lead a study committee on the implementation and adoption of mobile identities in the State to culminate in authoring recommendations for the General Assembly by June 30, 2023. While the proviso will not be codified in the South Carolina Code of Laws, the proviso can be deleted in the Fiscal Year 2024 Appropriations Act since the study committee will have completed its work the prior year.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>There is no fiscal impact incurred by deleting this proviso, but there may be a fiscal impact associated with the implementation of mobile identities in the State. Those two things - the action on the proviso and the way forward on implementation - should be seen as separate and distinct.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED PROVISIO  
TEXT**

~~§2-12. (DMV- Mobile Driver's License Study Committee) In the current fiscal year, the Department of Motor Vehicles shall lead a study committee with the purpose of making recommendations on the implementation and acceptance of mobile identities in South Carolina. The committee shall meet at least quarterly throughout the fiscal year, and the DMV shall author recommendations on adopting mobile identities by the end of the fiscal year. The recommendations shall be addressed to the Chairmen of Senate Finance, Senate Transportation, House Ways and Means, and House Education and Public Works. In addition to the Department of Motor Vehicles, the committee shall consist of at least one member from the following entities:~~

- ~~(1) the Department of Public Safety;~~
- ~~(2) the Department of Revenue;~~
- ~~(3) the Department of Administration;~~
- ~~(4) the Department of Employment and Workforce;~~
- ~~(5) the State Election Commission;~~
- ~~(6) the South Carolina Retail Association;~~
- ~~(7) the South Carolina Bankers Association;~~
- ~~(8) the South Carolina Sheriffs' Association;~~
- ~~(9) the South Carolina Police Chiefs Association;~~
- ~~(10) the South Carolina Medical Association;~~
- ~~(11) the South Carolina Pharmacy Association; and~~
- ~~(12) the South Carolina Appleseed Legal Justice Center or a similar organization that represents indigent persons.~~

~~The Department of Motor Vehicles, in its discretion, and other committee members may recommend additional participants that support the mission of the committee, to include a staff member from the Senate Transportation and House Education and Public Works Committees.~~

~~Entities listed above must submit the name and contact information of their committee member to the DMV no later than August 1, 2022.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	NEW <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
<b>TITLE</b>	Special Account for System Modernization <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
<b>BUDGET PROGRAM</b>	N/A <i>Identify the associated budget program(s) by name and budget section.</i>
<b>RELATED BUDGET REQUEST</b>	Priority #1 – Non-Recurring SCDMV System Modernization, or Priority #2 – Recurring SCDMV System Modernization <i>Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.</i>
<b>REQUESTED ACTION</b>	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
<b>OTHER AGENCIES AFFECTED</b>	N/A <i>Which other agencies would be affected by the recommended action? How?</i>

<b>SUMMARY &amp; EXPLANATION</b>	<p>The addition of this proviso is intended to direct the SCDMV how to spend the recurring and/or non-recurring appropriations for IT system modernization requested in priority #1 &amp; priority #2. To show its stewardship to the State's resources, the SCDMV desires explicit language in the Appropriations Act that outlines that any recurring and/or non-recurring appropriations provided for System Modernization be placed in a special funded program.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	Adding the proviso does not carry a fiscal impact as it is a proviso that directs the agency how to spend money provided in an accompany budget request.
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

In the current fiscal year, the Department of Motor Vehicles may expend funds from a special funded program created for the sole purpose of IT system modernization. Any unspent money may be carried forward and retained by the agency within the designated special funded program.

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Motor Vehicles		
Agency Code:	R400	Section:	82

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	NEW
	<i>Cite the proviso according to the renumbered list (or mark "NEW").</i>

<b>TITLE</b>	SCDMV Authorized to Charge a Witness Fee
	<i>Provide the title from the renumbered list or suggest a short title for any new request.</i>

<b>BUDGET PROGRAM</b>	1001.200000.000 Driver Services; 1001.300000.000 Vehicle Services
	<i>Identify the associated budget program(s) by name and budget section.</i>

<b>RELATED BUDGET REQUEST</b>	N/A
	<i>Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.</i>

<b>REQUESTED ACTION</b>	Add
	<i>Choose from: Add, Delete, Amend, or Codify.</i>

<b>OTHER AGENCIES AFFECTED</b>	N/A
	<i>Which other agencies would be affected by the recommended action? How?</i>

<b>SUMMARY &amp; EXPLANATION</b>	<p>Both SLED (62.6) and DPS (§23-6-187) have language nearly identical to this in either proviso or statute, respectively. The SCDMV is requesting the same authority as these two agencies since many of our employees are asked to provide witness testimony due to the agency being the record keeper of uniform traffic tickets, driver and vehicle records, motor carrier-related records, and other matters frequently seen in criminal or civil court.</p> <p>When SCDMV employees are asked to travel across the State to attend court proceedings where they may be asked to testify, employees are taken out of the office and unable to perform their primary job responsibilities. Further, the SCDMV stamps its records as certified, so there should be no need to additional testimony to authenticate records.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>The agency started monitoring the number of these requests in FY23, so its data prior to is purely anecdotal. The Driver Services directorate in the agency estimated a staff member was asked to testify approximately 30 times in FY22. The Vehicle Services directorate in the agency estimated that a staff member was subpoenaed one to two dozen times, yet many of those cases were settled before a court data occurred. That staff member had to appear twice in FY22.</p> <p>Estimating 15 cases per fiscal year, at one hour, in which an employee of the agency is asked to testify despite the agency not being a party in the lawsuit, the fiscal impact of this proviso is \$1,500. This number could increase if the SCDMV employee is there for greater than an hour or multiple days.</p>
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It is important to note that this proviso will not increase State or Federal expenditures. This revenue would be paid from the party/ies requesting the SCDMV employee directly to the SCDMV. The money would be retained by the SCDMV and not impact other funds of the State.

The \$100/hour fee was based on the average salaries of the Directors in the agency typically asked to testify (to include their fringe), plus reimbursement of travel costs. The SCDMV notes that this is less than the per hour cost of both SLED and DPS, which charge \$130/hour.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

In the current fiscal year, the Department of Motor Vehicles is authorized to charge a witness fee of \$100 per hour, up to \$1,000 a day, for each employee testifying in matters which do not involve the Department as a party. This fee shall be charged in addition to any court prescribed payment due as compensation or reimbursement for judicial appearances and depositing into a designated revenue account. The Department is authorized to receive, expend, retain, and carry forward these funds.

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	NEW <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
<b>TITLE</b>	Emergency Powers of the SCDMV <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
<b>BUDGET PROGRAM</b>	ALL SCDMV BUDGET PROGRAMS <i>Identify the associated budget program(s) by name and budget section.</i>
<b>RELATED BUDGET REQUEST</b>	N/A <i>Is this request associated with a budget request you have submitted for FY 2023-2024? If so, cite it here.</i>
<b>REQUESTED ACTION</b>	Add <i>Choose from: Add, Delete, Amend, or Codify.</i>
<b>OTHER AGENCIES AFFECTED</b>	N/A <i>Which other agencies would be affected by the recommended action? How?</i>

<b>SUMMARY &amp; EXPLANATION</b>	<p>The COVID-19 Pandemic shed light on the need for this proviso, but other States of Emergency, whether those are due to severe weather or a pandemic, have highlighted the need for explicit powers for the SCDMV to make necessary decisions in the interest of citizen and employee safety, well-being, and satisfaction even if those decisions conflict with state law.</p> <p>While Executive Orders issued during States of Emergency typically allow agency heads to waive provisions in State Regulations, the Governor does not have the same authority to tell agency heads they can suspend state law. Nearly every SCDMV fee and expiration date is in law. Additionally, the agency is requesting the language to include "extenuating circumstances" to cover non-State of Emergency situations that may still necessitate decisions like these. For example, a few years ago, a county requested the agency waive late fees for registrations due to a fire that occurred at a local post office with all of the renewal notices inside.</p> <p>The addition of this proviso provides authority to the SCDMV to issue waivers for both expiration dates and fees and penalties if citizens' items expire during the State of Emergency. It is important to note that the SCDMV does not make these decisions lightly and plans to only do so in the instance(s) of long-term emergency impacts. While this is likely not a proviso the SCDMV will use frequently, having the explicit authority to make these decisions will streamline decision-making at the agency by taking out the question of legality behind the need for such measures.</p> <p>Similarly, the SCDMV noticed that the SCDOT added a proviso allowing that agency to pay for meals for employees who could not leave their duty stations during States of Emergency. The SCDMV would also benefit from this language as many employees support the Public Information Phone System from agency headquarters in Blythewood while other parts of the State are closed at the direction of County Governments. Other SCDMV employees may be required to work in shelters per the State of South Carolina's Hurricane Plan, have to travel into otherwise restricted areas to ensure SCDMV offices are secure before, during, and after weather events, or work the agency's mobile services units to issue vehicle and identity documents to citizens who can't easily get to SCDMV branches for replacements due to conditions throughout the State.</p> <p>The addition of this proviso greatly clarifies emergency powers of the agency and would benefit not only citizens, but also employees.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>Delinquent registration and license penalties currently go to DPS and the State Highway Fund at the State Infrastructure Bank (Section 56-3-840). The first \$4,413,174.25 each fiscal year goes to DPS, and the remaining goes to SIB. While the SCDMV does recognize a decrease in the amount of delinquent registration and license penalties collected should it exercise the powers this proviso allows, it is hard to accurately calculate that cost.</p> <p>In FY20, when the agency made this decision due to the COVID-19 Pandemic, late fees were down \$1.2 million for the months of March 2020, April 2020, and May 2020 compared to the same months in FY19. However, this number is without regard to the total number of registrations due for that time period. The \$1.2 million could mean that there were more overall registrations due in the months above compared to the FY prior equating to an overall increase in delinquent fees.</p>
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For subsection (c), if meals were provided for 50 employees for one week, at \$35/day (the State's maximum), the agency would pay \$12,250. This cost would cover breakfast, lunch, and dinner for each employee. Depending on the time(s) the employee(s) worked, the agency may not have to cover each meal.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

In the current fiscal year, in the event of a State of Emergency declared by the Governor or during extenuating circumstances outside of the Department of Motor Vehicle's control, the Agency may:

- (a) Temporarily extend expiration dates for any products issued by the Department provided that extensions are only granted for citizens with items due for expiration during the State of Emergency;
- (b) Temporarily waive delinquent fees and penalties of any type provided that waivers are only granted for citizens with items that fall under the provisions of subsection (a);
- (c) Provide meals to employees who are working in support of the State of Emergency; or,
- (d) Implement any waivers issued by the Federal Motor Carrier Safety Administration, International Fuel Tax Agreement, International Registration Plan, or other federal entities and programs issued during the State of Emergency as deemed necessary by the Executive Director or his or her designee.

**PROPOSED PROVISIO  
TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*