

STATE OF ARIZONA

PROJECT S.L.I.M. REPORT ON THE

DEPARTMENT of TRANSPORTATION



July 2, 1992

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MOTOR VEHICLE DIVISION
PROJECT SLIM
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July 2, 1992

Mr. Charles E. Cowan
Director
Department of Transportation
206 South 17th Avenue, Room 100A
Phoenix, Arizona 85007

Dear Mr. Cowan:

We have completed the Governor's Statewide Long term Improved Management (SLIM) review of the Motor Vehicle Division (MVD) and the Administrative Services Division as it relates to the MVD, and are pleased to present you with this summary of our findings and recommendations. Our analysis was conducted from November 1991 through March 1992.

In this summary, we will describe the objectives and goals of the study, the approach we used throughout our analysis, and a summary of the major changes we are recommending. We have quantified the potential benefits which these recommendations will provide to your agency, the industries which interact with your agency, and the general public. In addition, we will summarize the key implementation actions and legislative support needed to convert the potential into actual benefits. Our detailed findings and recommendations follow this summary.

In total, the recommendations identify approximately \$7.3 million in benefits for your agency and an additional \$1.2 million in benefits for the related industry members, for a total benefit to the citizens of Arizona of approximately \$8.5 million.

OBJECTIVES AND GOALS

The overall objective of this study was to evaluate the Motor Vehicle Division (MVD) and the Administrative Services Division as it relates to the MVD of the Arizona Department of Transportation (ADOT) using various business analysis and total quality management tools to identify changes which will improve the MVD's ability to provide services and products. Our goal was to streamline processes, eliminate rework and unnecessary work, improve systems and procedures, "dehassle" the work place for employees and customers, and align groups with similar missions so that the MVD can provide improved service at a lower cost. In addition, our goal was to establish organizational structures that will support the long term goal of continuous improvement.

APPROACH

We approached this study by taking an integrated view of the organization. For each area we reviewed, we studied the area's mission and strategic focus, the product/service delivery process, the process technology, methods used for using and managing information, performance measurements, quality and service issues and measurements, organizational structure, and the logistics and physical assets used by the organization to deliver products and services.

We began by reviewing the shelf data provided to us by ADOT to become familiar with the mission, size, structure, and responsibilities of the major areas within the Department. We then conducted interviews with all levels of supervision, selecting technical and line personnel to enable us to focus on areas which could be improved. Where appropriate, we used interviews to develop detailed process flows which enabled us to identify non-value added elements of the flows so that these elements can be eliminated. After these interviews, we finalized the process flows and then reviewed these flows in detail with the line supervision level to ensure their accuracy. Exhibit 1 lists the 220 individuals we contacted during the review.

In addition to developing process flows, we employed the following analyses:

- Quantification of cost to provide a quality service or product where it appeared the cost could be reduced
- Identification of preventive (upstream) activities to reduce more costly failures further in the process (downstream)
- Identification of areas where root cause analysis can be used to assess the incipient cause of failures
- Assessment of the organizational structure including consideration of the following issues:
 - Span of control
 - Managerial layering

- Alignment of missions
- Distribution of responsibilities
- Fragmentation of duties
- Overlapping or duplicative functions
- Centralization versus decentralization.

Our first step in analyzing the organization was to streamline the processes or modify procedures or approaches to improve the performance provided by the various units. Once this streamlining was completed, we reviewed the remaining units to assess their organizational placement and structure. Finally, we built up the organization to achieve alignment of missions, appropriate spans of control, reduced layering to achieve organizational flexibility and empowerment at the lower layers of the organization, and elimination of duplicative and fragmented duties.

In order to quantify the effects of making changes, we obtained time estimates for each task from interviewees. In some instances we observed and measured the work activities. In addition, we used statistics provided by the MVD interviewees to assess the numbers and types of transactions processed by an area.

As we developed our recommendations we reviewed the proposed changes with appropriate managerial levels to determine if we missed an important element of the issue which would prevent it from being successful. In addition, we met with you on a bimonthly basis to discuss with you our findings and recommendations as we proceeded with our study.

SUMMARY FINDINGS & RECOMMENDATIONS

Potential cost savings, increased revenue, and improved customer service can be realized by the MVD of ADOT by streamlining the major and some minor processes and modifying procedures and approaches to providing services. Additional savings can be achieved by reorganizing the units to align missions, reduce duplicative efforts, develop appropriate spans of control, and reduce layering. Exhibit 2 shows the summary of savings for each of the analyses we performed.

Streamlining Processes and Modifying Procedures and Approaches

Twenty-four of the thirty-three recommendations we have made relate to streamlining processes and modifying the procedures and approaches to providing services. In addition, seven of these twenty-four recommendations include both cost savings and improvements in customer service either in turnaround time or reduction in their cost to obtain services. Examples of some of these recommendations will be described briefly.

The driver license application and issuance process involves many quality control steps and unnecessary steps relating to record storage and retrieval. By emphasizing error prevention at the beginning of the process and reducing the number of quality control steps (reducing the cost of quality) and by eliminating unnecessary records related steps, we were able to estimate a savings of \$269,600 and reduce average turnaround time for delivering permanent driver license from 19 days down to 6 working days, a 68% reduction in cycle time.

The vehicle title application and issuance process also involves unnecessary quality control steps performed in the middle and end of the process. By emphasizing error prevention at the beginning of the process, we were able to eliminate many steps at the end of the process. As a result, we estimated a savings of \$437,970 and a reduction of turnaround time for delivering a title from seven to ten days to issuance at the counter at the time that the transaction is completed, a 99% reduction in cycle time.

The vehicle registration renewal process is handled throughout the State on a distributed basis. Thus, all renewals, whether processed by mail or in person, involve a manual process that is performed by clerks in the field offices. By making vehicle registration renewals a "mail-in" process and processing all registrations centrally, we can automate the process using optical character reader technology. The resulting estimated savings would be \$1,286,949.

We recommended that the Title and Registration and Driver License Field Office functions be combined with one management structure presiding over the operation. By combining these two functions we recommend the creation of 13 new full-time full service offices without adding any additional FTE. In addition, we estimate a savings of \$713,852.

In the commercial Motor Carrier tax payment process we recommend that monthly and quarterly tax reporting be reduced to the remittance of estimated payments along with bar coded coupons for 11 months or three quarters a year and the filing of a tax report one time per year. This results in an estimated savings of \$207,359 for the MVD and estimated savings to the Motor Carrier industry of \$874,600.

Reorganization of Units

Currently, the MVD is organized by program area (see Exhibit 3 for the current organizational structure). This means that in most instances, the Motor Carrier, Title and Registration, and Driver License Programs handle transactions and issues relating to their program. Exhibit 4 shows the personnel by function within each of these programs. This exhibit shows that both the Driver License and the Title and Registration Programs have administrative, field services, records, processing, licensing, and public service units. In addition, the Motor Carrier Program has administrative, field services and licensing functions and an accounting function for the Division.

This type of structure has led to duplication of management in the field and centrally, fragmentation of processing activities which has resulted in the duplication of automation systems centrally, fragmentation of records storage and retrieval activities requiring a separate unit to coordinate records retrieval for the Division, and a lack of coordination with respect to communications with the public. In addition, several areas duplicate administrative functions being performed in the Department's Administrative Services Division.

We recommend that the Division be reorganized into functional programs of Field Services, Central Processing, and Customer Service. The proposed organization chart is shown in Exhibit 5 and the proposed FTE by function is shown in Exhibit 6. In addition, the Summary of Position Changes shown in Exhibit 7 shows the positions and their location before and after the streamlining recommendations and reorganization.

The field services group combines the program oversight for all Title and Registration, Driver License and Motor Carrier public field services. The head of this area can concentrate on face-to-face customer services issues.

The central processing area includes the processing, licensing, and records functions. By combining these functions, we are able to recommend the elimination of the records coordination group. In addition, the head of this function can concentrate on streamlining this central processing operation and leveraging new automation technology across all processing functions.

The customer service function focuses on both the internal and external customer service and will enable synergies to occur between the policy, procedures, training, and assistance areas. The assistance areas will consist of groups responding to public inquiries and internal employee inquiries. By having employees in this assistance group tracking questions and concerns about service, the major problems or issues can be tracked and directed to the training group. The training group can then incorporate this information into their curriculum to prevent future problems from occurring. The policy group will play a key role by informing the training and assistance group of new legislation and changes to policies and procedures within the Division so that these changes can be incorporated into training and can be disseminated to the public.

We estimate that \$640,787 can be saved and \$148,503 can be avoided through this reorganization. Additional potential savings of \$172,911 will result from moving duplicative support functions within the MVD to the Department's Administrative Service Division.

CONCLUSION

The result of our streamlining and reorganization recommendations is that the organization can provide improved services at a reduced cost to the citizens and taxpayers of Arizona. In addition, our recommended organizational structure aligns missions, reduces fragmentation of duties, eliminates duplication of effort, and provides what we feel to be appropriate spans of control and managerial layering.

Exhibits 8 and 9 show the spans of control and managerial layering before and after reorganization of the units within the MVD. The spans of control of 1:2, 1:3, 1:4, and 1:5 have been reduced significantly. In addition, the eighth layer from the line function to the Director has been eliminated and the seventh layer has been reduced significantly.

GENERAL OBSERVATIONS

As this team commenced its study of the Motor Vehicle Division of the Department of Transportation, we learned that you have been planning for many changes to occur. In particular, we are aware of your Total Quality Management approach and the new automated system for the entire Division called Enterprise. We have attempted to work with you to avoid as much duplication of effort as possible and to create as much synergism as possible between Project SLIM and all of your ongoing efforts.

The Team's recommendations, and the accompanying exhibits which describe them, are based on the situation as it existed at the time of the interviews and analyses. Some of the recommendations may need to be altered due to changes which have occurred since the initial analysis.

Implementation leadership will determine the achievement of maximum savings by putting in place the concepts proposed in this document, and resolving any differences which exist due to interim changes in the organization.

Our effort in the diagnostic phase of this project was greatly assisted by the cooperation of the MVD employees. Their willingness to provide documents, interview with us (several times in some cases), and provide input with respect to recommendations enhanced our effort.

IMPLEMENTATION

Implementation is the critical step in the process of achieving savings and improved customer service. Potential savings are often identified but not achieved when the implementation process is distracted by day to day activities and managers who may shy away from the necessary reduction in staff. Successful implementations are marked by two things: a strong commitment from senior management to achieve as much of the savings and service improvement as possible; and designation of implementation team leaders with the requisite mental toughness to see the task through to completion.

The implementation process is best carried on soon after the diagnostic process. This maintains momentum while the topics are fresh in everyone's mind. We estimate that most of the recommendations contained in this report can be implemented within a period of 12 months. Some recommendations,

however, may require up to 20 months and one recommendation requires legislative approval (Fuel Manifests).

Our recommended Implementation Plan in Exhibit 10 shows a preliminary implementation sequence and approximate duration for each recommendation. A detailed plan can be established at the outset of the implementation process. Individual recommendation implementation requirements are shown with the recommendation in the detail section of this report.

OTHER ISSUES

During the course of the Project SLIM review, issues have come to the Team's attention where further improvements may be achieved.

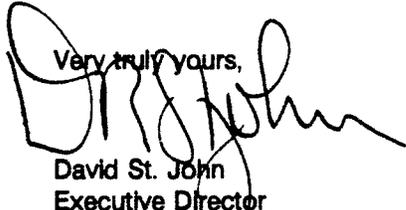
- Commercial Services – reduce error rate/quality control issues/dealer refunds
- Revenue – Simplify allocation methodology for Highway User Revenue Fund (HURF) distribution
- Service Counter in the MVD Building – Streamline cash transmittal process
- Ehrenburg Port of Entry – Relocate "dog house" facility to maximize utilization of resources
- Driver License – Eliminate duplication of identification card and driver license
- Budget – Review every fund and account and determine which should be separate and which should be consolidated
- Explore alternatives for one visit issue of driver licenses
- Port of Entry – Pre-permit using third party vendors prior to entry of commercial carriers into the State.

Mr. Charles E. Cowan
Department of Transportation
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We wish to thank you as the Director of ADOT and your entire staff for their complete cooperation, participation, suggestions and comments, and support of our efforts during this study.

We appreciate the opportunity to be of service to the Governor and the SLIM Steering Committee in this endeavor. Should you have any questions regarding this report, please feel free to contact the project executive or any member of your Project SLIM Team:

- Dave Edwards, Department of Public Safety
- Denise Stravia, Department of Corrections
- Sandy Williams, Department of Revenue
- Bonnie Tucker, Coopers & Lybrand

Very truly yours,

David St. John
Executive Director
Project SLIM

INTERVIEW LIST

Exhibit 1

ADOT

Name	Title/Department	Date
Charles Cowan	Director, ADOT	Nov. 5, 91
Gary Adams	A.D. Aeronautics	Nov. 6, 91
Rex Hammock	A.D. Motor Vehicle	Nov. 7, 91
Jim Creedon	Deputy Director	Nov. 8, 91
Suzanne Sale	A.D. Admin. Services	Nov. 8, 91
Harry Reed	A.D. Trans. Planning	Nov. 12, 91
Gary Robinson	A.D. Highways	Nov. 13, 91
Cliff Williams	Project Director, Enterprise	Nov. 14, 91
Mike Pavlik	Supervisor, MCO	Nov. 18, 91
Jim Gentner	Prgm Admin, RMC	Nov. 22, 91
Carol Morales	Supv, Error Resol, RMC	Nov. 25, 91
Jerry Zehrbach	Mgr, Taxpayer Audit, RMC	Nov. 25, 91
Cy Blanton	JLBC	Nov. 26, 91
Bernard Dean	Team Supervisor, Taxpayer Audit	Nov. 26, 91
Ben Silas	Auditor (Trainer)	Nov. 26, 91
Peter Burns	Dep Prg Admn, RMC	Nov. 27, 91
John Bogert	Chief Auditor	Nov. 27, 91
Skip Rice	FscI Svc Sp III, Acct Control, RMC	Nov. 27, 91
Carmen Autera	Exam Tech II, Error Resolution	Nov. 27, 91
Arlene Rojas	Supv, Recpt Control Unit, RMC	Dec. 2, 91
Larry Burstyn	FscI Svc Sp, Air Quality Unit	Dec. 2, 91
Frank Hernandez	Supv, Collections, RMC	Dec. 2, 91
Jim Douglas	ASO II, Motor Carrier Svcs	Dec. 3, 91
Janice Wilkins	Collections Supv, RMC	Dec. 3, 91
Jim Lloyd	Collections Supv, RMC	Dec. 3, 91
Peggy Alexander	Collector II, RMC	Dec. 3, 91
Rene Canita	Collections Exam Tech, RMC	Dec. 3, 91
Ann Donahoe	Supervisor, Licensing, RMC	Dec. 3, 91
Nancy Brown	MVD User Support Liaison	Dec. 4, 91
Sarah Clark	Collector II, Collections	Dec. 5, 91
Jeff Knight	ASO II, Permitting, RMC	Dec. 6, 91
Harold Kennedy	MV Field Offcr, Permitting, RMC	Dec. 6, 91
Cathy Martinez	State Examiner II, Licensing Unit	Dec. 6, 91
Caryn Meron	Manager, Fiscal Svcs & Support	Dec. 11, 91
Herb Uphoff	Accountant, Fiscal Planning, ASD	Dec. 12, 91
Joseph Stowers	President, Sydec	Dec. 18, 91
Brian Munson	Statistician, DEQ	Dec. 18, 91
John Semmens	Planner, Transportation Planning	Dec. 19, 91
Tom Burch	ASO II, Trans Safety	Dec. 19, 91
Terry Digman	Prog & Proj Sp II, Trans Safety	Dec. 19, 91
Ray Ellis	Exec. Staff Assist, Director's Office	Dec. 19, 91
Jan Johnson	Acctg. Admin, State Treasurer	Dec. 24, 91
Larry Dirrim	Manager, DL Program	Dec. 26, 91

INTERVIEW LIST

Exhibit 1

ADOT

Name	Title/Department	Date
Isabelle Batista	Accounting Tech., Accounting DL	Dec. 27, 91
Rod Ravinius	Supervisor, Accounting, UST	Dec. 27, 91
Craig Hildebrand	AZ League of Cities and Towns	Dec. 27, 91
Elizabeth Dube	Unit Manager, Fiscal Svcs	Dec. 27, 91
Harold Smith	Regional Manager, Ehrenberg Port	Dec. 30, 91
Don Carson	MV Field OIC, Ehrenberg Port	Dec. 30, 91
Chuck Curle	MV Field Officer, Ehrenberg Port	Dec. 30, 91
Anita Campbell	MV Field Officer, Ehrenberg Port	Dec. 30, 91
Leo Lumer	MV Field Officer, Ehrenberg Port	Dec. 30, 91
Art Hernandez	Supervisor, Agric. Inspect.	Dec. 30, 91
Joyce Smedley	ASO I, Phnx Program, T&R	Jan. 3, 92
Donna Brock	Adm S Spvr II, Title Prd, T&R	Jan. 3, 92
Sherwood Spencer	Regional Manager, San Simon Port	Jan. 6, 92
Bill Kelley	Management Consultant, MCO	Jan. 10, 92
Jill Bean	EDP Auditor, Spec Spt	Jan. 13, 92
Steve Singleton	Consultant, CACI	Jan. 13, 92
Penny Martucci	Deputy Administrator, T&R	Jan. 14, 92
Herb Weaver	Project Leader, ISG, ASD	Jan. 15, 92
Don Miles	Administrator, Driver License	Jan. 15, 92
George Bays	MV Zone Manager, RMC	Jan. 15, 92
Pat Patterson	Area Supervisor, Encanto DL	Jan. 16, 92
Joe Carbajal	MV Field Officer, Encanto DL	Jan. 16, 92
Robert Hernandez	MV OIC, Encanto DL	Jan. 16, 92
Carlton Hill	MV Zone Manager, RMC	Jan. 16, 92
Jimmy Parks	MV Area Supervisor, Yuma	Jan. 17, 92
Frank Bartels	MV Area Supervisor, Topock	Jan. 17, 92
Deroy Bulloch	MV Area Supervisor, St. George	Jan. 17, 92
Janet Milner	MV Area Supervisor, Parker	Jan. 17, 92
Wilfred Connolly	MV Area Supervisor, Kingman	Jan. 17, 92
Richard Nayman	MV Area Supervisor, Page	Jan. 17, 92
Richard Saspe	MV Area Supervisor, Nogales	Jan. 17, 92
John Tisdale	Business Analyst, Enterprise	Jan. 17, 92
Capt. Connel	Special Services Div., DPS	Jan. 20, 92
Bonnie Canez	MV Ops Clerks, DL Renew	Jan. 21, 92
Irene Rodriguez	MV Ops Clerks, DL Renew	Jan. 21, 92
Delila Peters	MV Ops Clerks, DL Renew	Jan. 21, 92
Shirley Verilla	MV Ops Clerks, DL Renew	Jan. 21, 92
Richard Larson	EDP Auditor, Special Support	Jan. 21, 92
Tom Vincent	State Board of Equalization	Jan. 21, 92
Mario Montesano	St Weighmasters Office, Oregon	Jan. 21, 92
John Merris	DOT, Oregon	Jan. 21, 92
Bill Frank	St of New York	Jan. 21, 92
Mary Jane Egger	Fed of Tax Admnstrtors	Jan. 21, 92
Ron Snell	Assoc of St Legislatures	Jan. 21, 92
Carol DeFazio	Fiscal Service Unit, DOA	Jan. 21, 92

INTERVIEW LIST

Exhibit 1

ADOT

Name	Title/Department	Date
Bill Tegan	AA III (Forms Mgr), MVD	Jan. 23, 92
Alex Carrillo	ASO II, T&R	Jan. 23, 92
Irene Acuna	Area Manager, Tucson, T&R	Jan. 23, 92
Brian Bryans	Zone Manager, Drivers License	Jan. 23, 92
Gloria Gutierrez	T&R Clerk, Tucson T&R	Jan. 23, 92
Joann Pohl	Accnt Tech, Tucson, T&R	Jan. 23, 92
Carolyn Mills	Accnt Tech II, Tucson, T&R	Jan. 24, 92
Julie Berryhill	Supv., Tucson, T&R	Jan. 24, 92
Betty Curry	Accnt Tech II, Tucson, T&R	Jan. 24, 92
Jessica Rosales	Adm Spt Sup, T&R Renewal	Jan. 24, 92
Pat Widugiris	Area Manager, Tucson, DL	Jan. 24, 92
Debra Koukalik	MV Field Officer, Tucson, DL	Jan. 24, 92
Debbie Garrett	General Ledger	Jan. 28, 92
Diane Washer	Accounts Payable	Jan. 28, 92
Wilma Berdine	L/P Tech, Central Permitting, RMC	Jan. 28, 92
Carol Wiles	Supervisor, Communications Support	Jan. 29, 92
Roy Bunting	Mail Clerk, ASD	Jan. 30, 92
109 Interviews	Constitutents, DL and T&R	Jan. 31, 92
John Sunderland	Adm Spt Supv II, Commerc. Svcs, T&R	Jan. 31, 92
Ron Lee	MV Area Supv, Tucson East/North - DL	Jan. 31, 92
Karen Woody	Supervisor, QC/Communic/Insp T&R	Jan. 31, 92
Irma Thurlow	Adm Spt Suprv I, Commerc Svcs, T&R	Jan. 31, 92
Carmen Camacho	MV Ops Clerk II, Commerc Svcs, T&R	Jan. 31, 92
Lupe Garcia	Prog & Proj Sp II- CDL	Feb. 4, 92
Tony Walker	Manager, Systems Dev, CA MVD	Feb. 5, 92
Dan Raines	Manager, NBS Imaging Systems	Feb. 5, 92
Alex Monsegur	Northern Zone Manager, DL	Feb. 6, 92
Cathy Medoff	Officer In Charge, Prescott, DL	Feb. 6, 92
Bea Horiacher	Exam Tech I, Licensing Unit, RMC	Feb. 6, 92
Connie Nelson	Exam Tech I, Licensing Unit, RMC	Feb. 6, 92
Jean Walker	Program Manager, Northern Zone, T&R	Feb. 6, 92
Arlen Dougherty	St Examiner II, Licensing Unit, RMC	Feb. 6, 92
Russ Jakes	Unit Manager, Licensing Unit, RMC	Feb. 6, 92
Shaun Smith	APS	Feb. 6, 92
Wendy Olsen	Ryder Truck Rental	Feb. 6, 92
MaryAnn Lenau	Area Manager, Prescott, T&R	Feb. 6, 92
45 Interviews	Constituents, Prescott, DL and T&R	Feb. 6, 92
Sam Lee	Supervisor, Mail Room, ASD	Feb. 7, 92
Margaret Muniz	Manager, Driver Records, DL	Feb. 7, 92
Jeanine Soto	Chief, DL Svcs, DOR, New Mexico	Feb. 7, 92
Sandy Foster	Admin Assist, Strategic Ping, NY DMV	Feb. 7, 92
Pam Ice	Manager, DL Program, SD MVD	Feb. 7, 92
Jan Pitts	US WEST	Feb. 7, 92
Roberta Holmes	U-Haul	Feb. 7, 92
Elaine Schiller	Penske Rentals	Feb. 7, 92

INTERVIEW LIST

Exhibit 1

ADOT

Name	Title/Department	Date
Betty Threewich	Ryder	Feb. 7, 92
John McDowell	Manager, Info Svcs Group, ASD	Feb. 7, 92
Jack Schubert	Programmer, Info Svcs Group, ASD	Feb. 7, 92
Diana Minton	Manager, Yuma Area, T&R	Feb. 7, 92
Nick Blombardini	Manager, Sierra Vista Area, T&R	Feb. 7, 92
Joyce Ford	Manager, Safford Area, T&R	Feb. 7, 92
Enid Johnson	Manager, Kingman Area, T&R	Feb. 7, 92
Cheryl Williams	Manager, Prescott Area, T&R	Feb. 7, 92
Phyllis Turner	Accounting Clerk, Navajo Co. T&R	Feb. 7, 92
Phil Thornycraft	NBS Sales Rep, NBS Imaging Systems	Feb. 10, 92
Mary Williams	Supervisor, Dealer Svcs, T&R	Feb. 11, 92
Terry Warnock	Supervisor, Flagstaff T&R	Feb. 13, 92
Sherill Tuba	Supervisor, Parker, T&R	Feb. 13, 92
Terry Predovich	Revenue Control Tech., Recpt Control	Feb. 13, 92
Fran Zea	Accounting Tech, Prescott, T&R	Feb. 13, 92
Lenor Stewart	Manager, Special SVCS, T&R	Feb. 13, 92
James McCullay	Accounting Tech, RMC	Feb. 13, 92
Lorraine Ansley	ASO II, Headquarters Ops, DL	Feb. 18, 92
Kevin Halcik	Prog & Proj Sp II, Trans Safety, DL	Feb. 18, 92
Sarah Wuertz	DOT Proj Specialist, Trans Safety, DL	Feb. 18, 92
Linda Arvizu	Prog & Proj Sp II, Trans Safety, DL	Feb. 18, 92
Steven Hancock	Hwy Safety Spec II, Trans Safety, DL	Feb. 18, 92
Steve Abney	Program Manager, Enforcement, T&R	Feb. 19, 92
Charlene Knapp	Program Director, Supt Services, MVD	Feb. 19, 92
Cynthia Woods	Haz Mat Specialist, Trans Safety, DL	Feb. 19, 92
Claudia Harper	Supervisor, Abandoned Veh, T&R	Feb. 20, 92
Capt. Groshhans	Dept. of Roads, NE	Feb. 20, 92
Mary Parker	IRP, CA	Feb. 20, 92
Sgt. Wineinger	Highway Patrol, CA	Feb. 20, 92
Joe Domiano	Ops. Manager, Transcom	Feb. 20, 92
Jim Collins	Bessel Transfer Co.	Feb. 21, 92
Marie Lenze	Supervisor, Office of Public Service	Feb. 24, 92
Victor Ruiz	Supervisor, Spec Investg, Supt Svcs	Feb. 24, 92
Dorothy Pitchford	Supervisor, Records File, DL	Feb. 25, 92
Aurora Enriquez	MV Ops Clerk II, Records File, DL	Feb. 25, 92
Michelle Kelley	Clerk Typist I, Records File, DL	Feb. 25, 92
Fred Irelan	Supervisor, Records Response, T&R	Feb. 26, 92
Frank Johnson	Prog & Proj Sp II, Trans Safety, DL	Feb. 27, 92
Linda Davidson	Computer Ops., Info Svcs Group, ASD	Feb. 28, 92
Richard Thompson	Records Admin., ASD	Feb. 28, 92
Connie Nelson	Exam Tech I, Licensing Unit, RMC	Feb. 28, 92
Jeff Post	Training Manager, Support Svcs	Mar. 2, 92
Guy Johnson	Supervisor, Apache Jnct, T&R	Mar. 3, 92
Ron Courter	Manager, General Ops Support, ASD	Mar. 6, 92
John McGee	Special Assist, Strat Management, ASD	Mar. 6, 92

INTERVIEW LIST

Exhibit 1

ADOT

Name	Title/Department	Date
Beau Grant	Manager, Procurement, ASD	Mar. 6, 92
Gail Nash	Manager, Finance Group, ASD	Mar. 6, 92
Judy Barrette	Manager, Employee Dev, Special Spt	Mar. 9, 92
Bruce Huntsman	Driv Improvement, Driv Responsib, DL	Mar. 9, 92
Bill Bell	Manager, DOA Personnel	Mar. 9, 92
Hal Holady	Asst Dir, Records Mngmnt, Lib & Arch	Mar. 9, 92
Marty Richelsoph	Div Dir, Records Mngmnt, Lib & Arch	Mar. 9, 92
Patty Freeman	Records Svc, Office of Public Svc	Mar. 10, 92
Louise Burke	Accounting Clerk, Accounts Payable	Mar. 10, 92
Fred Bennett	Manager, Accounts Payable	Mar. 10, 92
Joyce Crowell	Title Support, T&R	Mar. 11, 92
Betty Teague	Public Health Nurse, Medical Rev, DL	Mar. 11, 92
Deborah Strupes	Driver Improvmnt Anal, Medical Review	Mar. 11, 92
Renie Crum	Supervisor, Driver Responsibility	Mar. 12, 92
Ron Hernes	Manager, Personnel, Special Support	Mar. 12, 92
Dan Galvin	Director, Community Relations	Mar. 12, 92
Joe Puente	Manager, Occup Safety, Spec Support	Mar. 12, 92
High Harleson	Publisher, Highways Magazine	Mar. 12, 92
Irene Simonetti	Support Supervisor, Employee Assistance	Mar. 12, 92
Richard Allemann	Chief Counsel, Legal Services, AG	Mar. 12, 92
Pat Sendelwick	ASO II, Equipment Services	Mar. 12, 92
T.U. Madrid	EO Specialist, Affirmative Action	Mar. 12, 92
Jerry West	Manager, Equipment Services	Mar. 13, 92
Joyce Smedley	Manager, Phnx Program, T&R	Mar. 13, 92
Jerry Moreland	Support Supervisor, Personnel	Mar. 13, 92
Joe Wilmet	Manager, Cost Accounting, ASD	Mar. 16, 92
Marsha Bloom	Supervisor, Accounts Receivable, ASD	Mar. 16, 92
Steve Tydings	Manager, General Accounting, ASD	Mar. 16, 92
Lisa Wormington	Administrator, Affirmative Action	Mar. 17, 92
Al Lidberg	ASO IV, Management/Budget, ASD	Mar. 18, 92
Dave Parker	ASO II, Risk Management, ASD	Mar. 18, 92
Zee Steele	Supervisor, Employee Services, ASD	Mar. 18, 92
Vern Doyle	Life Cycle Proj Mgt, Director's Ofc	Mar. 18, 92
Pete Christiansen	Fiscal Svc Sp III, Equipment Svcs	Mar. 18, 92
Rosando Gutierrez	Alt Funding Office, Director's Office	Mar. 18, 92
Irma Ojeda	Prog & Proj Sp I, EMS, Equipmnt Svcs	Mar. 19, 92
Mary Ann Pikulas	Managemnt Anal III, EMS, Equip Svcs	Mar. 19, 92
Brian McInnis	Audit Manager, Audit and Analysis	Mar. 19, 92
Michael Levya	Acting Director, Office of Tourism	Mar. 20, 92
Gene Juan	MV Ops Clerk I, Citations, DL	Mar. 23, 92
Alex Turner	Assistant A.G.	Mar. 24, 92
Laura Rosenkrans	Training, MVD	Mar. 24, 92

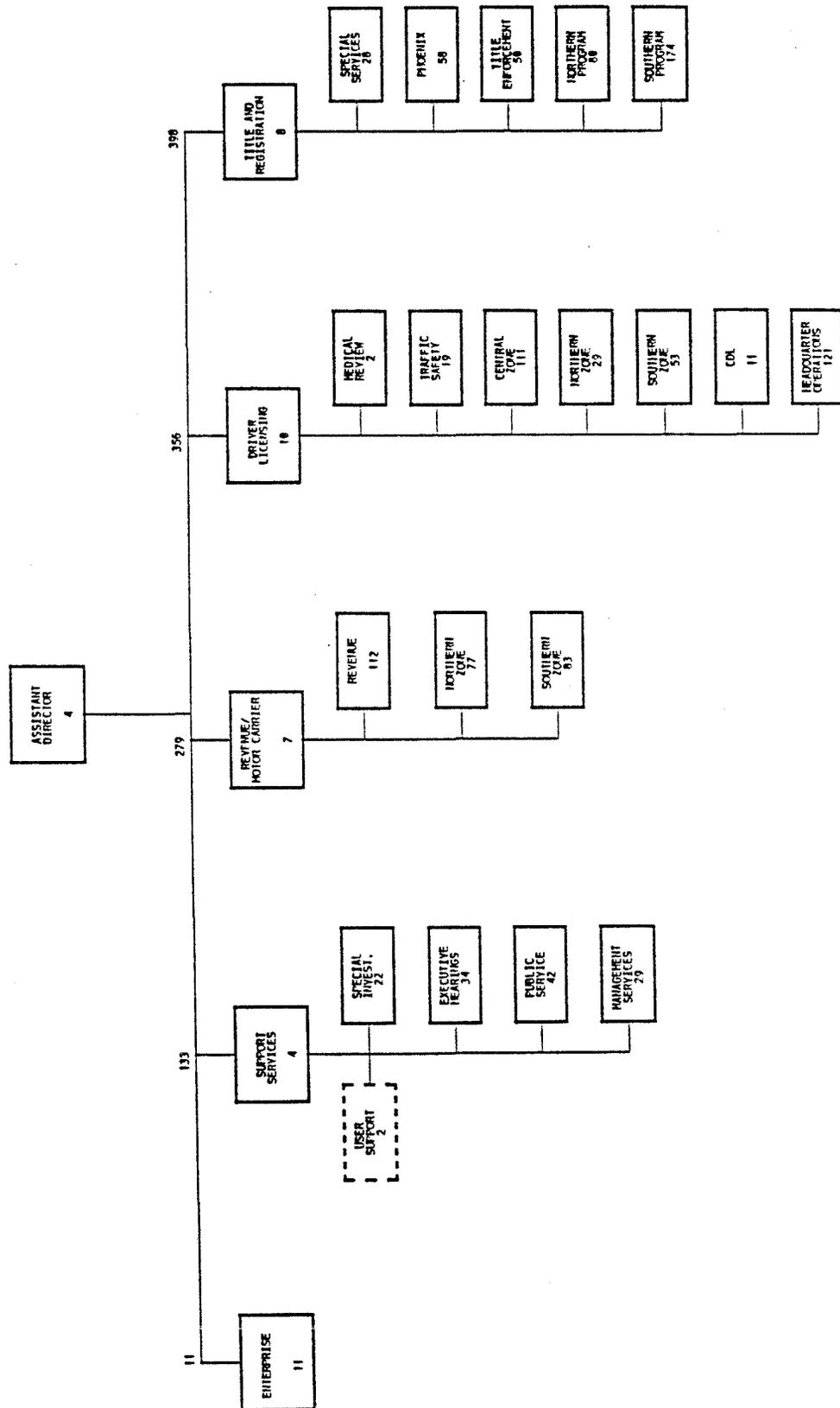
ADOT SUMMARY OF SAVINGS

Exhibit 2

DOT - 15

Recommendation Description	FTE Savings		New FTE	Revenue Enhancement	Cost Savings	Avoided FTE	Avoided Cost	ADOT Total	Public Savings	Total
	Perm.	Seas.								
Driver License Application/Issuance	12	1			269,600			269,600		269,600
Vehicle Title Application/Issuance	7				437,970			437,970		437,970
Fuel Manifests	1				20,559			20,559	70,000	90,559
Fleet Billing and Renewal								0	27,600	27,600
Streamlining Motor Carrier Reporting	7			40,640	166,719			207,359	874,600	1,081,959
Ledger Reconciliation	8				290,298			290,298		290,298
Banklink Reconciliation								0		0
Ehrenburg Port of Entry Banking				1,560				1,560		1,560
DPS Transport of Funds					34,092			34,092		34,092
Generic Cash Processing	1				20,394			20,394		20,394
Unposted Batch Report				49,000				49,000		49,000
Centralizing T&R Bank Accounts				113,345				113,345		113,345
Vehicle Registration Renewal Process	58				1,286,949			1,286,949		1,286,949
Driver License Renewal by Mail								0		0
Title and Registration and Driver License Field Operations	46				713,852			713,852		713,852
Driver License Cash Receipts				45,260				45,260		45,260
Title and Registration Cash Receipts	5				93,292			93,292		93,292
Port of Entry Cash Handling	5				138,650			138,650		138,650
Motor Carrier Revenue				429,740				429,740		429,740
Non-Cost Effective Ports of Entry	4			(97,508)	112,597			15,089		15,089
Weight Enforcement				128,000				128,000		128,000
Safety Enforcement			11					0		0
Central Permitting Unit	1				29,400	1	40,508	69,908		69,908
Port of Entry Consolidation of Resources	6				136,845			136,845		136,845
Audit Revenue				780,017				780,017		780,017
Cargo Tanker	2				61,412	2	77,888	139,300	285,000	424,300
Records Requests and Retrieval	4	1			114,081	1	20,559	134,640		134,640
Management of MVD Facilities								0		0
Title and Registration Enforcement	26				761,343			761,343		761,343
Alignment of Administrative Missions	5				172,911	1	49,669	222,580		222,580
MVD Reorganization	22				640,787	4	148,503	789,290		789,290
Special Support Reorganization								0		0
Vehicle Title and Registration in the State of Arizona								0		0
Total	220	2	11	1,490,054	5,501,751	9	337,127	7,328,932	1,257,200	8,586,132
Total FTE Saved: 231										

PRESENT ORGANIZATION CHART
 MOTOR VEHICLE DIVISION
 (1181 FTE)



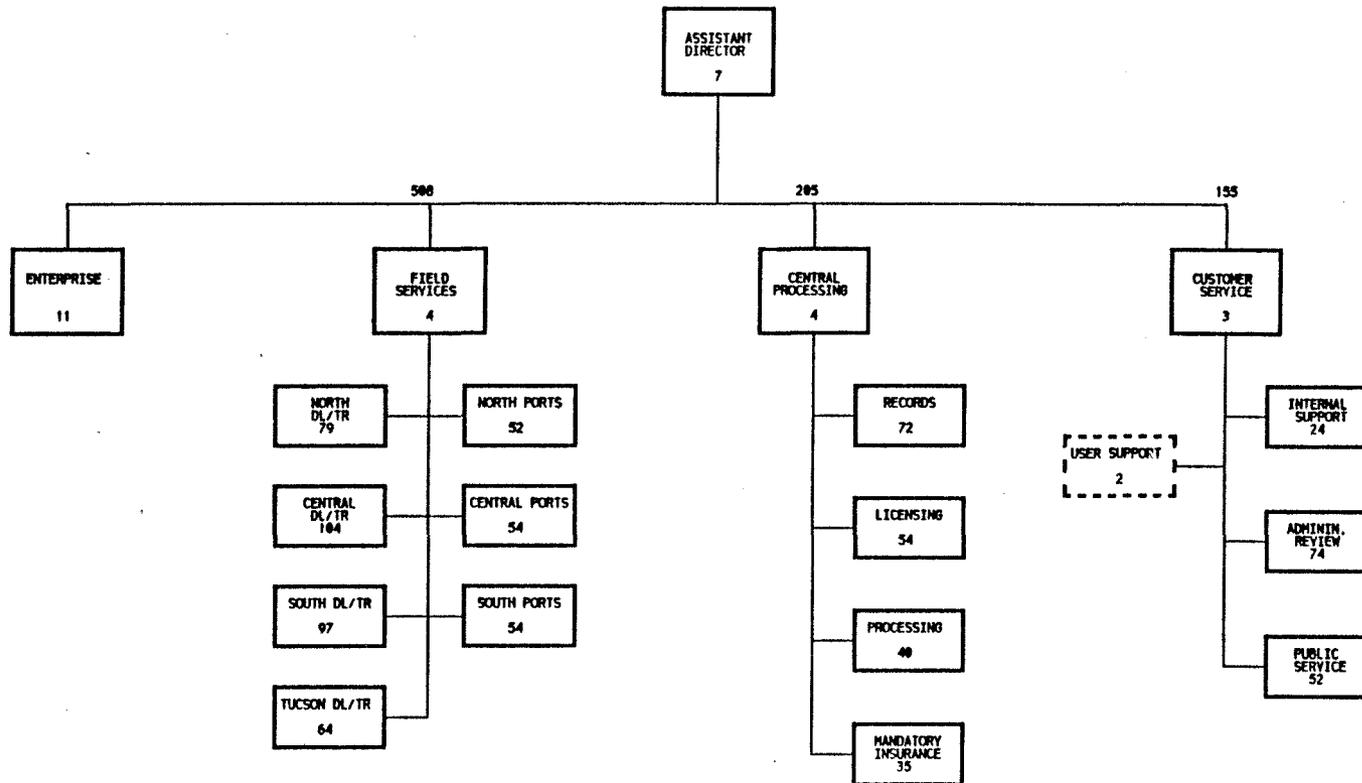
MVD Present FTE by Function

Exhibit 4

Function	Assistant Director Office Units	FTE	Support Services Units	FTE	Revenue Motor Carrier Units	FTE	Driver License Units	FTE	Title & Registration Units	FTE	TOTAL
PRESENT ORGANIZATIONAL FTE:											
Administrative	Asst Dir Ofc Enterprise	4 11	Administrative User Support Budget/Clerical Public Svc Admin	4 2 6 3	Program Admin	7	Program Admin Central Ofc Admin Resp/MI/Rcds Admin	10 3 5	Program Admin Special Svcs Phoenix Admin Title Support Admin	8 3 3 1	
Field Services					Northern Zone Central Zone Southern Zone Central Permits	77 0 83 6	Northern Zone Southern Zone Central Zone CDL	29 53 96 11	Northern Zone Southern Zone Enforcement Records Response	80 174 49 11	
Records			Records Svc Film Retrieval (in OSI)	12 2			Records Files Data Entry Admin Per Se	12 28 6	Document Prep Renewal By Mail Title Production	20 23	
Processing							Mandatory Insur IVI Renewal By Mail QC/Issuance	35 2 2 7			
Licensing					Licensing	24	Cargo Tanker	6	Dealer Services Dealer Investigation Abandoned Vehicle Enforcement (Complaints)	8 6 11 1	
Administrative Review			Special Invest. Exec Hearings	20 34			Medical Review Driver Responsibility	2 19			
Internal Support			Training Procedures County Help Desk	8 2 3			Traffic Safety (Policy) CDL Help Desk	4 2	Help Desk	0	
Public Service			Telecommunications Communications Data Base Purchase Front Counter Svcs	1 7 1 16			Communications Renewal Phones Traffic Safety (Education)	12 3 9			
SUBTOTAL:		15		121		197		356		398	1087
Admin Svcs Division Finance Group			Payroll QC Vendor Troubleshoot. Cash Audit	1 1 1	Accounting Receipt Control Error Resolution Collections Audit	15 9 9 10 39					
Procurement Group			Warehousing/Forms Procurement QC	5 1							
General Operations Director's Office			Facilities Personnel Employee Invest.	2 1							
SUBTOTAL:		0		12		82		0		0	94
Total FTE By Program:		15		133		279		356		398	1181

DOT - 17

PROPOSED ORGANIZATION CHART
MOTOR VEHICLE DIVISION
(886 FTE *)



DOT - 18

* PERMANENT FTE
 + AZTEC PROGRAM, YOUTH SAFETY EDUCATION AND TELECOMMUNICATIONS LIMITED POSITIONS

DOT - 19

Function	Assistant Director Office		Support Services		Revenue Motor Carrier		Driver License		Title & Registration		TOTAL
	Units	FTE	Units	FTE	Units	FTE	Units	FTE	Units	FTE	
PROPOSED ORGANIZATIONAL FTE, AFTER STREAMLINING:											
Administrative	Asst Dir Ofc	4	Administrative **	16	Program Admin		Program Admin		Program Admin		
	Enterprise	11	User Support	2			Central Ofc Admin		Special Svcs		
			Budget	3			Resp/MI/Rcde Admin		Phoenix Admin		
Field Services			Public Svc Admin		Northern Zone	52	Northern Zone **	314	Title Support Admin		
					Central Zone	50	Southern Zone		Northern Zone		
					Southern Zone	54	Central Zone		Southern Zone		
					Central Permits	4	CDL	9	Enforcement	20	
Records			Records Svc	7			Records Files	11	Records Response	8	
			Film Retrieval	2			Data Entry	21	Document Prep	16	
			(in OSI)				Admin Per Se	6			
Processing							Mandatory Insur	35	Renewal By Mail	8	
							IVI	2	Title Production	23	
							Renewal By Mail	2			
Licensing					Licensing	24	QC/Issuance	4			
							Cargo Tanker	2	Dealer Services	8	
									Dealer Investigation	8	
Administrative Review			Special Invest.	19					Abandoned Vehicle	11	
			Exec Hearings	34					Enforcement	1	
Internal Support			Training	9			Medical Review	2	(Complaints)		
			Procedures	2			Driver Responsibility	19			
			County Help Desk	3			Traffic Safety	5			
			Telecommunications	1			(Policy)				
Public Service			Communications	8			CDL Help Desk	2	Help Desk	2	
			Data Base Purchase	1			Communications	12			
			Front Counter Svcs	17			Renewal Phones	3			
							Traffic Safety	9			
							(Education)				
SUBTOTAL:		15		124		184		458		105	886
Admin Svcs Division			Payroll QC	1	Accounting	13					
Finance Group			Vendor Troubleshoot.	1	Receipt Control	5					
			Cash Audit	1	Error Resolution	5					
					Collections	7					
Procurement Group			Warehousing/Forms	1	Audit	34					
			Procurement QC	1							
General Operations			Facilities	5							
Director's Office			Personnel	1							
			Employee Invest.	2							
SUBTOTAL:		0		13		64		0		0	77
Total FTE By Program:		15		137		248		458		105	963

** : Represents Program Administration for all areas. Represents all TR/DL Field Office Staff.

Summary of Position Changes

Exhibit 7

Area	Unit	Before	After	Variance	Internal Transfer	Reorg Saved FTE	Point Saved FTE	Point Added FTE	Moved to ASD/DO	Point Ref
AD	AD Admin	4	4	0						
Enterprise	Enterprise	11	11	0						
Special Support	User Support	2	2	0						
	Admin Staff	4	0	4		4				
	Spec Invest	20	18	2					2	
	Enforcement Transfer	0	1	-1	-1					
	Film Retrieval	2	2	0						
	Executive Hearings	34	34	0						
	Mgmt Services	15	0	15			4		11	Align Mission
	Training	10	10	0						
	Telecommunications	1	1	0						
	Budget	3	3	0						
	Public Svcs/Admin	4	1	3		3				
	Central Comm-Gen	7	7	0						
	Central Comm-HELP	3	3	0						
	Customer Records	16	16	0						
	Records Svc	12	7	5			5			Recds Req/Retrvl
Rev Motor Car	Admin Office	7	0	7		7				
	Rev/Admin	2	0	2			2			Align Mission
	Licensing	23	23	0						
	Supv	1	0	1	1					
	Central Permits	6	4	2			2			Cntrl Permit
	Collections	10	0	10			3		7	Ledger Recon
	Receipt Ctl	9	0	9			4		5	3 Stream MC;1 Generic
	Accounting	13	0	13			0		13	1 Fuel Man; -1 T&R Bank Acct
	ER	9	0	9			4		5	Stream MC
	Audit	39	0	39			5		34	Ledger Recon
	Ports	160	156	4			15	11		5 Cash;4Elim;6 Consol
Driver License	Admin	10	0	10		10				11 safety
	Medical Review	2	2	0						
	Traffic Safety	13	13	0						
	Cargo Tanker	6	2	4			4			Cargo Tanker
	Central Ofc Admin	3	0	3		3				
	QC	7	3	4			4			DL Appl/Issue

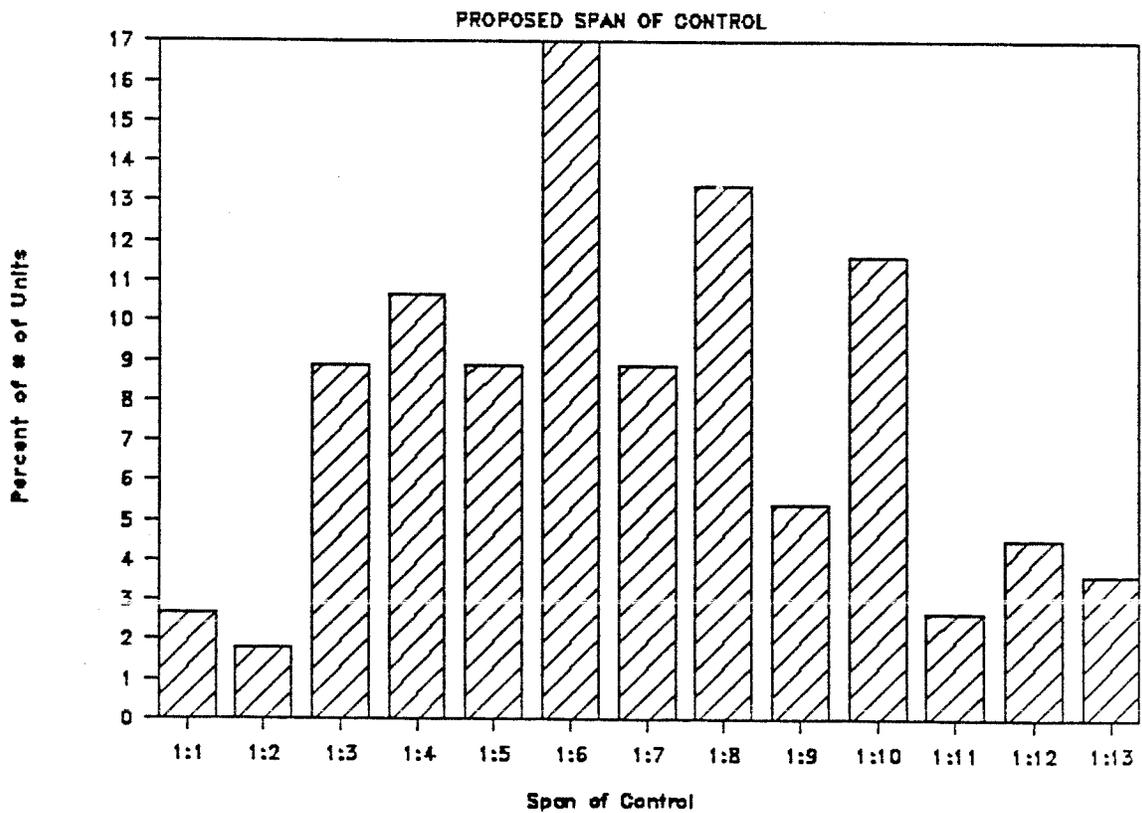
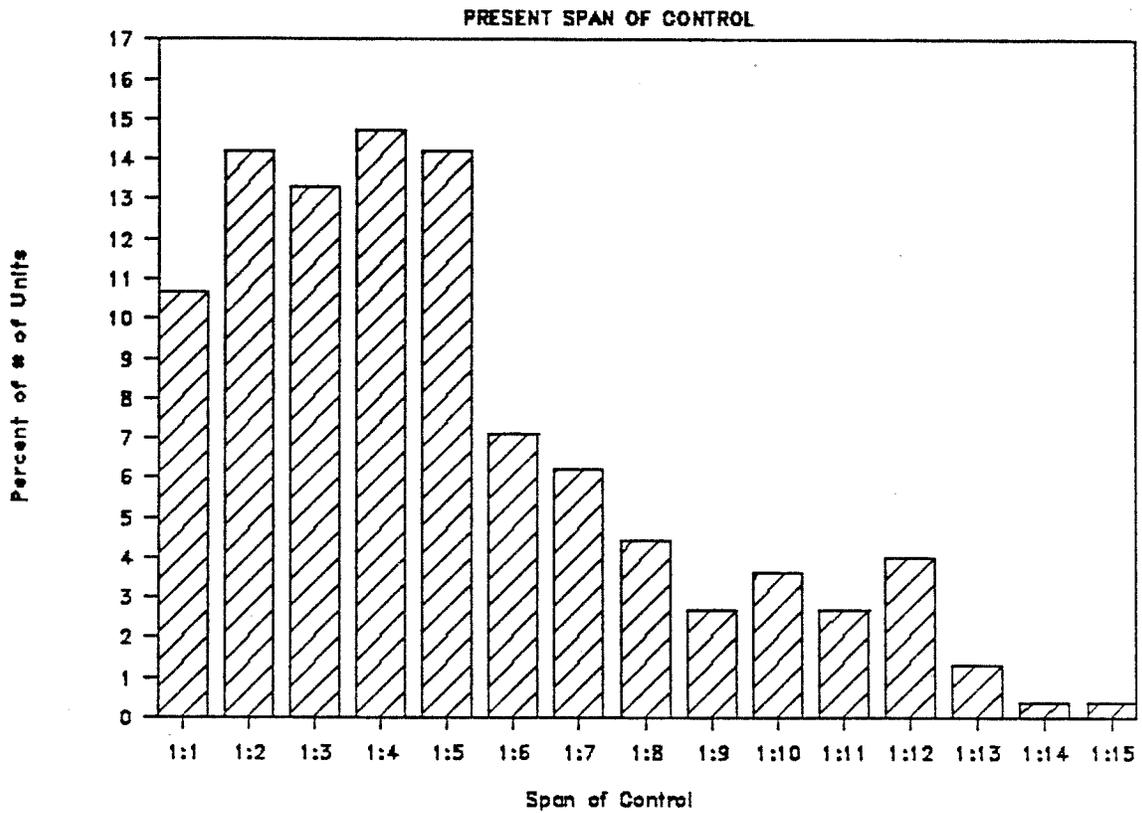
DOT - 20

Summary of Position Changes

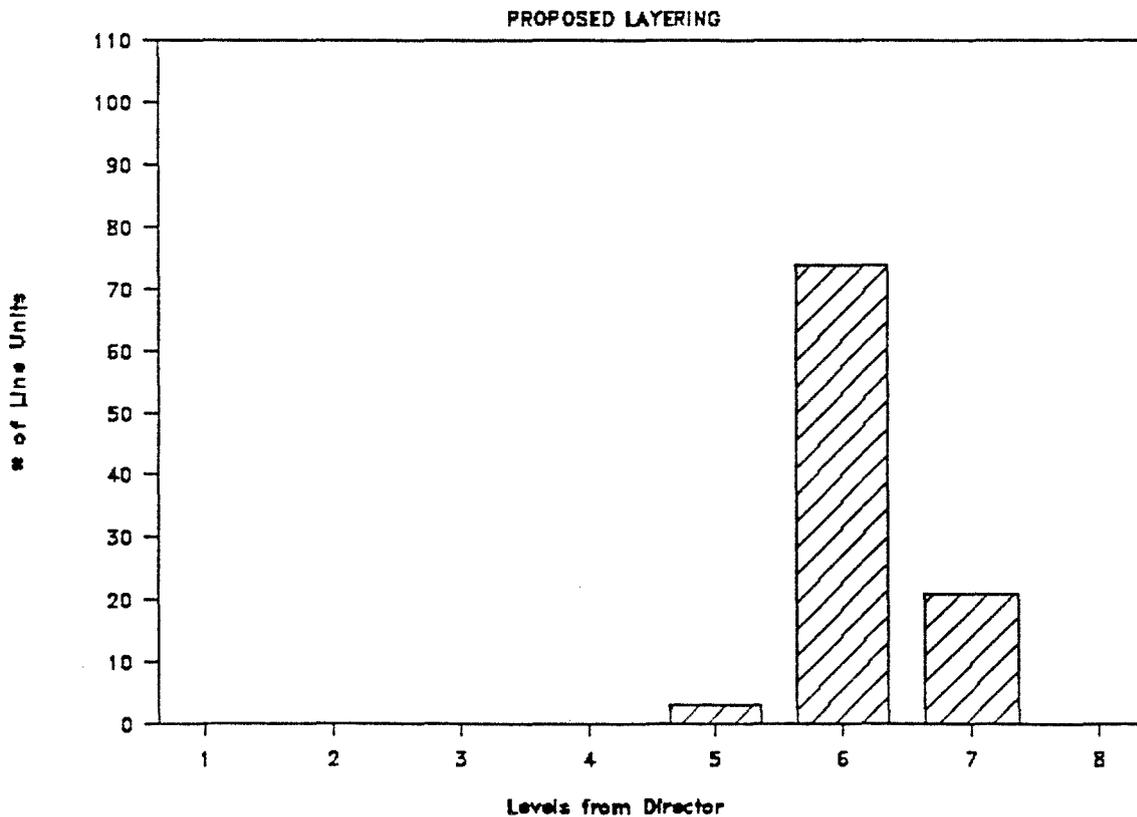
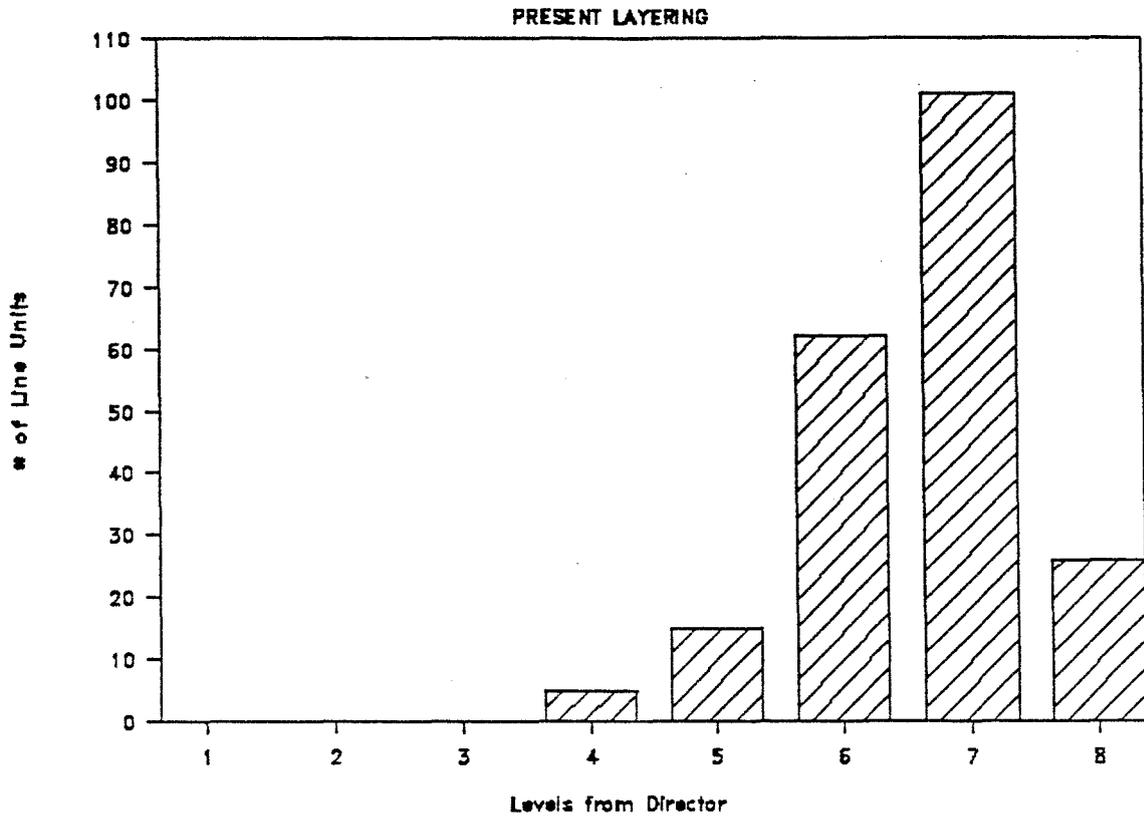
DOT - 21

Area	Unit	Before	After	Variance	Internal Transfer	Reorg Saved FTE	Point Saved FTE	Point Added FTE	Moved to ASD/DO	Point Ref
	Renewal By Mail	2	2	0						
	Renewal-Commun	3	3	0						
	Resp/Rclds/MI/Admin	5	0	5		5				
	Dr Resp/Analysts	19	18	1		1				
	Enforcement Transfer	0	1	-1	-1					
	CDL HELP	2	2	0						
	Admin Per Se	6	6	0						
	Communications	12	12	0						
	Data Entry	28	21	7			7			DL Appl/Issue
	Records File Unit	12	11	1			1			DL Appl/Issue
	IVI	2	2	0						
	Mandatory Insurance	35	35	0						
	CDL	11	9	2		2				
Title/Regis	Front Office	8	0	8		8				
	Spec Svcs Admin	3	0	3		3				
	Dealer Svcs-Licensing	8	8	0						
	Abandoned Vehicles	11	11	0						
	Dealer Investigations	6	6	0						
	Supv Transfer	0	1	-1	-1					
	Enforcement Transfer	0	1	-1	-1					
	Phoenix/Admin	3	0	3		3				
	Title Production	23	23	0						
	Title Support/Admin	1	0	1		1				
	Records Response	11	8	3			3			Veh Title Appl/Issue
	Document Prep	20	16	4			4			Veh Title Appl/Issue
	T&R Enforcement	47	21	26			26			T&R Enforcement
	Transfers	3	0	3	3					
Field Offices	Field Ops-DL/TR	432	312	120	10		110			58 VehRegRenew;46TR/DL Fiel
	Title Renewal	0	8	-8	-8					5 T&R Cash;1T&R Bank
	Tech Support-HELP	0	2	-2	-2					
		1181	862	319	0	50	203	11	77	
	Reorg Point:		24				26			
	Total:		886				229			

PRESENT AND PROPOSED SPAN OF CONTROL



PRESENT AND PROPOSED LAYERING



MVD IMPLEMENTATION SCHEDULE (PRELIMINARY)

EXHIBIT 10

PAGE 1

TITLE	MONTHS																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
LEDGER RECONCILIATION	→																						
STREAMLINING MOTOR CARRIER REPORTING							→																
FLEET BILLING AND RENEWAL	→																						
CARGO TANKER	→																						
BANKLINK RECONCILIATION	→																						
ENRENBURG PORT OF ENTRY BANKING	→																						
SPECIAL SUPPORT REORGANIZATION	→																						
DPS TRANSFER OF FUNDS		→																					
GENERIC CASH PROCESSING		→																					
DRIVERS LICENSE RENEW BY MAIL		→																					
VEHICLE REGISTRATION RENEWAL PROCESS	→																						
DRIVER LICENSE APPLICATION AND ISSUANCE	→																						
VEHICLE TITLE APPLICATION AND ISSUANCE	→																						
TITLE AND REGISTRATION AND DRIVER LICENSE FIELD OPERATIONS	→		→																				
CENTRALIZING T&R BANK ACCOUNTS		→																					
DRIVERS LICENSE CASH RECEIPTS					→																		
TITLE AND REGISTRATION CASH RECEIPTS					→																		
PORT OF ENTRY CASH HANDLING					→																		
MOTOR CARRIER REVENUE					→																		
NON-COST EFFECTIVE PORTS OF ENTRY					→																		
SAFETY ENFORCEMENT					→																		
CENTRAL PERMITTING UNIT					→																		

DOT - 24

MVD PRELIMINARY SCHEDULE (PRELIMINARY)

EXHIBIT 10

PAGE 2

	MONTHS																			
TITLE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
PORT OF ENTRY CONSOLIDATION OF RESOURCES																				
AUDIT REVENUE																				
RECORDS REQUESTS AND RETRIEVAL																				
MANAGEMENT OF MVD FACILITIES																				
TITLE AND REGISTRATION ENFORCEMENT																				
ALIGNMENT OF ADMINISTRATIVE MISSIONS																				
MVD REORGANIZATION																				
FUEL MANIFESTS																				

DOT - 25



DRIVER LICENSE APPLICATION & ISSUANCE

Current Situation

Responsibility for administering the driver licensing provisions of Title 28, A.R.S., is assigned to the Driver Licensing Program within the Motor Vehicle Division (MVD) of ADOT. For FY 92, Driver Licensing has 368 authorized FTE and a total operating budget of \$12,350,499. In calendar year 1991, the program issued 874,422 driver licenses/identification cards. A 3% growth rate for licenses is projected for each of the next five years.

The application portion of the driver licensing process is decentralized, but the issuance portion is centralized. Customers can apply for a Driver License (DL) at any of 38 full-time or 14 part-time field offices located around the State. Applications are also taken by field personnel who travel 23 special routes.

When entering a DL station, the type of service sought will determine the application form to be used and the process followed. Services vary from a request for a copy of a DL record, to a young person's first operator's license, to renewal of an Arizona license or obtaining a commercial driver license. The most common requests are for renewing or obtaining an original Arizona driver license.

After an applicant completes the appropriate form, a field officer reviews the request for completeness. Assuming the request is for a DL, the applicant's remaining steps at the field station are depicted by the flow chart in Exhibit 11, Current Driver License Application Process. For the purpose of this recommendation, key steps include: data entry by the field officer to create or revise a driver's computerized record, checking the input before sending it to the printer, having the applicant verify the printout before signing it, marking the "photo card" (back part of the two-part form) which determines the header on the DL (Under 21 Years, regular or Commercial DL, Identification Card, etc), and taking the applicant's photograph. The officer then separates and retains the photo card, gives the customer the temporary license, and says: "You'll receive your permanent license within three to six weeks."

From field offices, applications with photo cards and the photo film are sent to Phoenix by courier or first class mail. Applications are delivered to the Quality Control/Processing Unit (QC); the film is sent to a private contractor, National Business Systems (NBS), which prepares the finished DL's.

Upon arrival at QC, the batches of applications from the various stations around the State are placed into temporary storage until the DL's are received from NBS.

One or two days later, QC receives a National Driver Register (NDR) computer printout which lists those applicants whose licenses have been suspended, canceled or revoked by other states or who have outstanding citations. On the fifth or sixth day after the application was filed, NBS delivers the DL's, which are also grouped by station and date of origination. QC then goes through each batch and tags the DL's that were listed in the NDR printout.

The next step is inspection of all the DL's for consistency of the data on the card compared to the application form. They also check for signatures and acceptability of the photograph. The most common problems found are data entry errors, incorrect header, signatures missing from the application or photo card, unacceptable photo or restrictions missing from the back. Cards with these errors are rejected and destroyed. The error is noted on the photo card, which is then copied and sent to the originating station. Later, upon receipt at the field station, postcards are sent to applicants whose DL's were rejected, advising them to return for a no-fee reapplication.

After completing inspection, the NDR-problem DL's are pulled from the batches and sent to the IVI (NDR) Area of the Records Unit to be retained until the problems are resolved. The remaining DL's are picked up and mailed out by the ADOT Mail System. Afterwards, applications and photo cards are reassembled by QC into station and date batches, microfilmed by the File/Film Area of Records, and then taken to Data Entry where the film reference numbers are entered into the computerized DL records.

From Data Entry the batches are returned to QC where they are placed into storage boxes by station alpha-code batches. Once a week, Library and Archives (L & A) staff pick up these boxes (referred to by QC as Baskets) and take them to the Records Retention Center. A Control Record is kept for each box showing its contents. The microfilm of these DL-application records is sent to the Title and Registration's Records Unit for retention.

An average of about 2,200 certified copies of these records are requested annually by applicants, police officers, courts, private investigators or attorneys. This amounts to less than .3% of the 874,400 new licenses issued per year. If requestors insist on a copy of the original application, the original is retrieved from the appropriate box at the Records Retention Center, copied or reviewed by the requestor, and later returned to storage. When a certified microfilm copy of a DL application is acceptable (and it is in a majority of cases), the request is referred to T & R Records, rather than DL Records. T & R Records responds to requests for copies of microfilmed DL application records.

Impact

Based on using seven QC positions, \$138,890 per year is spent on inspecting the DL's before they are mailed out. This is only part of the cost of quality. If a customer does not sign the application and no one notices the omission until final inspection of the forms at the Phoenix headquarters, the applicant is notified to return to the field station to sign the form before s/he can receive the DL.

Worse cases occur when errors are not caught and corrected at the point of origin. QC destroys the defective license, sends a copy of the photo card and application to the field station, which then notifies the applicant that s/he must return for a no-fee reapplication. By the time this notice reaches the consumer, three weeks may have passed and then the clock starts over. Such errors are infrequent (about 1.3% of the total), but about 11,000 customers per year are thus impacted by these quality control failures.

The turnaround time of the current process averages three to five weeks. About three to five days of elapsed time occur while awaiting processing and delivery of finished DL's by NBS. Then time is spent tagging the NDR-problem DL's, which later are pulled. More time is spent inspecting the DL's and applications, even though the field officers and applicants are required to check the same data, except for the picture and header. Time and expense are also lost in making copies of photo cards and sending them back to the field rather than notifying the applicant directly.

Additional time and expense are consumed in microfilming the application and photo card, though the latter contains the same information as the DL computer record and the physical DL issued to the driver. Movement between process steps is slowed by physical separation of the units involved (1st floor and 3rd floor). In addition, later retrieval of DL records is slowed and fragmented by organizational and physical separation of the records. The Title and Registration Records Unit has the microfilm for DL application documents, while the originals of those documents are located in the Records Retention Center; Office of Special Investigations (OSI) has the 35mm photograph film, and the DL Records Unit has all of the other related documents.

The original application forms are retained in storage for five years, per statute. The film of the photo and card is retained by OSI for ten years. Microfilming the application form and the photo card (without the picture) duplicates information in the DL computer system and on the film. The only function of Data Entry is to tie the computer record to the microfilm record.

Recommendations

- We recommend field personnel have total responsibility for quality control of applications, data entry, photo cards, photos of customers, and customer verification of the temporary license. This is where the problems are originating, causing increased expense and time delays for customers. We also recommend that each field officer handle all steps with each customer, at stations where it is physically practical, in order to establish accountability
- We recommend a unique P.O. Box be opened to expedite receipt of DL applications from field stations. Also, have the MVD courier and ADOT Mail System pick up and deliver the film, applications and photo cards directly to NBS, rather than to QC
- Since NBS inspects the cards after they are printed and again after lamination, request NBS to pull DL's with unacceptable photos during their first stage inspection. In return, NBS will save the time and expense of laminating and final inspection of the rejects. Provide criteria and training to NBS on how to inspect DL photographs to the Program's satisfaction
- Reduce the QC function to two positions. When NBS processing is finished, have QC pick up the completed DL's (and supporting documents in the original batches) from NBS. QC should pull the NDR-problem DL's and also pull the photo cards on DL-photo rejects. They will note the problem code on the photo cards and forward them to Data Entry. After entry of the problem code, the photo cards will be destroyed. Then QC will follow up on the problem DL's (see Exhibit 12, Proposed Driver License Application Process)
- Have QC prepare the "good" DL's for pickup by the Mail System, but discontinue banding the DL's in groups of 50. Next, QC will box the document batches for pickup by L & A and storage in L & A's Records Retention Center
- Eliminate microfilming of DL applications and supporting documents since retrieval frequency is a small fraction of the total. When requested, copies of DL application documents should be made from the original records stored by L & A

- Since microfilming the records will be eliminated, there will be no need to enter microfilm reference numbers of DL application documents into the computerized DL database
- Performance factors used in evaluating employees under the revised process should be based on measures reflecting TQM goals for customer satisfaction and improved productivity. For example, field stations should be measured on transactions per officer, rejects per 1,000 transactions and customer relations. Centralized personnel should be measured on turnaround time from receipt to completion of their assigned process, as well as absence of errors.

Benefits

- By making NBS the critical path and removing several time consuming steps and physical moves, turnaround time will be reduced by at least twelve days and up to three weeks. Under the revised process flow, the minimum and maximum time goals from date of application to date of delivery will range from six to ten work days (see Exhibit 13, Turn Around-Time Goals for Revised DL Process). This reduced delivery time should improve customer satisfaction with DL Program services
- There will also be a reduction in the number of errors and rejects. Call-backs and re-takes from DL rejections should drop, from the present level of about 11,000 to approach 2,000 per year over a period of time, as field personnel become individually accountable for the whole process (except checking acceptability of the photo, which will be handled by NBS and QC)
- By repositioning responsibility and accountability for quality control and streamlining the centralized portion of the process, cost savings of about \$269,600 will be realized. These savings include 12 permanent FTE and one filled seasonal FTE, as follows (see Exhibit 14, Annualized Savings from Revised Driver Licensing Process):
 - Five from QC Processing
 - One from Microfilm
 - Seven from Data Entry

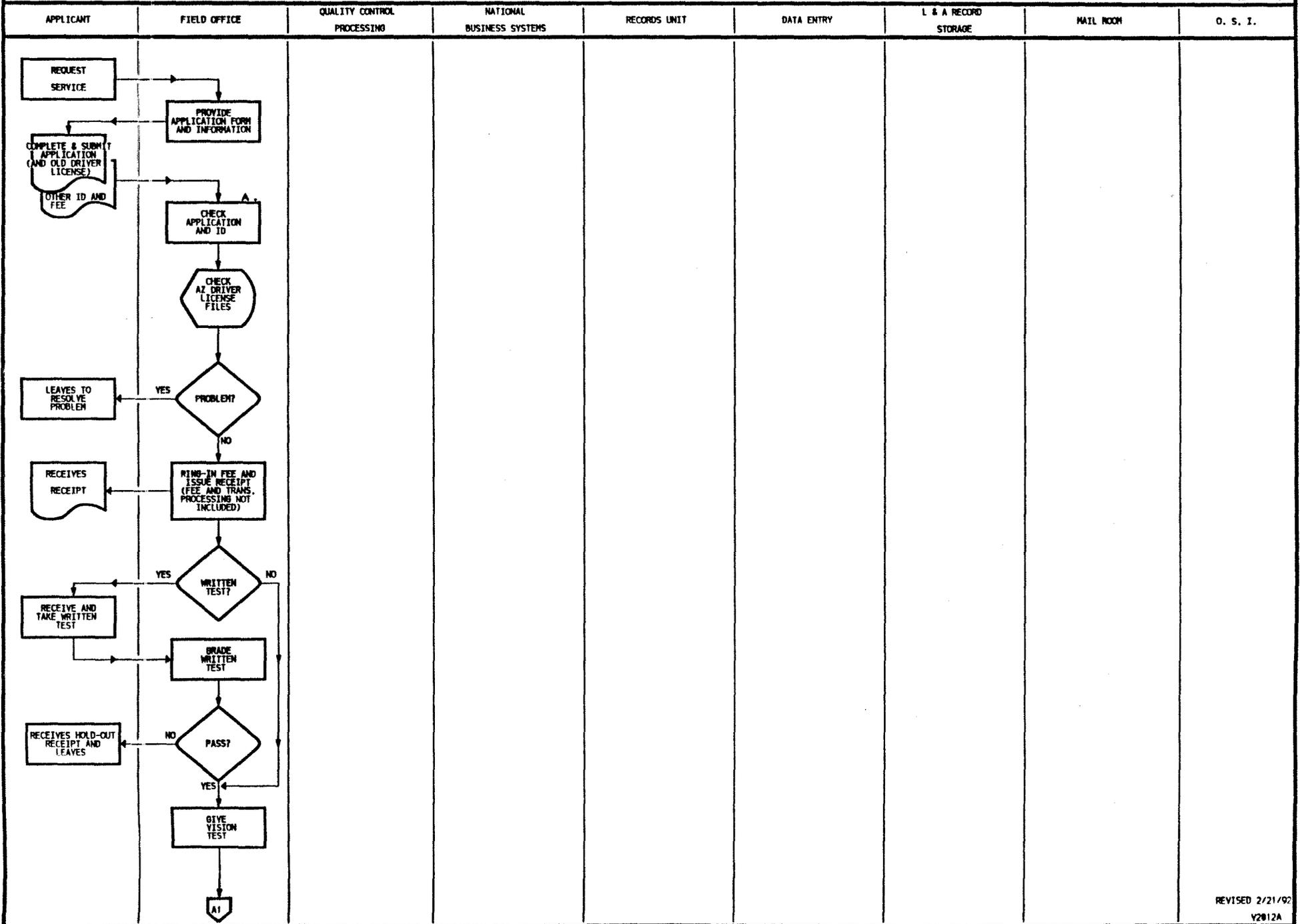
Implementation

These recommendations can be implemented without any major expenses or delays. Key steps would include: advising field officers of their most common errors; where feasible, converting stations to enable each officer to complete all steps, or all but the photograph and final steps; obtaining a mutually beneficial agreement with NBS to inspect photographs and separately forward those that are not acceptable; advising the Mail System of changes in the delivery point for applications; advising T & R, DL and Library, Archives & Public Records (L, A & P R) records managers of changes in records storage and retrieval; updating affected policies and procedures; and making other physical facility changes as appropriate.

AZ DEPT. OF TRANSPORTATION
CURRENT DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 11

PAGE 1 OF 5

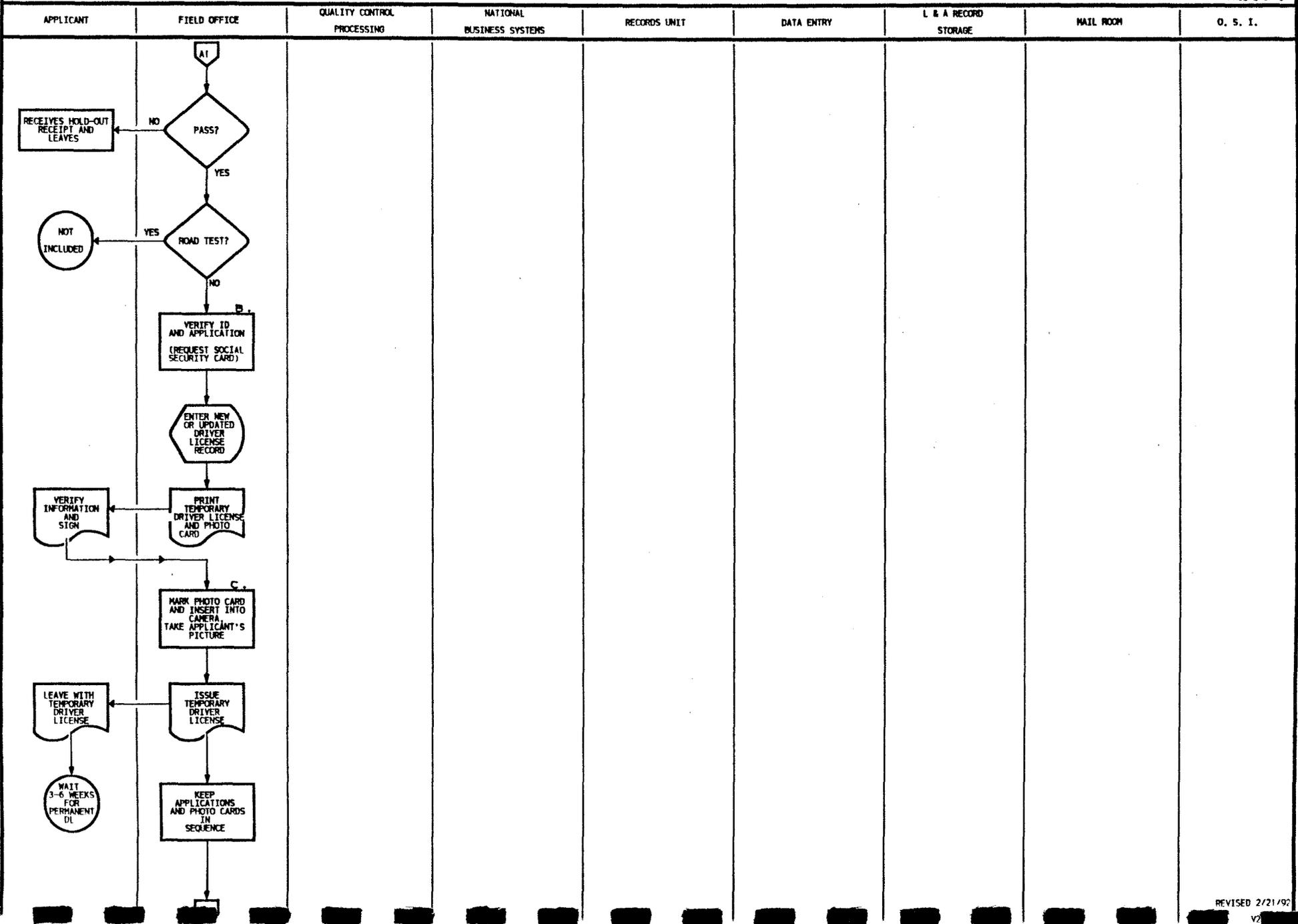


DOT - 32

AZ DEPT. OF TRANSPORTATION
CURRENT DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 11

PAGE 2 OF 5

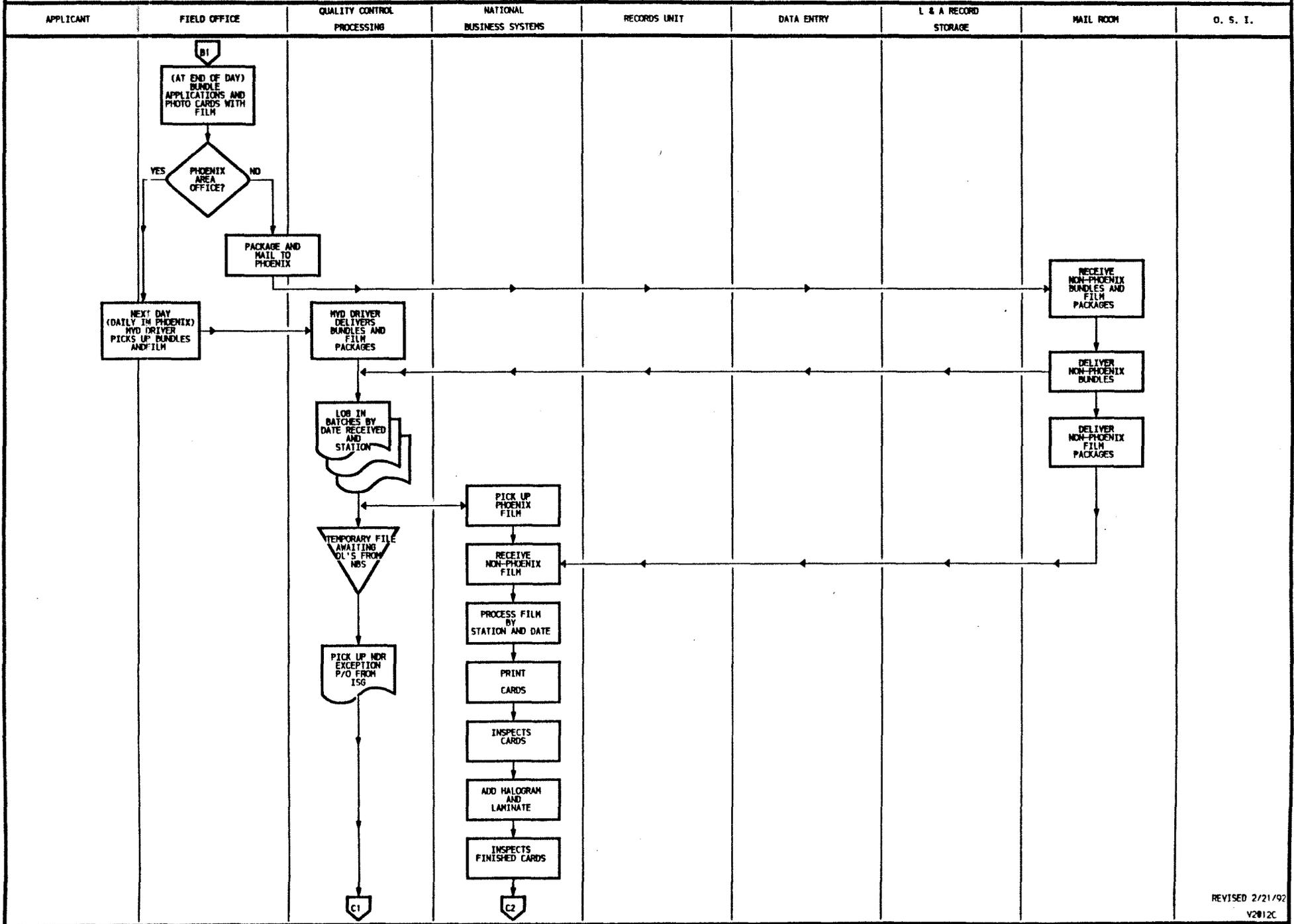


DOT - 33

AZ DEPT. OF TRANSPORTATION
CURRENT DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 11

PAGE 3 OF 5

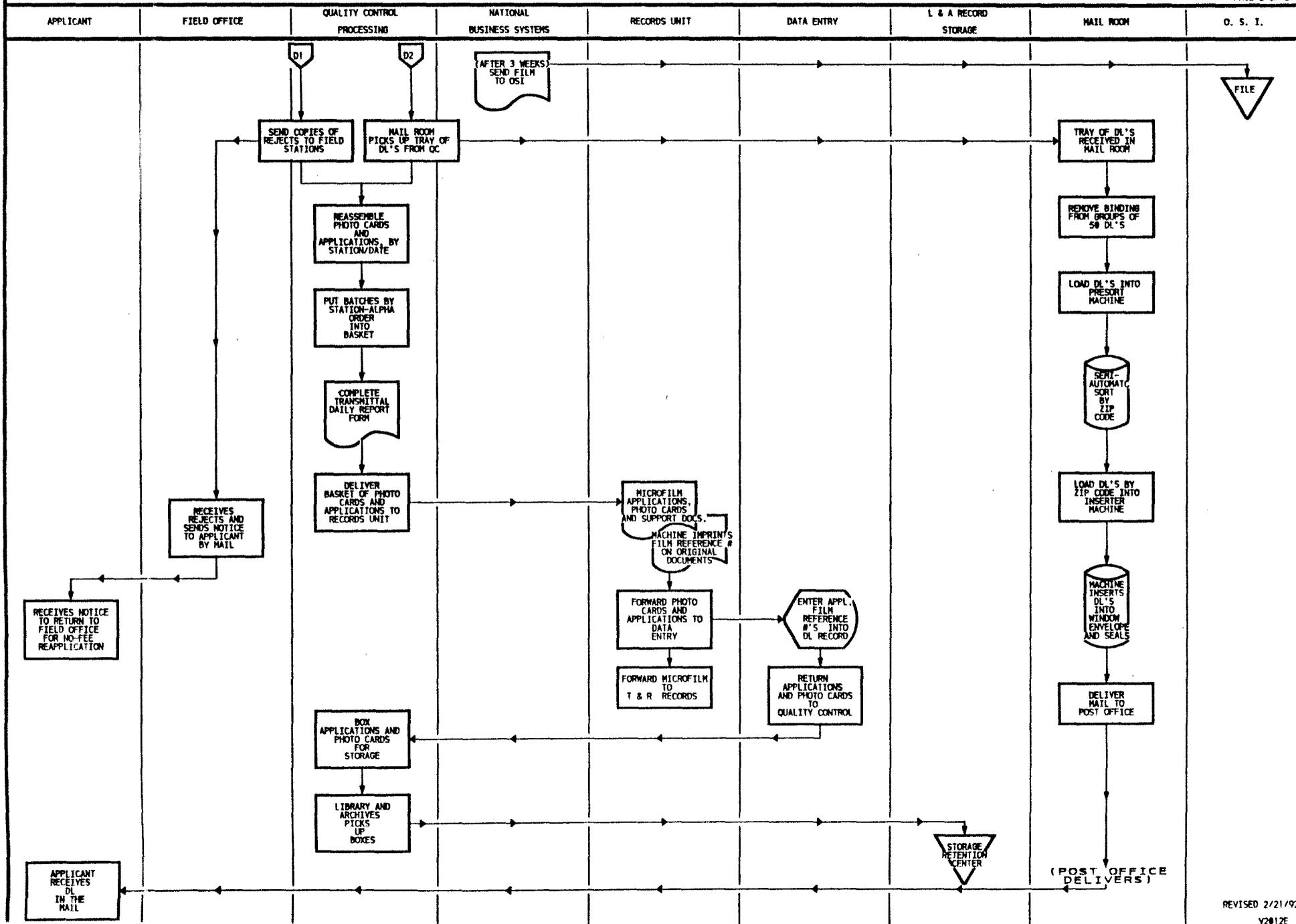


DOT - 34

**AZ DEPT. OF TRANSPORTATION
CURRENT DRIVER LICENSE APPLICATION PROCESS**

EXHIBIT 11

PAGE 5 OF 5

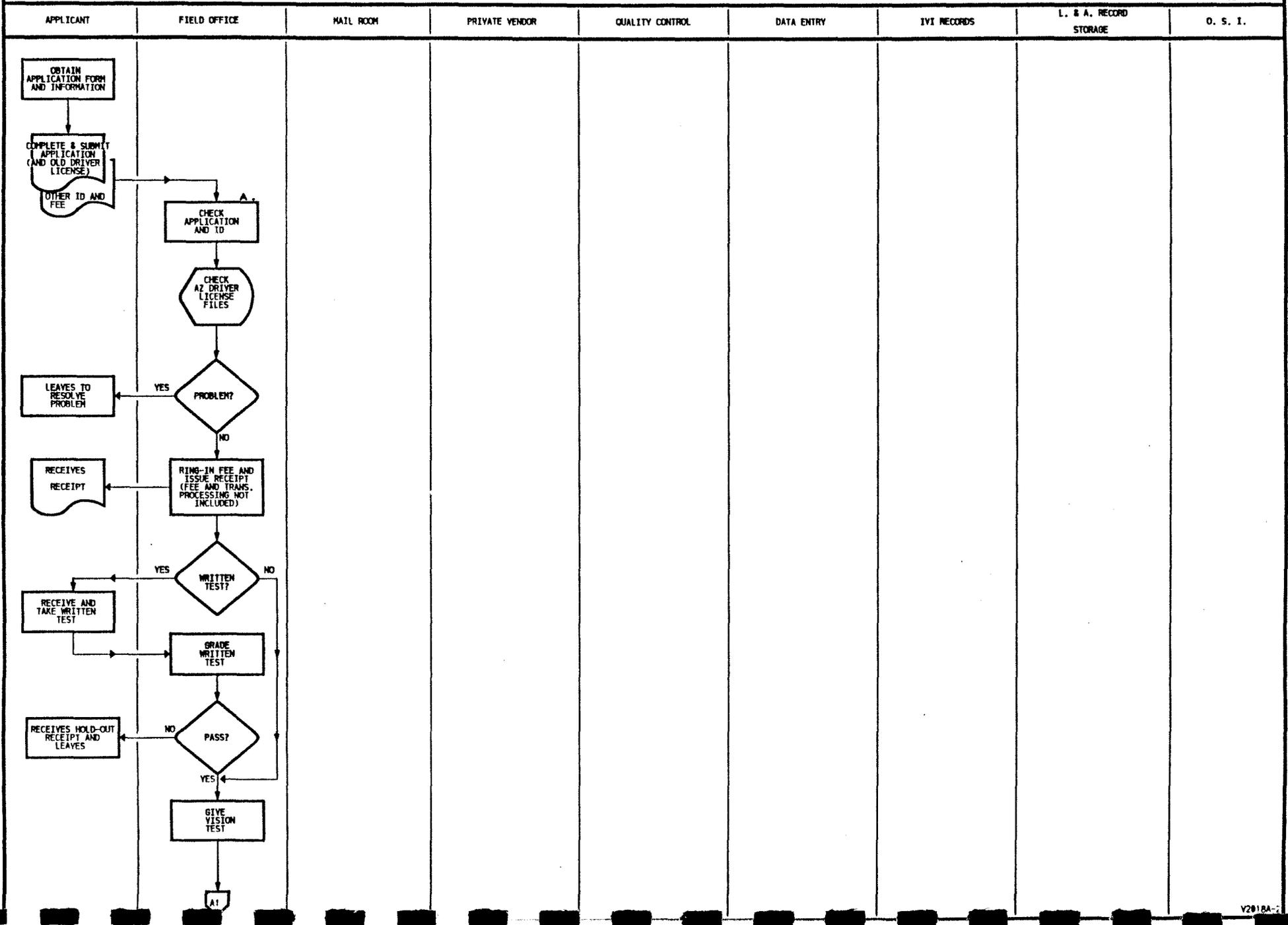


DOT - 36

AZ DEPT. OF TRANSPORTATION
PROPOSED DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 12

PAGE 1 OF 5

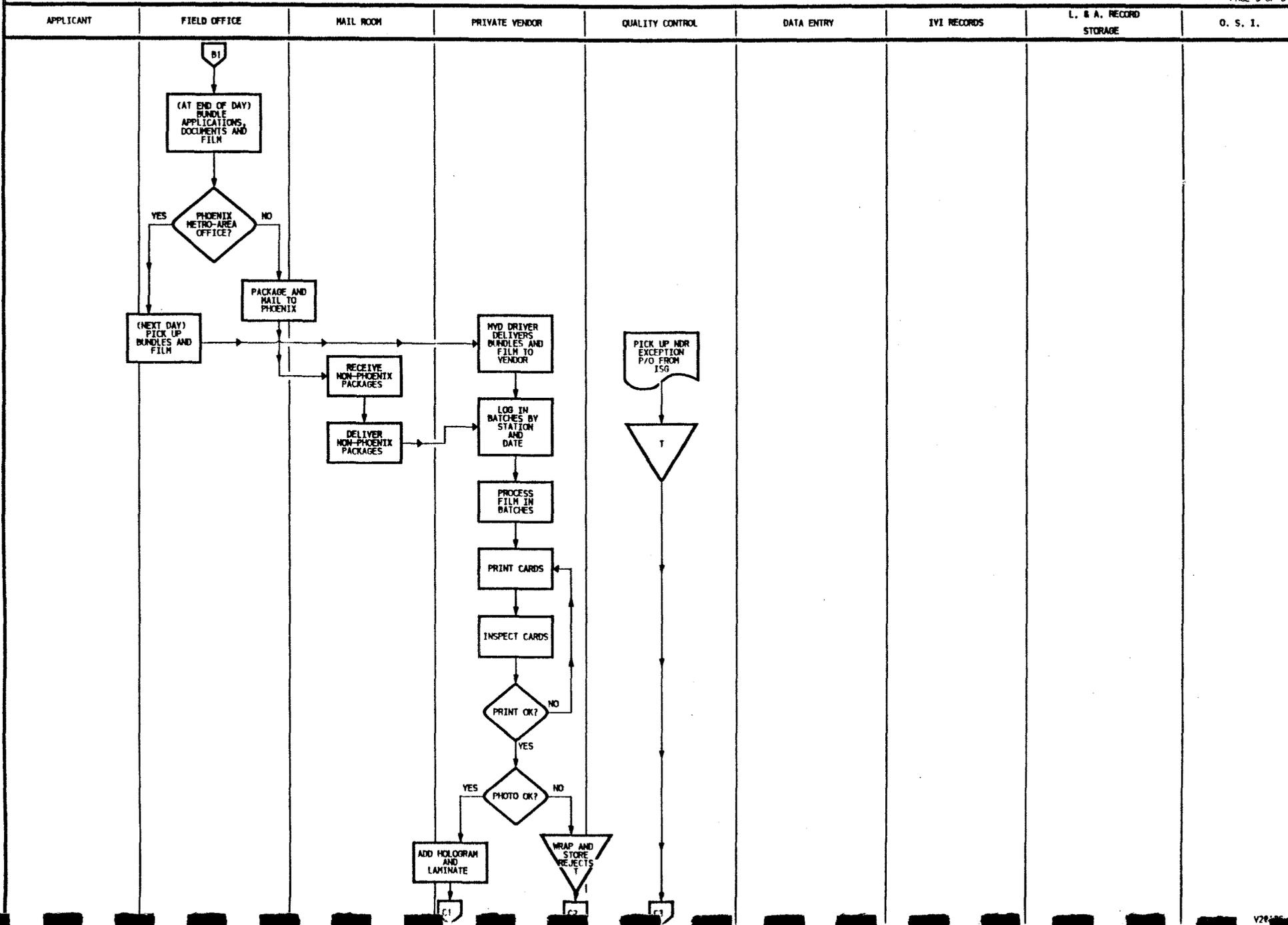


DOT - 37

AZ DEPT. OF TRANSPORTATION
 PROPOSED DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 12

PAGE 3 OF 5

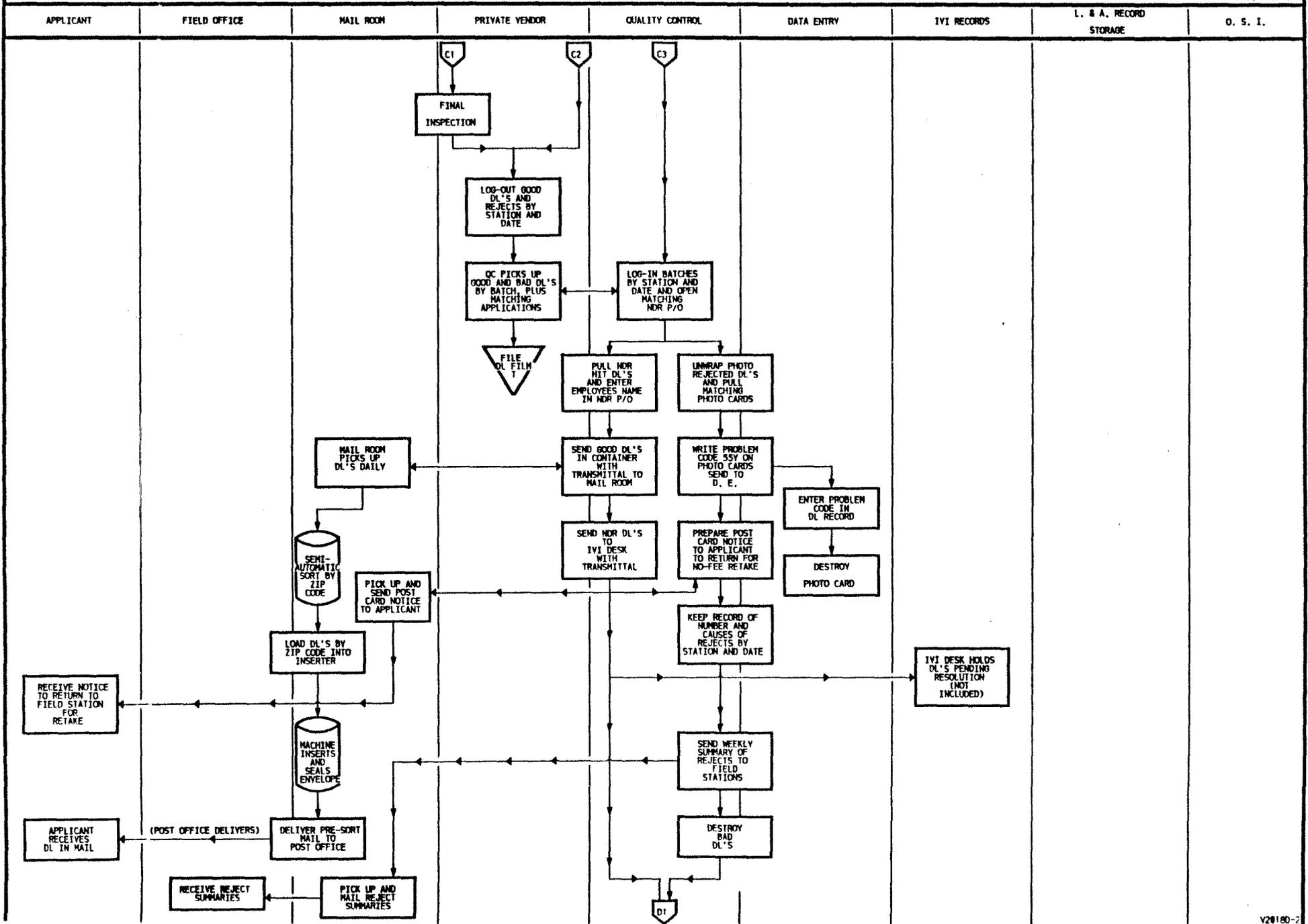


DOT - 39

**AZ DEPT. OF TRANSPORTATION
PROPOSED DRIVER LICENSE APPLICATION PROCESS**

EXHIBIT 12

PAGE 4 OF 5

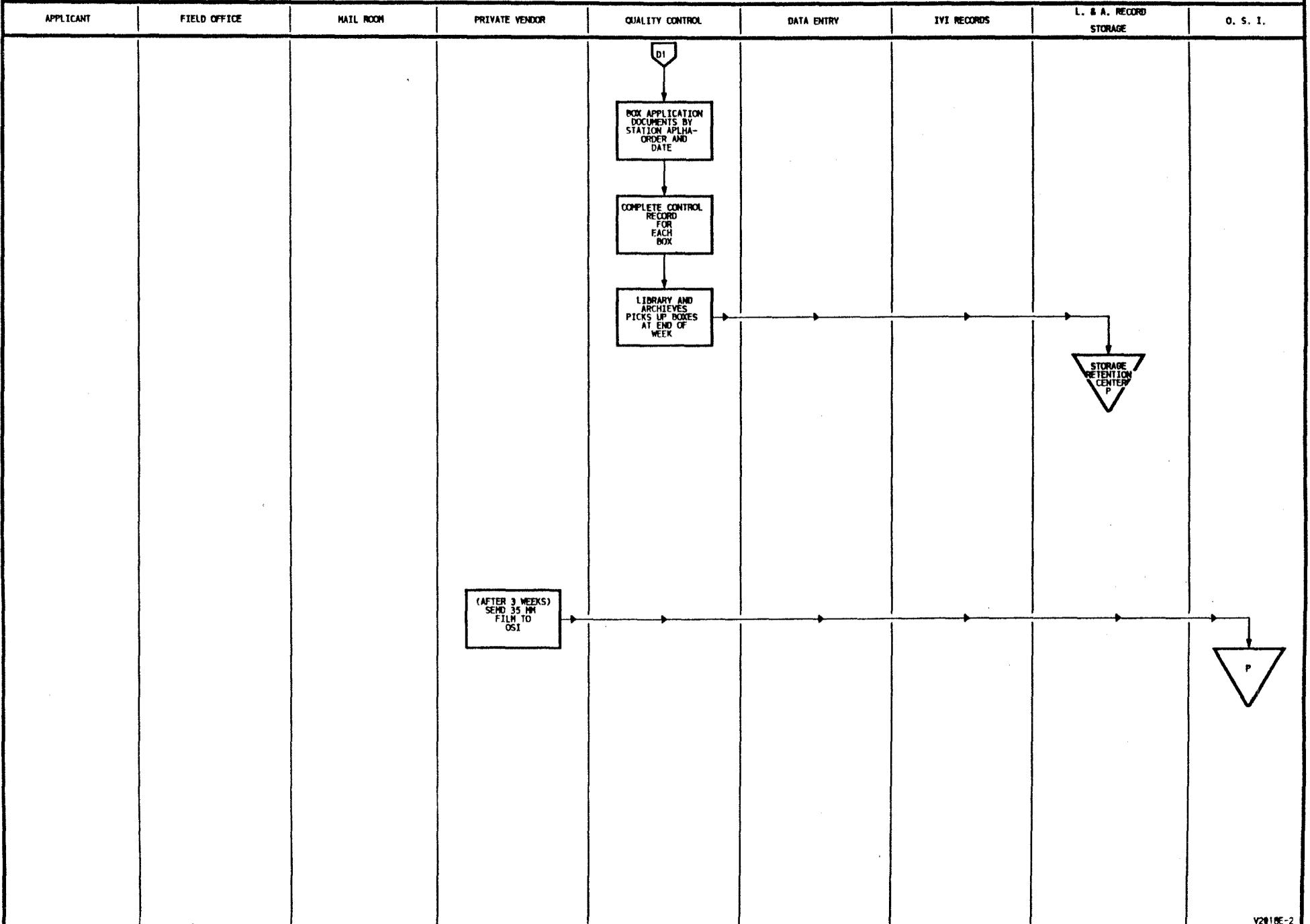


DOT - 40

AZ DEPT. OF TRANSPORTATION
PROPOSED DRIVER LICENSE APPLICATION PROCESS

EXHIBIT 12

PAGE 5 OF 5



DOT - 41

TURNAROUND-TIME GOALS FOR REVISED DL PROCESS

<u>ORGANIZATION</u>	<u>PROCESS (WORK) DAYS</u>		<u>PROCESS STEPS/ACTIVITIES</u>
	<u>Minimum</u>	<u>Maximum</u>	
Fld Station	Day 1 PM	Day 1 PM	Process & Mail Appl's & Film to Hq
Postal Service	Day 2 AM	Day 3 AM	Deliver DL Packages to Phoenix
Mail System	Day 2 AM	Day 3 AM	Pickup & Deliver to NBS
Vendor - NBS	Day 3 PM	Day 6 PM	Process Film and Complete DL's
QC Processing	Day 4 AM	Day 7 AM	QC Picks Up DL's & Application Bundles
QC Processing	Day 4 AM	Day 7 AM	Pull & Record NDR & Photo-Reject DL's
QC Processing	Day 4 AM	Day 7 AM	Prepare Transmittal for Good DL's
QC Processing	Day 4 PM	Day 7 PM	Take Followup Actions on NDR/Photo Rejects
QC Processing	Day 4 PM	Day 7 PM	Box Applications for Storage
Mail System	Day 4 PM	Day 7 PM	Pickup and Process DL's & Notices
Mail System	Day 5 AM	Day 8 AM	Mail DL's & Notices
QC Processing	Weekly	Weekly	Mail Reject Summaries to Fld Stations
Libr/Archives	Weekly	Weekly	Pickup and Retain DL Appl Boxes
POSTAL SVC	DAY 6 PM	DAY 10 PM	DELIVER DL'S TO APPLICANTS

Turntime (DAE, 3/24/92)

DOT - 42

ANNUALIZED SAVINGS FROM REVISED DRIVER LICENSING PROCESS

<u>Organization</u>	<u>Process Steps or Actions</u>	<u>Current Costs</u>	<u>ANNUAL SAVINGS</u>	
			<u>FTE</u>	<u>Dollars</u>
MVD Forms Svc	Daily Phx-Area Pickup/Delivery Svc	\$22,620		\$0
DL Fid Ofc	Pkgs & Mails Film & Dkts to Hq	\$27,770		\$0
ADOT Mail Sys	Pre-pay to Mail DL Pkgs to Hq	\$60,000		\$0
" " "	Return Film Ctns to Fid by Mail	\$14,410		\$0
" " "	Process In- & Out-Going DL Mail	\$16,450		\$0
QC Processing	Pull NDR & Other Rejects, Inspect, Etc	\$138,890	(5.0)*	\$97,770 *
DL Program	Pay NBS to Replace QC Rejects	\$4,450		\$3,640
QC & Mail Sys	Copy & Mail Copies of Bad Dkts to Fid	\$1,660		\$1,220
Fid & Mail S.	Mail Notices to Appl's to Come Back	\$2,090		\$1,590
Records Unit	Microfilm DL Appl Dkts & Edit Film	\$19,410	(1.0)	\$19,410
Data Entry	Enter Film Ref #'s in DL Records	\$145,970	(7.0)	\$145,970
ADOT Mail Sys	Mail DL's to Appls (Excl Renewals)	\$200,000		\$0
T & R Records	Retrieve and Copy DL Appl Dkts (0.5 FTE)			
TOTALS:		\$653,720	(13.0)	\$269,600

* Includes one filled seasonal FTE @ \$15,528

DLCosts3 (DAE, R3/27/92)

DOT - 43

VEHICLE TITLE APPLICATION AND ISSUANCE

Current Situation

The most common vehicle title transactions originate from sales of Arizona-registered vehicles and people moving to Arizona with vehicles from other states. Excluding new car dealers, the process for obtaining or transferring an Arizona license is handled by the MVD on a decentralized basis. Applications may be submitted to Title and Registration (T & R) Program Offices located around the State, although Maricopa, Santa Cruz and Gila Counties operate their own Offices.

Production and distribution of all new titles is centralized at T & R headquarters. These processes are administered by the Phoenix Program, along with retention, maintenance and retrieval of T & R records for all counties, including the three listed above. Portions of the T & R process being addressed in this recommendation are depicted in the attached flow chart, Exhibit 15, Current Process for Obtaining or Transferring an Arizona Vehicle Title.

A vehicle title is a legal document which defines the vehicle's identity and the vehicle owner's identity. It also contains reference to the previous title number or manufacturer's certificate. The back side is used to convey ownership to a buyer and to indicate if there are any outstanding liens against the vehicle. Because of the asset value of vehicles, the frequency of resales and the need for the State to discharge its duties in a responsible manner, a management emphasis on accuracy and thoroughness is found within the T & R Program.

In an effort to ensure the accuracy of title applications and the completeness of supporting documents, current T & R policy requires each clerk to check and verify every transaction involving a vehicle title. Additionally, supervisors are required to check samples of each clerk's daily title transactions. This does not have to be done immediately or even within two days. Customers are advised that they will receive their permanent title through the mail in seven to ten days. It is common practice for T & R headquarters to hold new titles for at least three and often five days after they are printed. This allows clerks and their supervisors time to check the transactions and correct any mistakes found. If errors are detected, the field office can call the Phoenix Program at headquarters and have them pull a title that is defective or which should not be issued until further contact is made with the applicant. However, if necessary, T & R has the authority to cancel the title and so notify the customer.

When a customer wishes to apply for a vehicle title at one of the field offices, the following steps are taken by the Motor Vehicle Operations Clerk (clerk): determine the type of request, review the supporting documents, ask to see the applicant's identification, and determine if all legal requirements have been met. The clerk then creates or updates the title record, checks the entry, advises the customer of the fee or fees required to complete the transaction, and prints out the title application/ temporary registration form. The last step is to enter a manual tally after each transaction, phone call or other activity.

A critical step in processing a title application is to document liens against the vehicle. Before issuing a new title without a lien, proof has to be furnished that any prior liens have been satisfied by the seller; the clerk must also determine if the buyer (new owner) has established a lien against the new title.

When titling vehicles from out of state, another critical step is careful inspection of the vehicle identification numbers (VIN) to prevent stolen cars from receiving an Arizona title.

As mentioned previously, it is T & R's policy to delay mailing new titles to customers. Customers who need to receive their titles sooner can call in and have them pulled and held for pickup. Based on comments from involved staff, an average of about 27 titles are hand-pulled daily from production, with about 35% being requested by customers and 65% requested by T & R staff. It should also be noted that new titles are printed, burst, folded, inserted into envelopes, sealed, zip-code sorted and bundled for mailing by noon of the day after the application was processed at a field office. On the other hand, the title applications and supporting documents do not arrive in Phoenix from field offices until four or five days after the transactions were completed because of the policy of holding and double-checking them at the office of origin.

Title applications and supporting documents are processed in Phoenix by the Title Support Unit. Within this unit, a group of contract employees, named AZTEC, is assigned to prepare batches of documents for microfilming. In addition to logging and dating, they pull staples that hold title applications and related documents together. They make sure all documents are arranged in proper sequence and directional orientation. They also pull out documents that are not supposed to be filmed and then double-band each batch again to await microfilming. This group is staffed by seven developmentally handicapped persons and a job coach.

In addition to the AZTEC group, the Document Preparation area of the Title Support Unit has 14 Microfilm Tech I positions. Five of these are unfunded seasonal positions which have been vacant for

several years. The vacant positions used to do the work now being performed by the AZTEC group. The nine remaining positions rotate duties, i.e. operating the microfilm machines, receiving incoming batches, preparing reports for the counties, etc.

The Title Support Unit also includes the Records Response area. An Intaglio group within Records Response prints titles and lien releases and prepares them for mailing. Others in Records Response edit the microfilm and respond to requests for information or copies of microfilm records. The current record retention schedule requires the MVD to keep microfilm copies of title-related documents for 20 years. They do not actually destroy any rolls until the end of their twenty-first year. While most of the demand for title-record information is for transactions occurring within the past five years, about 19% of the requests are for vehicle histories, including those covering older vehicles.

Impact

Without the artificial delay in mailing, customers would receive their titles within an average of 3 days from the date of application. In that event, it is likely that many of the customer requests to pull titles for pickup might be unnecessary. Moreover, delay in delivery by itself can create work for the MVD. For example, the customer's address can change during the intervening period, causing return mail, which then has to be handled by ADOT staff at least three more times. Another impact from holding the titles is that each request to pull a title involves a minimum of three staff members, one of whom has to be a supervisor, plus the customer.

Requiring field clerks to keep tallies of transactions and time consumed by their various activities does not add value to the process. Most of the information duplicates automated reports and this requirement takes time away from customer service.

Field office staff occasionally overlook entering a new lien on a title application or fail to obtain proof that a prior lien has been released. In other instances, inspections have not detected stolen vehicles or tampering with the VIN. According to ADOT's Deputy A. G. and Risk Management Office, these types of failures produce most of the title-related awards and settlements against the State in terms of both occurrences and cost, although other omissions and processing mistakes result in liability also. Negotiated settlements in such cases cost the State about \$66,200 during the preceding twelve months.

Supervisory sampling and inspection of clerks' output does not eliminate all errors, as evidenced by the claims filed by lien holders and owners due to mistakes. Instead, accountability is split between the clerk and the supervisor, thus holding neither fully accountable and detracting from error prevention. This practice also diverts the field supervisor's time and attention away from monitoring current operations and away from personal involvement in customer service.

Except for date stamping, logging and removing staples, work assigned to the AZTEC group essentially duplicates what field clerks are trained and expected to do. The annual cost of the AZTEC group is about \$91,000, which is about \$7,000 less than the cost for the five State employees who had previously done the same job. AZTEC's presence has helped reduce the microfilming backlog.

Turnover in the Microfilm Tech positions is high. However, the AZTEC workers have been stable, effective and have above average work habits. The five vacant seasonal Microfilm Tech positions have not been used for over three years.

According to internal coordinators of document requests and the records response supervisor, requests for information or copies of title-related documents decline sharply after vehicles are 7 to 10 years old (average life expectancy of a car). However, as vehicles get older, the likelihood increases that the requester will ask for a complete vehicle history. History requests are the most time consuming of all, ranging from 30 minutes to 4 hours on older vehicles, especially if they have had numerous owners. Furthermore, a 20 year retention schedule exceeds the "essential records" requirement of A.R.S. 41-1345, et seq. Within the MVD context, the need should only be to safeguard vehicle owners, lien holders, sellers and the State from loss or damages from grossly negligent or criminal acts. Even now, however, given unlimited staff time and a 20 year retention schedule, complete histories of "classic" cars cannot be provided to collectors.

Recommendations

We recommend that the intentional delay in delivery of vehicle titles be abolished. Rather than maintaining centralized title production and distribution, it is recommended that field offices be supplied with controlled batches of Intaglio title forms and authorized to print and issue new titles to applicants at the conclusion of their transaction (see Exhibit 16, Revised Process for Obtaining or Transferring an Arizona Vehicle Title).

We recommend that quarterly training-updates feature cost of quality issues, including summaries of risk management assessments and the QC failures attributable to T & R staff. Supervisors should reinforce the application of this training in their staff meetings, especially problems regarding liens on title applications and checking VIN's during inspections.

Training for clerks should emphasize that each title application is to be processed accurately and completely the first time and while the customer is still present. Additionally, field supervisors should coach and monitor new employees during application processing until all transactions are consistently completed correctly. If further automated edits could assist validation and reduce mistakes, that should also be provided.

We recommend that manual tallies of field staff activities be discontinued and replaced by work sampling, when needed. Also, experienced field office personnel should have full responsibility and accountability for quality control of title and registration records they create or update. We further recommend that the policy and practice of post sampling and inspection of field personnel's daily work products be allowed only by exception, such as when an employee first returns from a prolonged absence or when there is evidence of errors.

We recommend that field office clerks be responsible for placing support documents in the sequence and orientation prescribed by the Title Support Unit. Support documents not needing to be filmed should not be sent to Phoenix. We also recommend that stapling of transaction documents be discontinued. Field clerks should paper-clip the small (old style) lien release to the face of the old title to keep it from being lost or misplaced. They should also continue to double-band the batch together with the transmittal form.

We also recommend that the AZTEC workers discontinue the duplicate checking and re-sorting except on damaged batches. In addition, AZTEC workers should be cross-trained, as time permits, to use the microfilm machines.

We recommend that the five unfunded seasonal Microfilm Tech I positions be removed from the organizational chart. Also, the Phoenix Program should contact AZTEC or similar organizations and arrange to have learning disabled persons trained to operate the microfilm machines in the Document Preparation area. (The Phoenix Program manager believes that one or two of the present AZTEC workers could easily transition into that type of work.)

We also recommend that the MVD submit a 10 year Records Retention Schedule to the Department of Library, Archives and Public Records (L, A & P R) for their approval. This recommendation has received tentative endorsements from ADOT's Deputy A.G., the ADOT Risk Management Manager and the Asst. Director, Division of Records Management, L,A & PR.

Benefits

By issuing titles directly to waiting customers, the T & R Program can: improve customer satisfaction with the service; eliminate mailing costs and postal returns of titles; reduce FTE's in the Intaglio production group; stop calls and complaints regarding when customers may expect to receive their titles; eliminate the inconvenience to customers who have to come to the Phoenix office to pick up titles which have been pulled; and avoid interrupting workers and supervisors to locate and pull titles. Field issue of titles will also make it possible for all customers to receive the same level of service. This results in a cost savings of three FTE and \$69,660. In addition, \$290,670 in postal savings is realized.

Failure analysis, in-service training and supervisory support will enable employees to address the causes and costs of mistakes. When employees are then held accountable, these avoidable costs of quality (risk management settlements) should decline over time.

By eliminating daily tallies of activities, field clerks will have more time for customer service. More importantly, by establishing reliability and accountability during the creation of the new title record, support documents will be handled only once, customers will not have to be called back, titles will not have to be reprinted, and processing should be more accurate and thorough.

If supervisors conduct batch reviews only by exception, it will reinforce employee accountability for accuracy and completeness. Further, the time now spent by supervisors on reviews will be better applied to monitoring work in process and improving customer service.

Shifting full accountability for document sequence and orientation to the field will eliminate most of the redundant expense occurring in headquarters operations. That will reduce the workload in the document preparation area to a level that can be handled by two instead of seven AZTEC workers, thus saving five FTE and \$56,960.

When the AZTEC workers have been trained to operate microfilm machines, a group of five should be able to replace four Microfilm Techs and generate net savings of about \$20,680 per year. Additionally, they have proven to be reliable and have less turn-over than regular employees. Note: the AZTEC contract should be administered under Outside and Professional Services, not through the MVD payroll.

Reduction of records retention from 20 to 10 years will save about 250 square feet of storage space, counting both the MVD Headquarters and the ADOT Engineering Archives where original microfilms are stored. A greater benefit will come from a reduction in the number of extended searches for vehicle histories on older cars. The film research staff keeps tallies of retrievals which show 3,443 requests for title histories were filed in 1991, but the time savings from implementing the reduction in retention could not accurately be quantified from their records.

Total savings from these recommendations are \$437,970, made up of a net seven FTE and \$147,300 in reduced personal services costs, and \$290,670 in postal service expense reduction (see Exhibit 17, Summary of Cost Savings and Benefits for Title and Registration).

Implementation

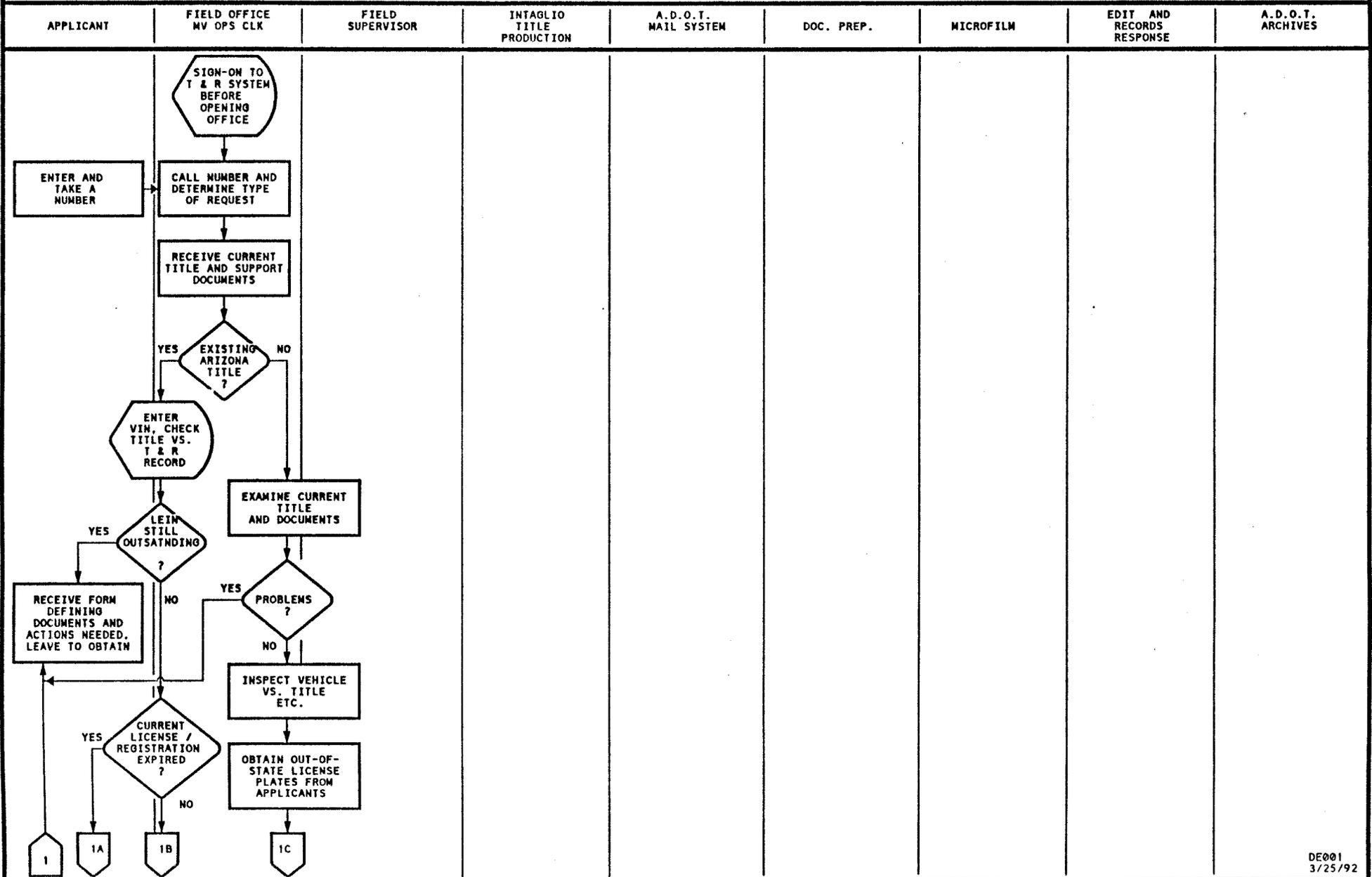
Most of these recommendations contained in this recommendation can be implemented under the Director's authority and with minor expense.

- Revision of the Records Retention Schedule will have to be reviewed and approved by the Assistant Director, Division of Records Management, L, A & PR
- Some field offices may need to add a locked cabinet for storage of Intaglio title forms
- Programming will be needed to define the Title print-routine for field office printers
- T & R's policy and procedural manuals should be revised to reflect these changes.

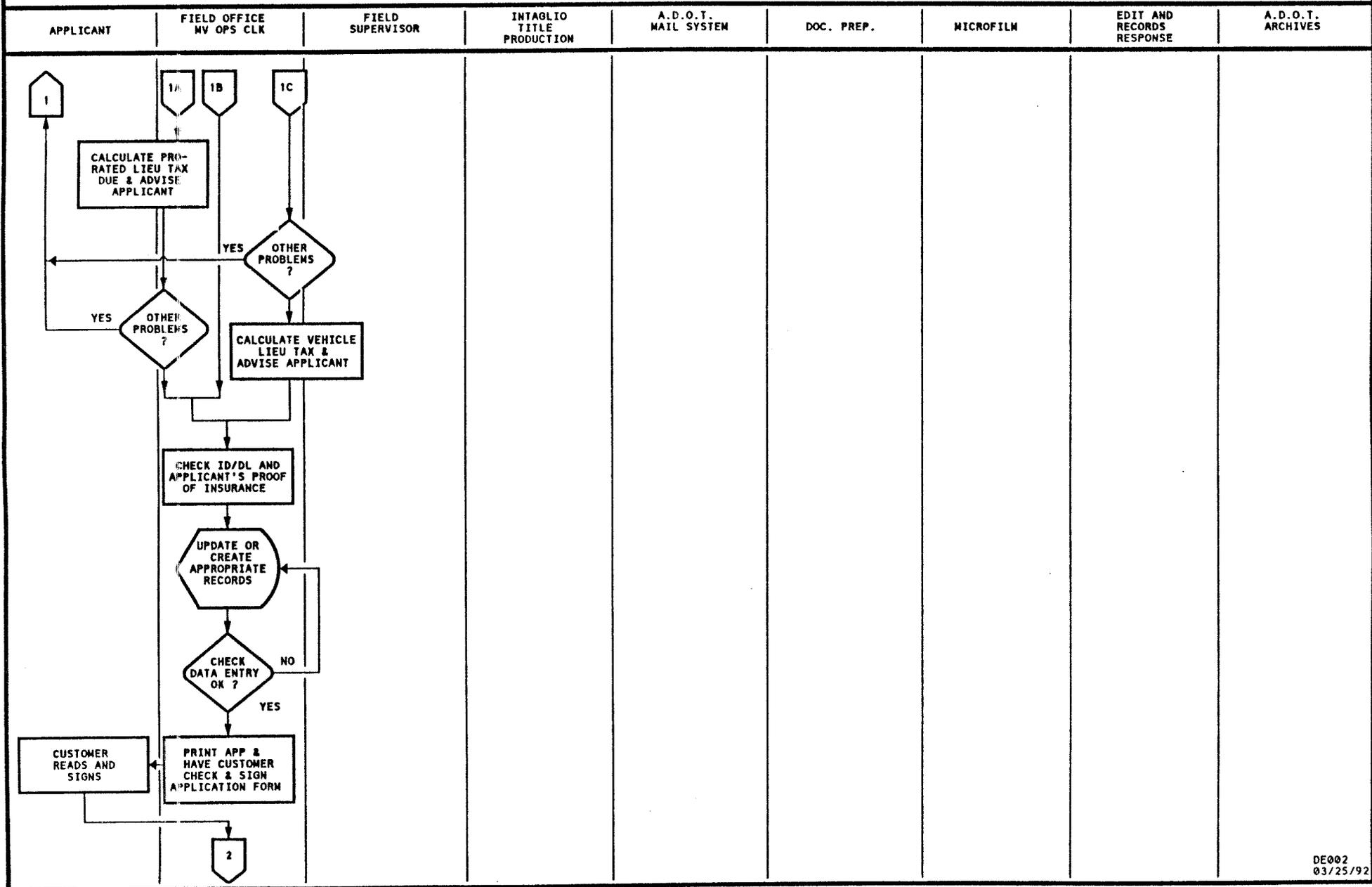
CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE

Exhibit 15

DOT - 51

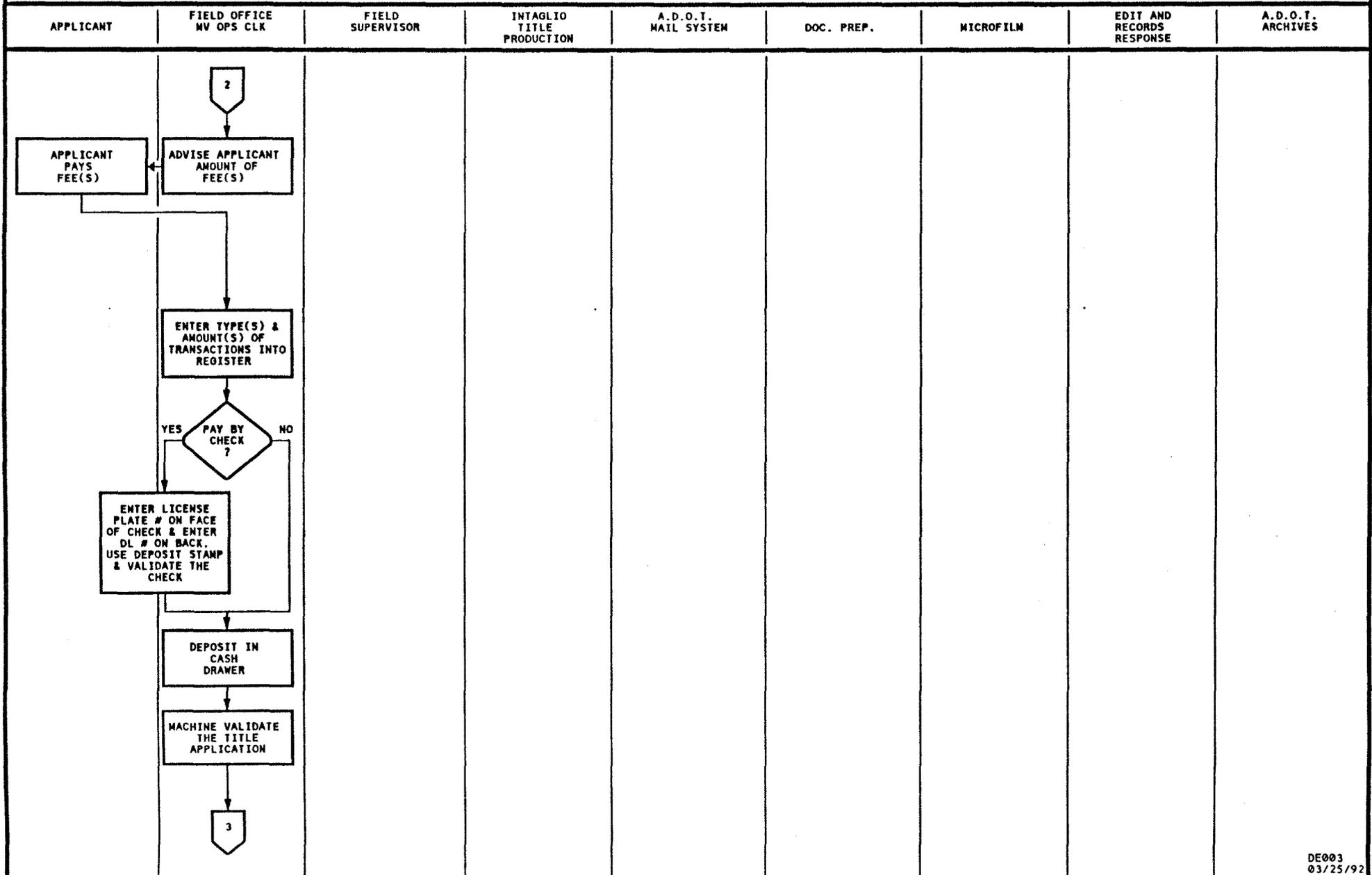


CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



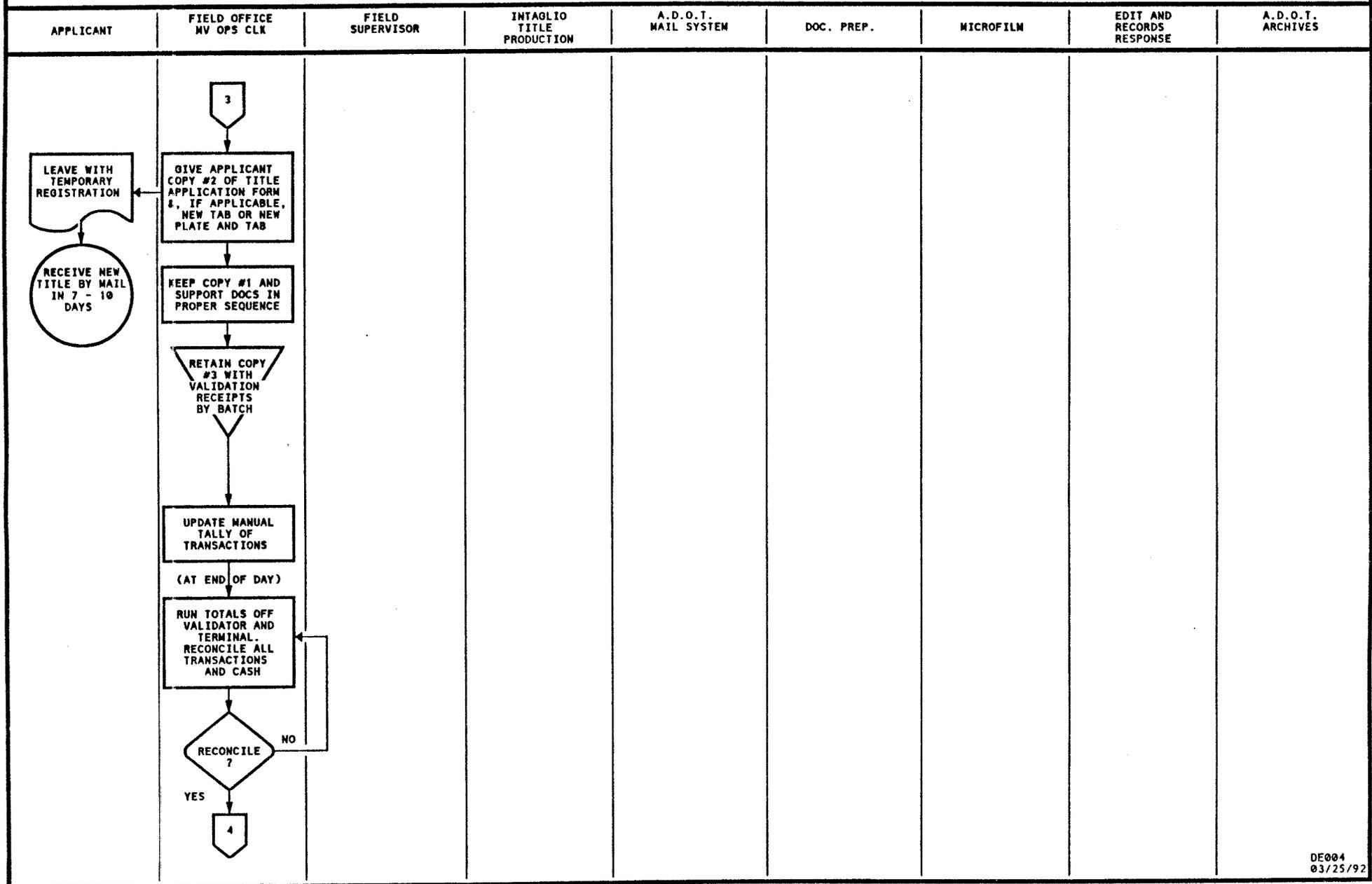
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CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



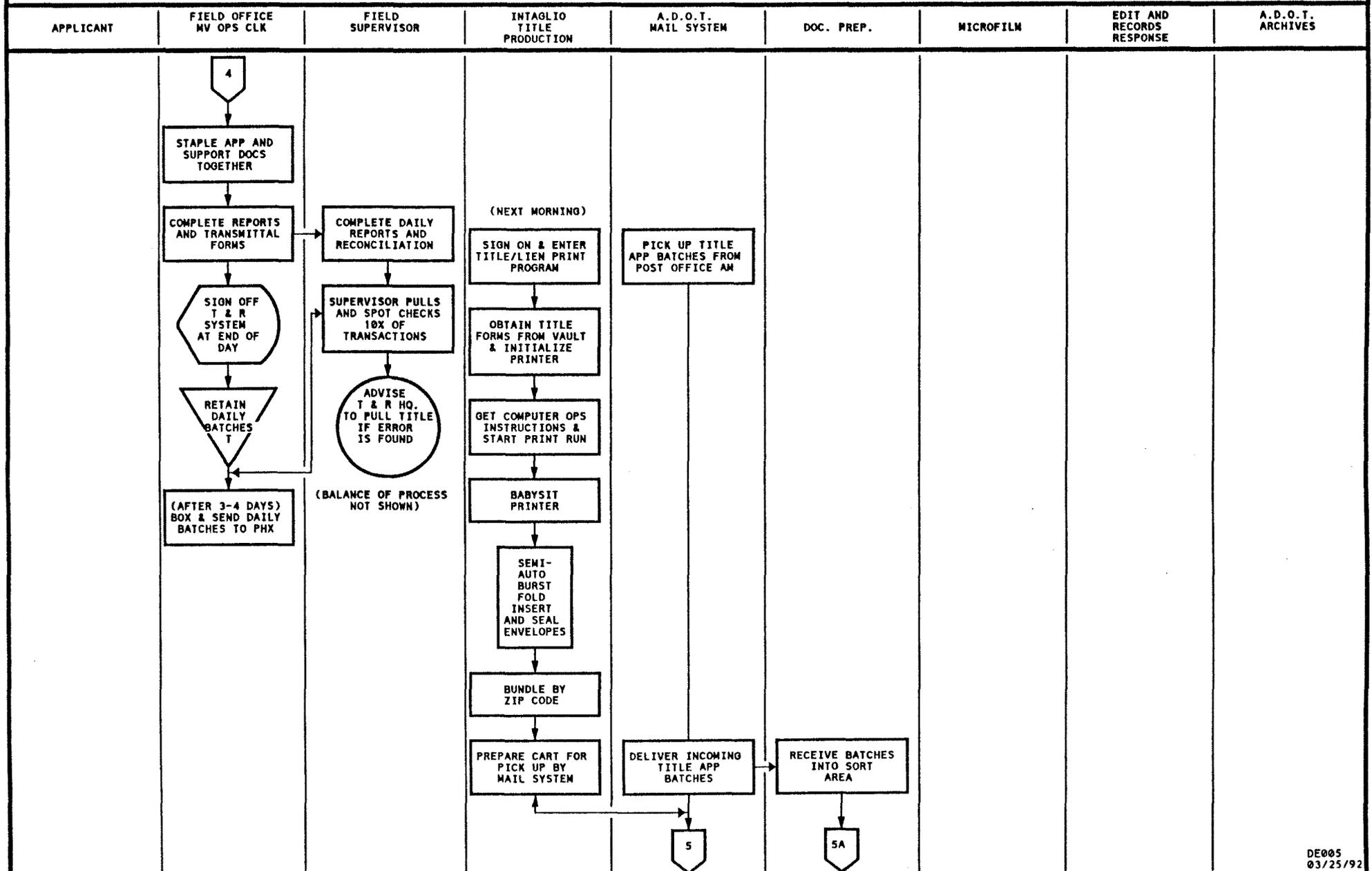
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CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



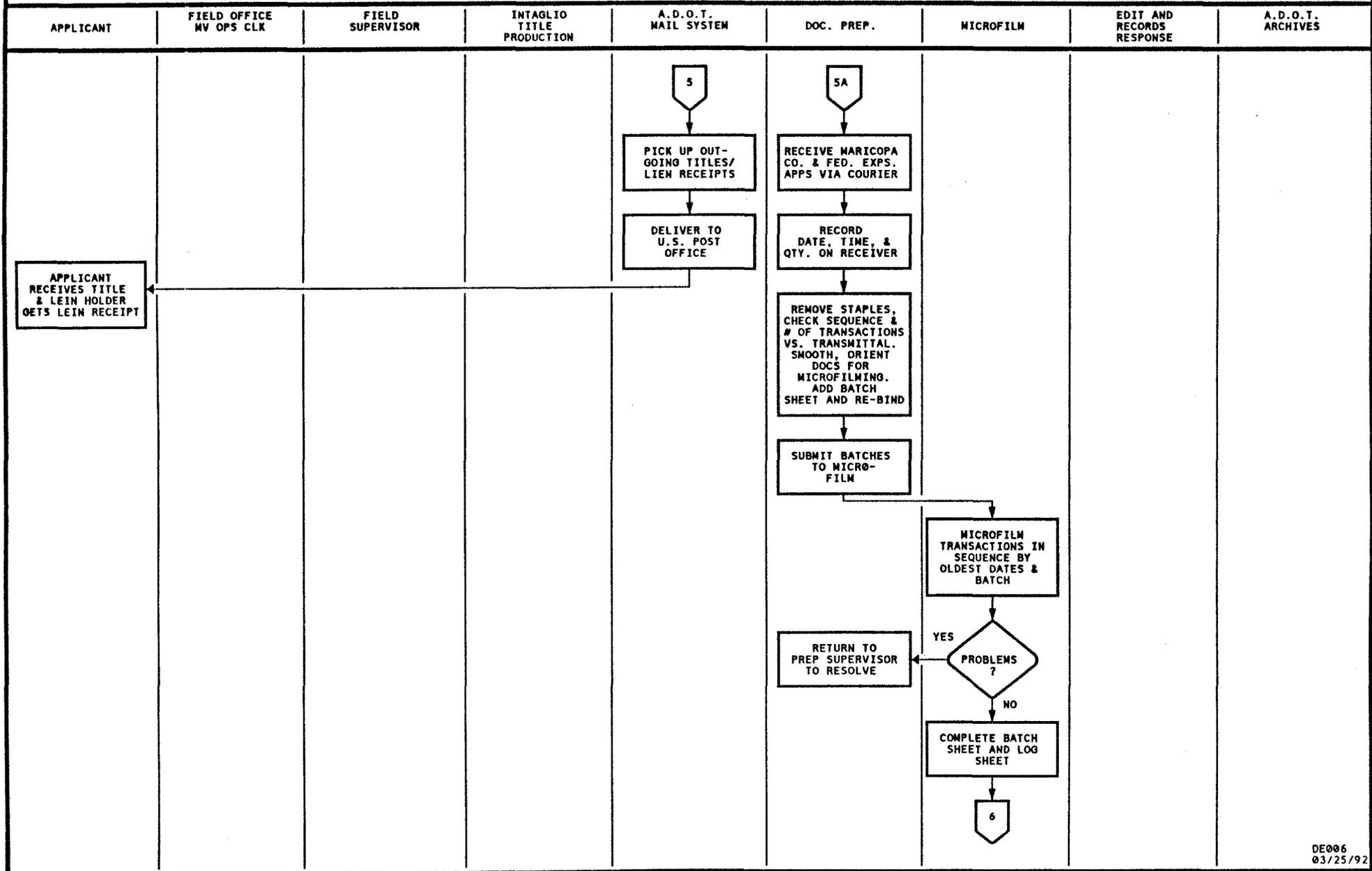
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CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



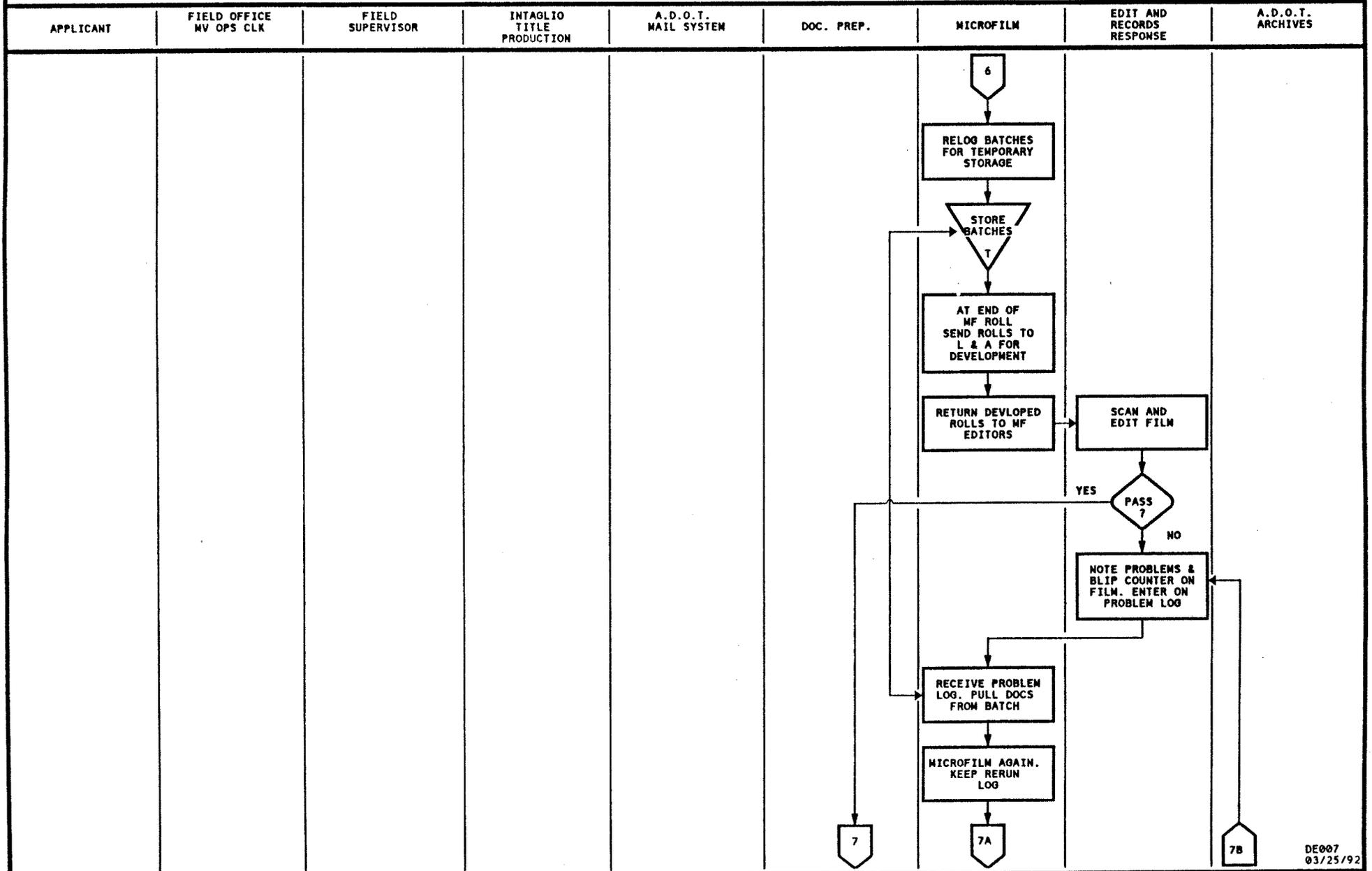
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CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



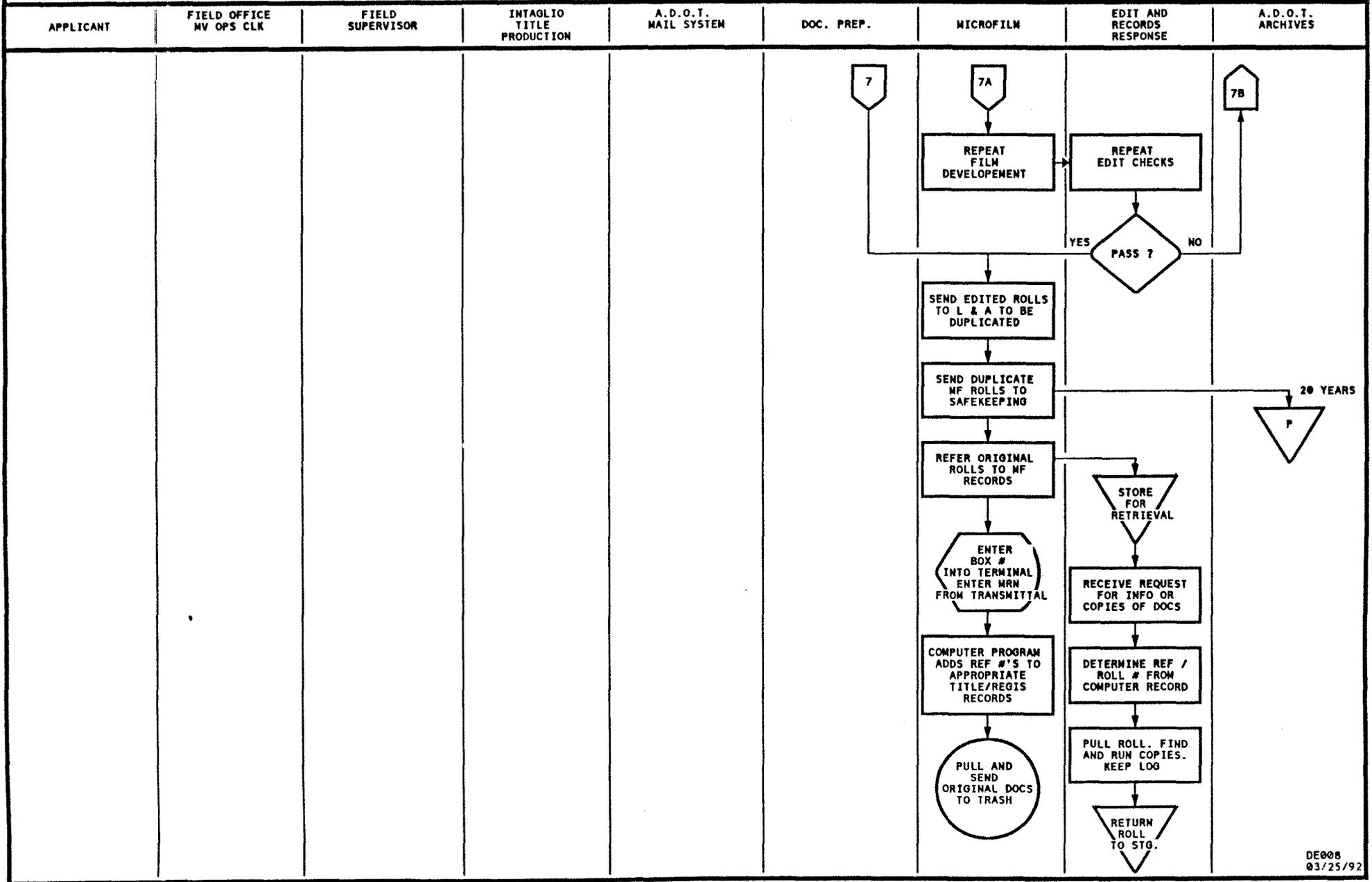
DOT - 56

CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



DOT - 57

CURRENT PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE

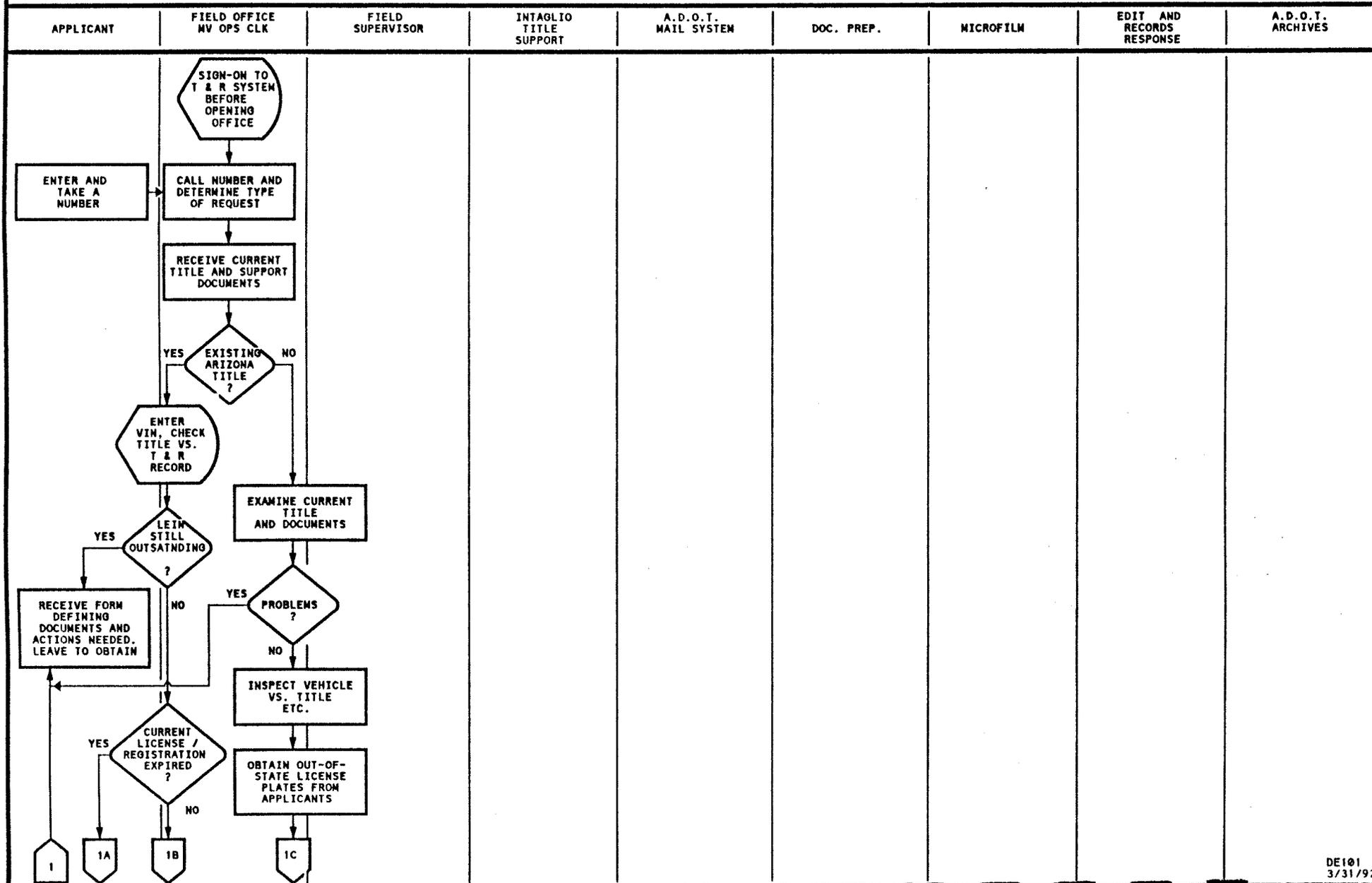


DOT - 58

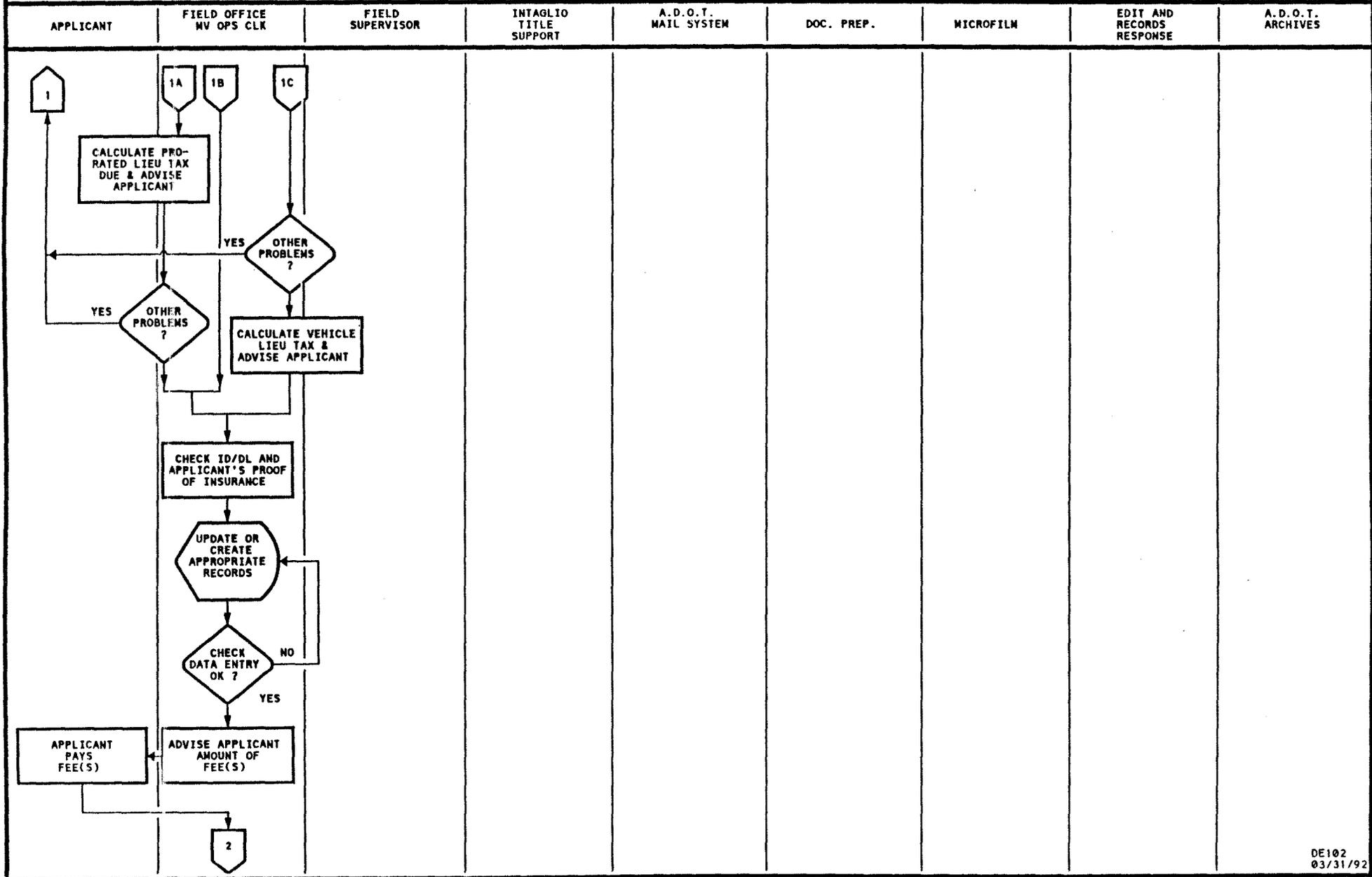
REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE

Exhibit 16

DOT - 59

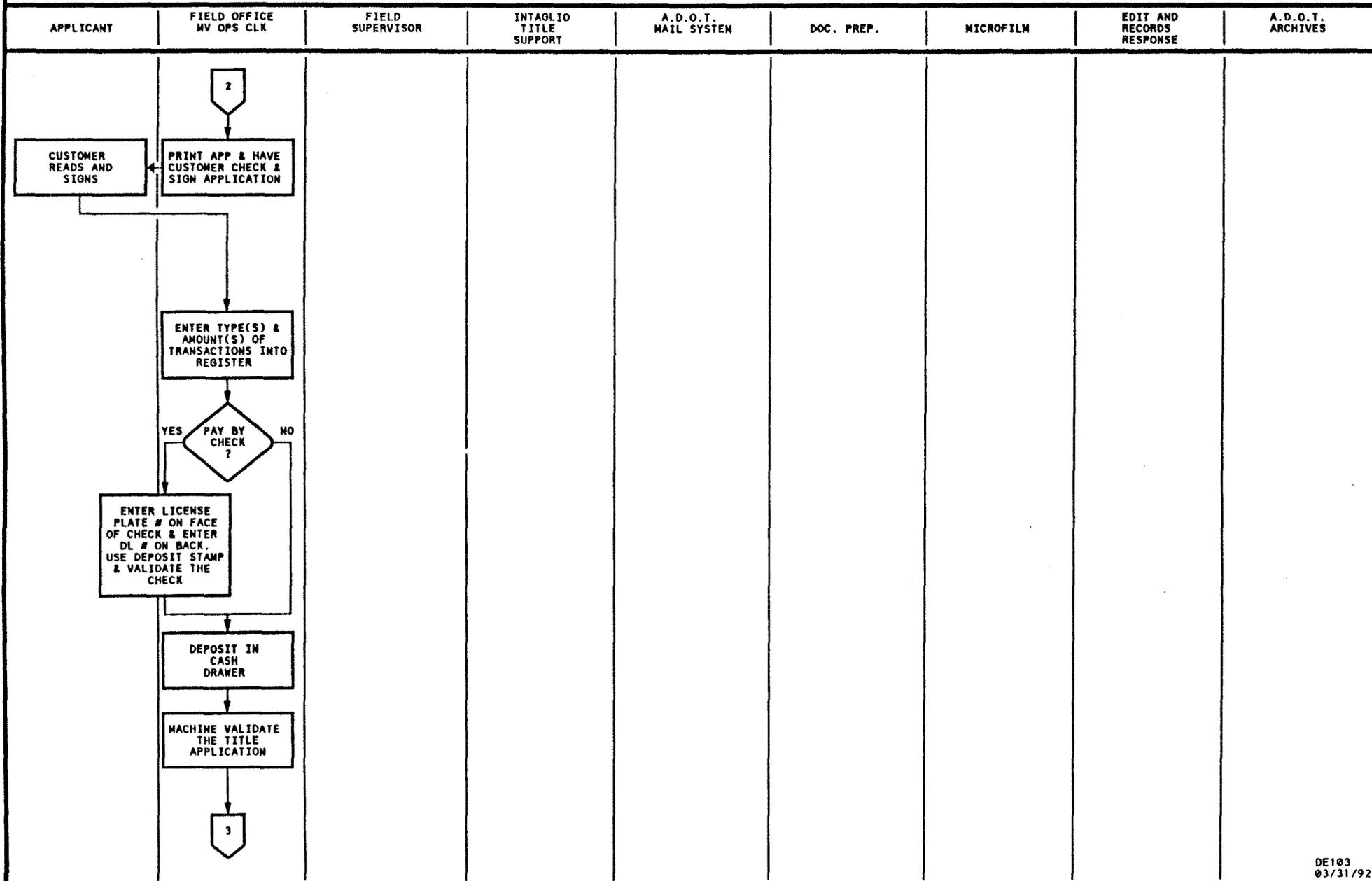


REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



DOT - 60

REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



DOT - 61

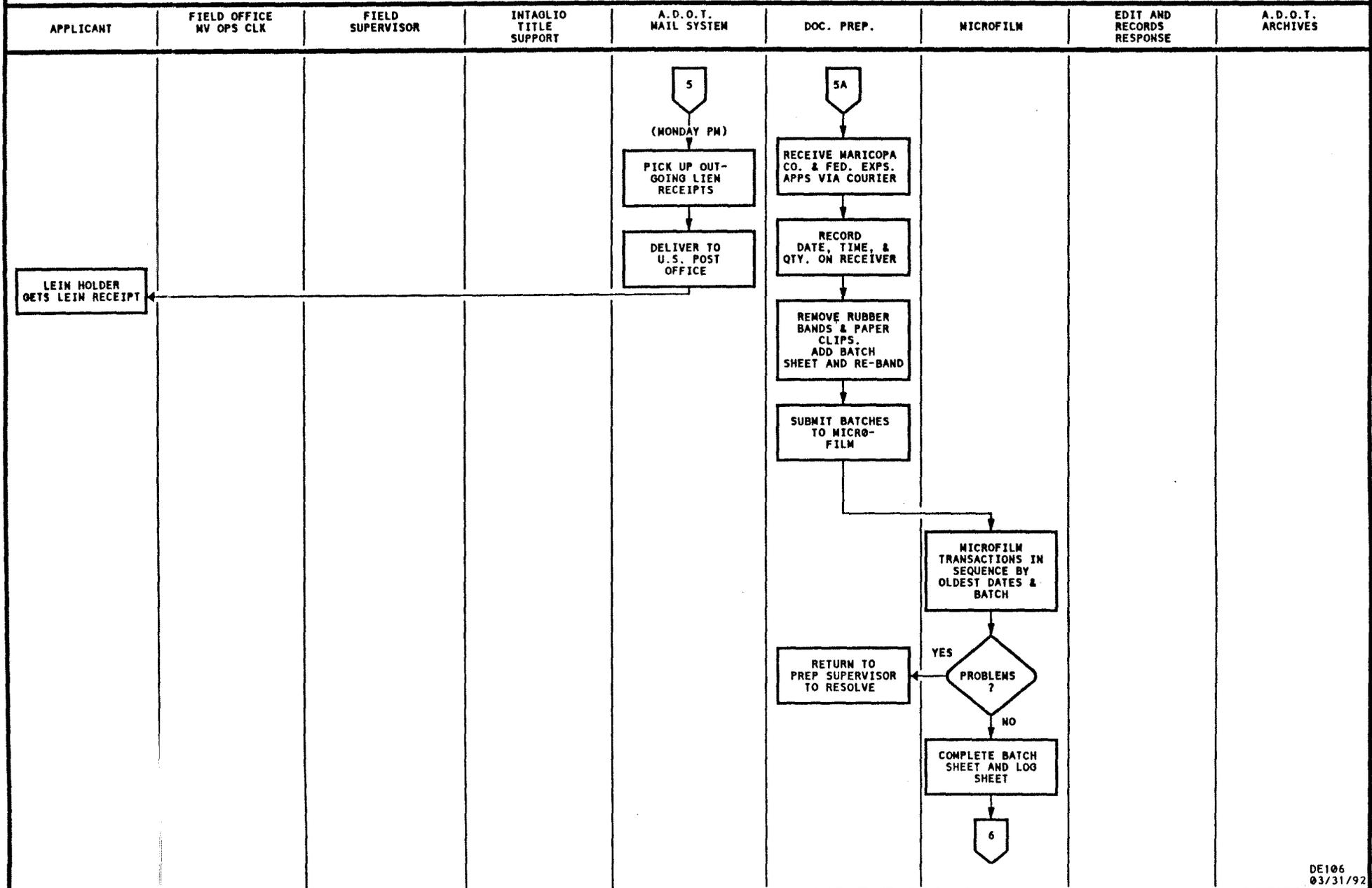
REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE

APPLICANT	FIELD OFFICE NV OPS CLK	FIELD SUPERVISOR	INTAGLIO TITLE SUPPORT	A.D.O.T. MAIL SYSTEM	DOC. PREP.	MICROFILM	EDIT AND RECORDS RESPONSE	A.D.O.T. ARCHIVES
	<div style="text-align: center;">3</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">ORDER P/O OF INTAGLIO TITLE</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">GIVE APPLICANT COPY #2 OF TITLE APPLICATION FORM &, IF APPLICABLE, NEW TAB OR NEW PLATE AND TAB</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">KEEP COPY #1 AND SUPPORT DOCS IN PROPER SEQUENCE</div> <div style="border: 1px solid black; padding: 5px; margin: 5px; text-align: center;">RETAIN COPY #3 WITH VALIDATION RECEIPTS BY BATCH T</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">GIVE APPLICANT INTAGLIO TITLE</div> <div style="border: 1px solid black; padding: 5px; margin: 5px; text-align: center;">(AT END OF DAY)</div> <div style="border: 1px solid black; padding: 5px; margin: 5px;">RUN TOTALS OFF VALIDATOR AND TERMINAL. RECONCILE ALL TRANSACTIONS AND CASH</div> <div style="border: 1px solid black; padding: 5px; margin: 5px; text-align: center;">RECONCILE ?</div> <div style="display: flex; justify-content: space-between; margin: 5px;"> YES NO </div> <div style="text-align: center;">4</div>							

APPLICANT LEAVES WITH TEMP REGISTRATION, NEW TITLE & TABS / PLATE IF APPLICABLE

DOT - 62

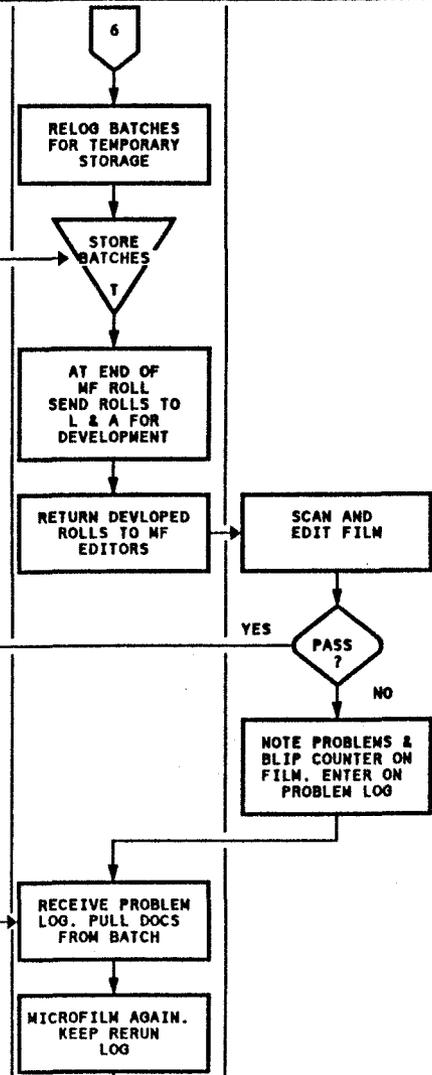
REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



DOT - 64

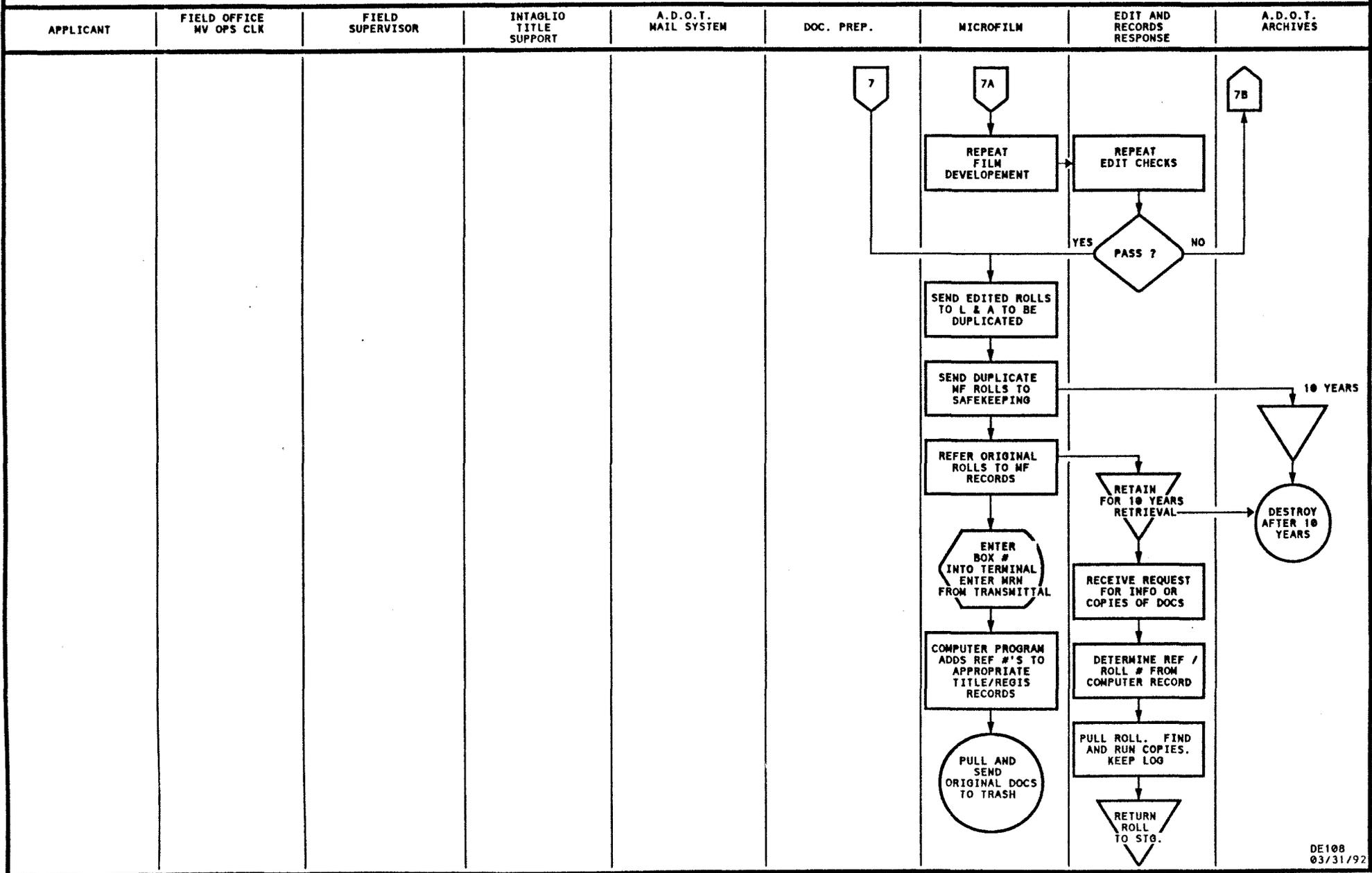
REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE

APPLICANT	FIELD OFFICE MV OPS CLK	FIELD SUPERVISOR	INTAGLIO TITLE SUPPORT	A.D.O.T. MAIL SYSTEM	DOC. PREP.	MICROFILM	EDIT AND RECORDS RESPONSE	A.D.O.T. ARCHIVES
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DOT - 65

REVISED PROCESS FOR OBTAINING OR TRANSFERRING AN ARIZONA VEHICLE TITLE



DOT - 66

SUMMARY OF COST SAVINGS AND BENEFITS FOR TITLE AND REGISTRATION

<u>Recommendations</u>	<u>Types of Benefits</u>	<u>Annualized Savings</u>		<u>Grade</u>	<u>Organizational Unit</u>
		<u>Dollars</u>	<u>FTE's</u>		
Issue Titles Directly to Customers at Field Offices	Cost Savings	\$24,860	1	G12	Intaglio Title Prod'n
	Cost Savings	\$44,800	2	G11	Intaglio Title Prod'n
	Cost Savings (Mail)	\$290,670			ADOT Mail System
Document Preparation:					
Reduce AZTEC Prep from 7 to 2 Eliminate 5 AZTEC positions	Cost Reduction	\$56,960	5	G01	AZTEC/Doc'mt Prep
Microfilm:					
Replace 4 MF Tech I's with 5 AZTEC Workers (Savings from differential between MF Tech and AZTEC Salaries)	Cost Reduction	\$20,680	(1)	G01	Document Microfilm
TOTALS:		\$437,970	7		Title Support Unit

DOT - 67

FUEL MANIFESTS

Current Situation

Distributors who import fuel into Arizona must file a monthly report with the Motor Vehicle Division identifying the amount of fuel distributed and the destination within Arizona. From this report, tax is collected and the county distribution is calculated.

The Division receives a comprehensive pipeline report on a monthly basis which reflects activity date, delivery destination, shipper, fuel product and number of barrels. The Accounting staff performs a desk audit function, matching information reported by the distributor to the pipeline report. Approximately 90% of all imported fuel is by pipeline.

- In order to do this, barrels must be manually converted to gallons and information by distributor must be located throughout the report since the report is sorted by date.

Motor carriers that truck fuel into the State must complete an Arizona Fuel Manifest, providing the distributor's name and account information, the carrier's information and destination information. This prenumbered form is given to the Port of Entry when the carrier enters the State. The Port personnel endorse the Manifest by writing in the date, time, Port location, officer name, and badge number. The Port then forwards the Manifest to the MVD Accounting Office. The Accounting Office clerk files each manifest by distributor, by pre-printed Manifest number.

The Accounting staff audits approximately 10% of all distributor accounts annually.

Impact

Approximately 7,000 manifests are received monthly, taking one FTE to file the documents.

Based on three minutes of Port Officer time to evaluate and certify the Manifest, 4,200 hours of staff time is spent at the Ports annually, amounting to fractional FTE savings by Port (see Recommendation, entitled "Port of Entry Cash Handling," and Exhibit 59, Fractional FTE Savings at Ports of Entry).

Based on 7,000 manifests monthly, taking five minutes per manifest, the distributors are spending 7,000 hours annually to complete the required documents.

Based on 50 minutes of accounting staff time per report to convert barrels to gallons, an annual total of 10 hours are spent. It is estimated that an additional 10 hours is spent annually on locating information for a specific distributor within the report. This amounts to \$196 annually.

Recommendations

We recommend that the Arizona Fuel Manifest be discontinued. The pipeline report can be used for the 10% sampling audit since 90% of all fuel imported into Arizona is identified on the report.

- Currently we are requiring the distributor to report imported fuel at point of entry and later on the distributor report. In essence, the Division is auditing two unconfirmed records of total fuel. Manifests can be used for destination of fuel, though not all Manifests are captured at the Ports since the Port may be closed when the tanker enters the State.

We further recommend that the pipeline report be expanded to include gallons of fuel. The report should also be sorted by distributor rather than by date.

Benefits

The recommendation would save one Typist, amounting to an annual savings of \$20,559, in the Accounting Unit. Department savings of Manifest printing and mailing expenses would also be realized. Fractional FTE would be saved in the Port of Entry System when combined with savings from the Recommendation, "Port of Entry Cash Handling."

In addition, distributors would save 7,000 hours annually that currently are spent on completing the Manifest and tracking prenumbered forms. At approximately \$10 per hour, distributors spend \$70,000 per year.

Implementation

Implementation could occur as soon as A.R.S. 28-1515.01 and 1516 are repealed.

It is not known if elimination of the Manifests would result in a decrease in the accuracy of report information provided by the distributors on a monthly basis for fuel which is distributed by trucks.

FLEET BILLING AND RENEWAL

Current Situation

The Licensing Unit in the Revenue/Motor Carrier Program of the MVD is responsible for the annual vehicle registration billing of two permanent fleets. These fleets consist of one thousand or more marked vehicles owned by a person/company registered in Arizona. Licensing also processes the annual registration renewal and billing for three allocated fleets. These are defined as one-way rental trucks and trailers with prorated registration between two or more states based on percentage of operation in Arizona. These fleets have between two hundred and six hundred vehicles.

Although there are some variations, annual renewal and/or billing is generally handled as follows (see Exhibit 18, Permanent Fleets Annual Billing Process -- Current, and Exhibit 19, Allocated Fleets Annual Renewal -- Current):

- Licensing Unit staff forward a printout to the customer. The printout displays a list of all vehicles registered for the customer, including vehicle identification number, license plate, and tab
- The customer reviews the printout for errors, makes necessary corrections, and returns the printout to the Licensing Unit. This step is taken to clean up the database, which has been consistently inaccurate
- Unit staff enter the corrections into the Title and Registration database and request another printout. (Until this year, the printout was sent to the permanent fleet customers for a second correction process)
- Billings are calculated based on the second printout. They are calculated manually because the system does not provide a total by county. In addition, a \$4.00 Commercial Registration Fee is automatically included by the system, even when the fee should not be charged. Commercial Registration Fees must be reviewed and subtracted, as necessary
- The customer receives the printout along with the bill

- The Title and Registration database is updated upon receipt of payment. No further processing is required for permanent fleets, as their tabs and registration cards are permanent.

The process for the allocated fleets differs from the permanent fleets as follows:

- Companies with allocated fleets pay an Additional Highway Use Tax in addition to the Vehicle License Tax (VLT). In accordance with statute, these companies may not be charged the full rate for both. They are first assessed the VLT. If the fee imposed under the Additional Highway Use Tax exceeds the VLT, the amount in excess of the VLT is assessed as the Additional Highway Use Tax. The computer generated billing includes the full rate for both taxes. Staff must then correct each registration using a manual process before sending them to the customer
- The tabs and registration cards are issued for each vehicle and forwarded to the customer
- The Title and Registration database is updated

After the initial bill has been forwarded, there may be supplemental bills and/or notification of credits based on errors identified subsequent to the initial billing.

Within the next few months, the Licensing Unit will assume responsibility for thirteen fleets of passenger rental cars. The process for their renewal is expected to be similar to that used for the allocated fleets, i.e. they will receive new tabs and registration cards for each vehicle annually. Staff anticipate that these fleets will have a total of 2,600 to 3,900 vehicles – or two to three hundred vehicles each - with approximately 30,000 to 40,000 transactions annually due to the frequent turnover of entire fleets.

Impact

The current process leads to the following results (see Exhibit 20, Permanent Fleet Renewal Process – Current vs. Proposed, and Exhibit 21, Allocated Fleet Annual Renewal Process – Current vs Proposed):

- Staff were spending a total of one hundred and twelve hours correcting errors in the database during each renewal/billing period – or \$1,600. (Staff report that through ongoing efforts to clean up the database, this time has now been cut to eighty hours.)

- Correcting and hand calculating each bill took approximately fifty-five hours - or about \$800 -- each renewal/billing period
- Recalculating the fees on each allocated fleet vehicle registration card takes approximately one hundred and twelve hours of staff time -- totalling approximately \$1,600
- If the thirteen rental car fleets were handled using the current practice (see Exhibit 22, Rental Car Fleet Annual Renewal Process -- Current vs Proposed), it would take the Licensing Unit approximately eighty hours to correct the Title and Registration printout, thirty-eight hours to prepare the billing, and up to 325 hours to correct individual registrations - for a total of 443 hours or approximately \$6,400.

We contacted four of the five fleets to ascertain the impact of this process on their operations. The fifth fleet is on a completely different system and is not comparable. Three of the four fleet companies responded to our inquiry and estimated that they spend a total of up to 544 hours and \$6,250 reviewing the printout(s) and correcting errors during a renewal/billing (see Exhibit 23, Fleet Annual Billing and Renewal). Although customers reported that there has been improvement over the last few years, they still have little confidence in the accuracy of the data.

- If we were to extrapolate this customer impact to the thirteen rental car fleets based on the number of vehicles and transactions anticipated, the approximate impact is an additional 3,432 customer hours and \$39,674 (see Exhibit 24, Rental Car Fleet Renewal Costs -- Extrapolation).

Recommendations

The process for annual fleet renewal/billing could be streamlined through data purification, process modifications, and program revisions as follows:

- Data should be purified to ensure correction and continued accuracy. This can be accomplished through:
 - Concentrated effort to do a one time clean up of the database

- Arrive at an agreement with the customer that fleet data are accurate
- Ongoing identification and analysis of errors and their cause
- Elimination of errors identified through corrective action
- Provide the training necessary to ensure that staff process day to day maintenance transactions accurately
- The Title and Registration Program should be revised to:
 - Calculate totals by county
 - Provide a cumulative total for each customer
 - Apply the Commercial Registration Fee accurately
 - Calculate VLT and Use Tax accurately
- Once data purification and program revisions are completed, the following process modifications should be made:
 - Discontinue the practice of sending the customer a pre-billing printout for review
 - Forward a tape with vehicle information along with the bill to the permanent fleets so the companies can run a tape match if they choose to verify the data (ISG reports that permanent fleets are already set up to do tape matches); provide a printout with the bill for allocated and rental car fleets
 - During the design of Enterprise, the MVD may want to consider establishing tape matches for all fleet operations.

Exhibit 25, Permanent Fleets Annual Billing Process – Proposed, and Exhibit 26, Allocated Fleets Annual Renewal – Proposed, display the proposed processes for annual billing/renewal of permanent and allocated fleets.

Benefits

Customers interviewed estimated that, if the data were accurate, they would save a combined total of approximately \$3,800 (see Exhibit 27, Fleet Processing Modifications Industry Savings). Extrapolation to include the rental car companies increases the estimated public savings to \$27,600.

Implementation of these recommendations represents a cost savings of .4 FTE annually for all fleets, existing and planned, and will require programming and testing costs, which were estimated to be between \$986 and \$2,204. These T & R Program revision costs are broken down as follows:

- Cost for calculating the bill by county was estimated between \$290 and \$580
- Cost for correctly applying the Commercial Registration Fee ranged from a minimum of \$464 to a maximum of \$1,160, depending on the complexity of the data to be evaluated
- Cost for correctly calculating Vehicle License Tax and Use Fee was estimated to be between \$232 and \$464.

However, no FTE savings will result from this Recommendation because of the FTE being fractional.

Implementation

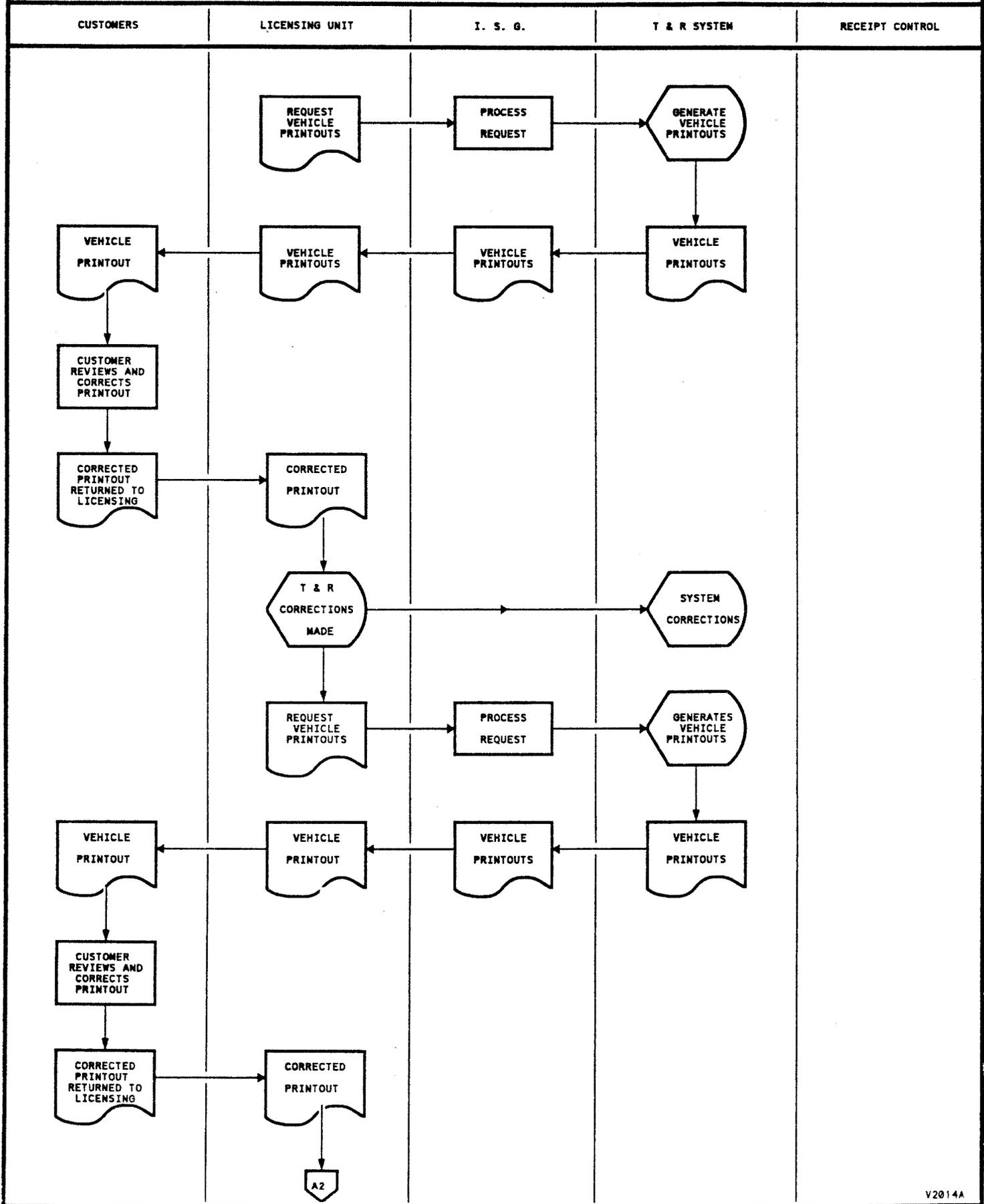
To successfully implement these recommendations:

- A temporary group may be needed to purify the database
- A review of error types will be necessary to design relevant training sessions.

**AZ DEPARTMENT OF TRANSPORTATION
PERMANENT FLEETS ANNUAL BILLING PROCESS - CURRENT**

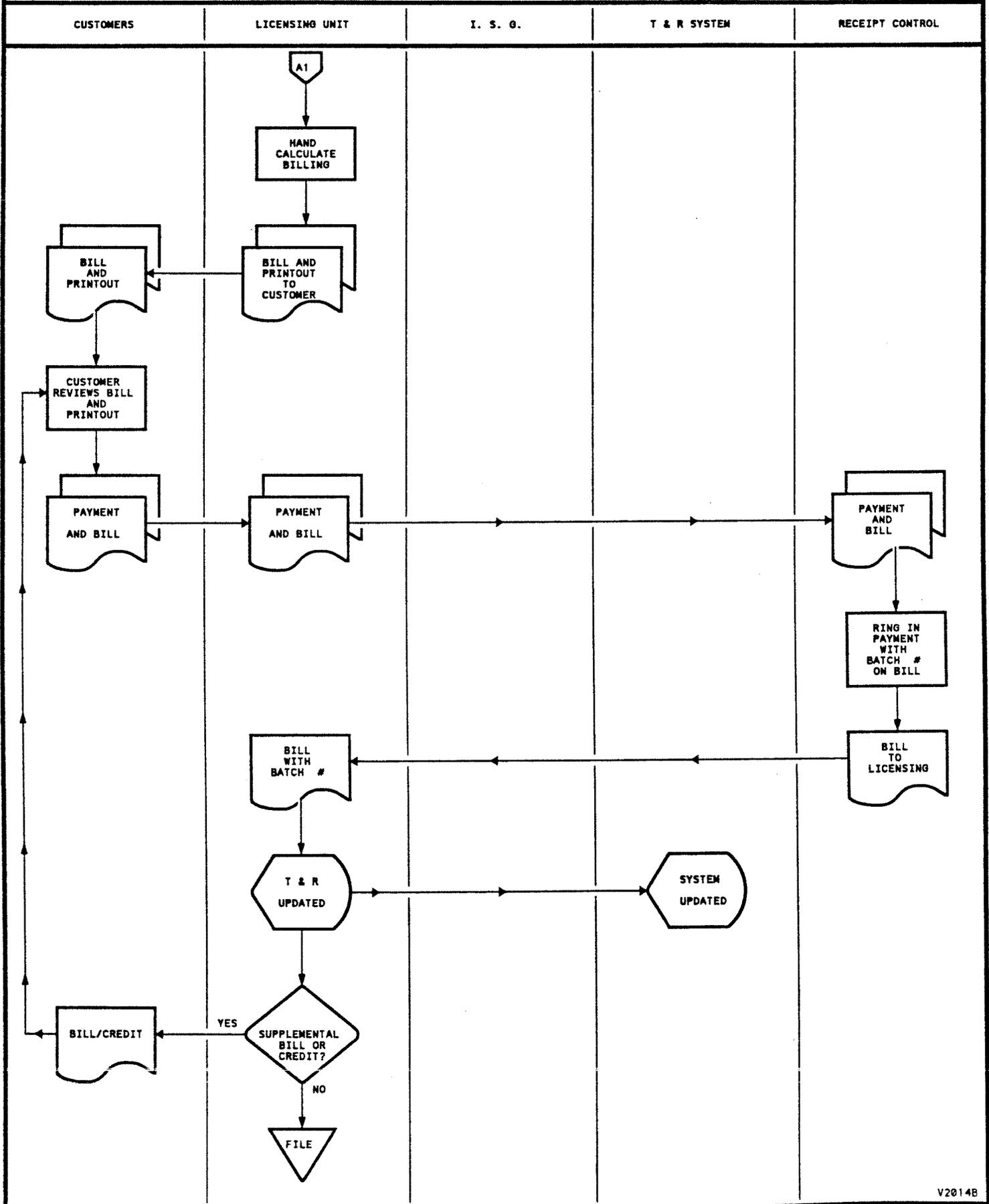
Exhibit 18

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V2014A

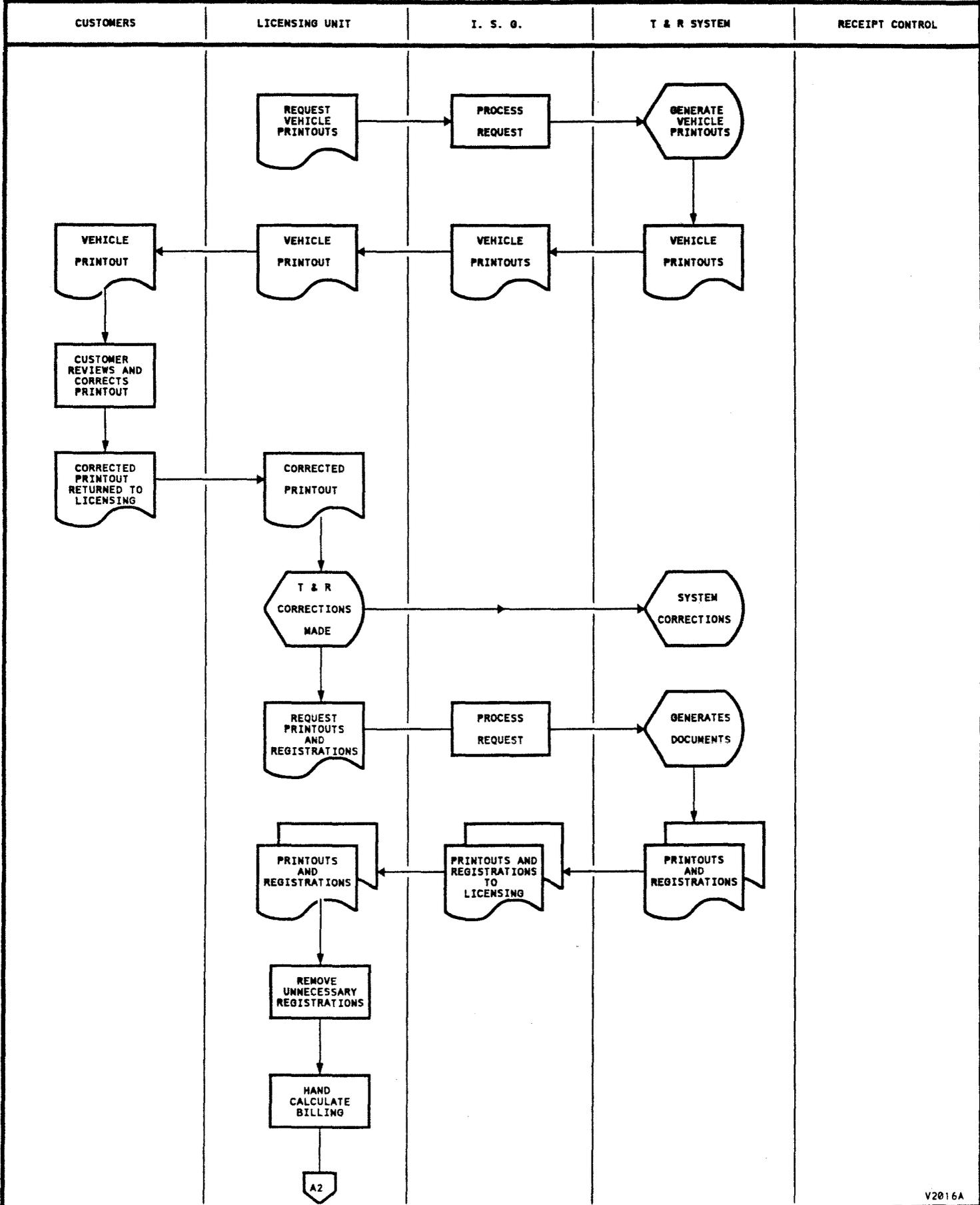
AZ DEPARTMENT OF TRANSPORTATION PERMANENT FLEETS ANNUAL BILLING PROCESS - CURRENT



AZ DEPARTMENT OF TRANSPORTATION ALLOCATED FLEETS ANNUAL RENEWAL - CURRENT

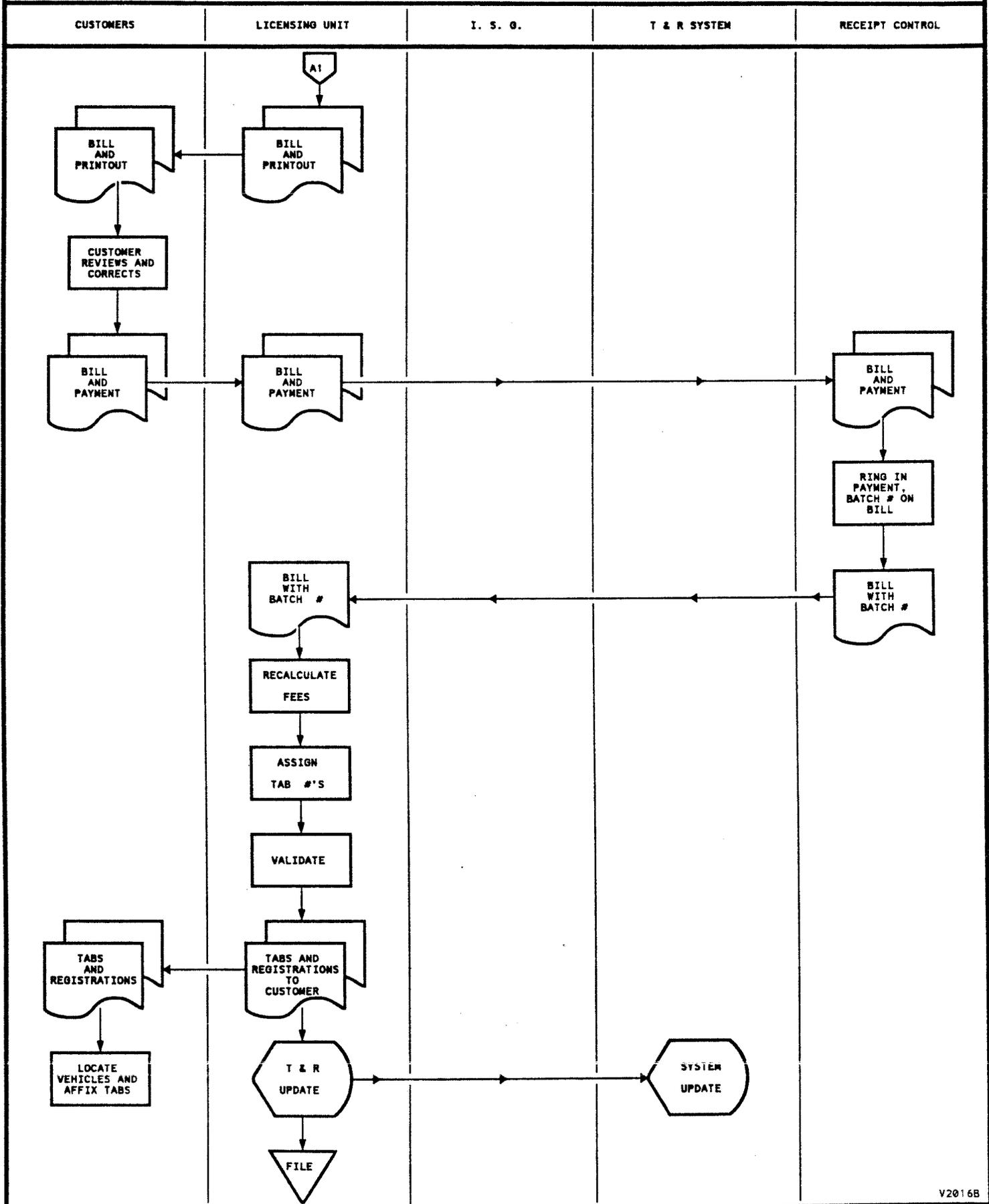
Exhibit 19

PAGE 1 OF 2 PAGES



V2016A

AZ DEPARTMENT OF TRANSPORTATION ALLOCATED FLEETS ANNUAL RENEWAL PROCESS - CURRENT



**PERMANENT FLEET RENEWAL -
CURRENT PROCESS**

(2 permanent fleets with a total of 4,500 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts	0.08
T&R data corrections	64.00
Request printouts	0.08
Hand calculate bill	40.00
Update T&R	120.00
Total Hours	224.17
Avg Hours Per Fleet	112.08
SG 12 Portion*	\$1,510.39
SG 15 Portion*	\$1,831.11

TOTAL COST \$3,341.50

*One fleet is processed by a SG 12.
The other is processed by a SG 15.

**PERMANENT FLEET RENEWAL -
PROPOSED PROCESS**

(2 permanent fleets with a total of 4,500 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts	0.08
Update T&R	120.00
Total Hours	120.08
Total Hours Per Fleet	60.04
SG 12 Portion*	\$809.09
SG 15 Portion*	\$980.90

TOTAL COST \$1,790.00

*One fleet is processed by a SG 12.
The other is processed by a SG 15.

SAVINGS \$1,551.50

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**ALLOCATED FLEET ANNUAL RENEWAL PROCESS -
CURRENT PROCESS**

(3 permanent fleets with a total of
approximately 1,100 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts or call	0.25
T&R data corrections	48.00
Request printouts	0.25
Hand calculate bill	15.00
Assign tabs, write # on reg	112.5
Recalculate billing	112.5
Validate regs	60
Update T&R	51.95
Total Hours	400.45
TOTAL COST*	\$5,396.29

*Calculated based on SG 12.

**ALLOCATED FLEET ANNUAL RENEWAL PROCESS -
PROPOSED PROCESS**

(3 permanent fleets with a total of
approximately 1,100 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts	0.25
Assign tabs, write # on reg	112.5
Validate regs	60
Update T&R	51.95
Total Hours	224.70
TOTAL COST*	\$3,027.96

*Calculated based on SG 12.

SAVINGS \$2,368.33

**RENTAL CAR FLEET ANNUAL RENEWAL PROCESS*
BASED ON CURRENT PROCESS**

(13 fleets with a total of approx. 3,250 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts	0.25
T&R data corrections	81.25
Request printouts	0.25
Hand calculate bill	37.92
Assign tabs, write # on reg	325.00
Fix billing	325.00
Validate regs	178.75
Update T&R	108.33
Total Hours	1056.75
TOTAL COST**	\$15,238.24

*Responsibility for the rental car fleets had not yet been added. Estimates for the cost of annual renewal is based on current practice and time estimates for existing fleets.

**SG 13 staff will process all rental car fleets.

**RENTAL CAR FLEET ANNUAL RENEWAL PROCESS
BASED ON PROPOSED PROCESS**

(13 fleets with a total of approx. 3,250 vehicles)

<u>Activity</u>	<u>Total Annual Time in Hours</u>
Request printouts	0.25
Assign tabs, write # on reg	325
Validate regs	178.75
Update T&R	108.33
Total Hours	612.33
TOTAL COST**	\$8,829.79

**SG 13 staff will process all rental car fleets.

SAVINGS \$6,408.45

DOT - 81

PERMANENT FLEET ANNUAL BILLINGAPS PROCESSING TIME

(1,500 vehicles)

<u>Step</u>	<u>Hours</u>	<u>Cost</u>	(\$14.00 Per Hour)
Review of first printout	32	\$448	
Review of revisions only (Tape discrepancies)	8	\$112	
TOTAL	40	\$560	

USWEST PROCESSING TIME

(3,000 vehicles)

<u>Step</u>	<u>Hours</u>	<u>Cost</u>	<u>Approx. Hourly Wage</u>
Local review	40	\$500	\$12.50
Admin Office review of PO	160	\$1,800	\$11.25
Review of second PO	200	\$2,250	\$11.25
Review of bill	80	\$900	\$11.25
TOTAL	480	\$5,450	

ALLOCATED FLEET ANNUAL RENEWALRYDER PROCESSING TIME

(Approx. 350 vehicles)

<u>Step</u>	<u>Hours</u>	<u>Cost</u>	(\$10.00 per hour)
Review printout	24	\$240	
TOTAL		\$240	

TOTAL COST	544	\$6,250	
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Penske did not respond to our inquiry.

U-Haul is on the Lockheed system; processing is not comparable.

RENTAL CAR FLEET RENEWAL COSTS - EXTRAPOLATIONASSUMPTIONS

(1) The primary factors driving the amount of time a customer must spend during the billing/renewal process are

- Number of fleet vehicles
- Number of annual transactions

(2) Permanent fleets and rental cars are comparable because of the high volume of transactions.

FORMULA/EXTRAPOLATION FACTOR

proj. rental vehicles & # of proj. annual transactions/
perm fleet vehicles & # of annual perm. fleet transactions

$$(3250 + 35000)/(4500 + 1300) = 6.59$$

APPLICATION

Estimated hours per renewal for rental car fleet customers=
Factor X Total hours for permanent fleet customers

$$6.6 * 520 = 3432.00 \text{ hours}$$

Estimated cost per renewal for rental car fleet customers=
Permanent Fleet hourly wage X estimated hours for rental car fleets

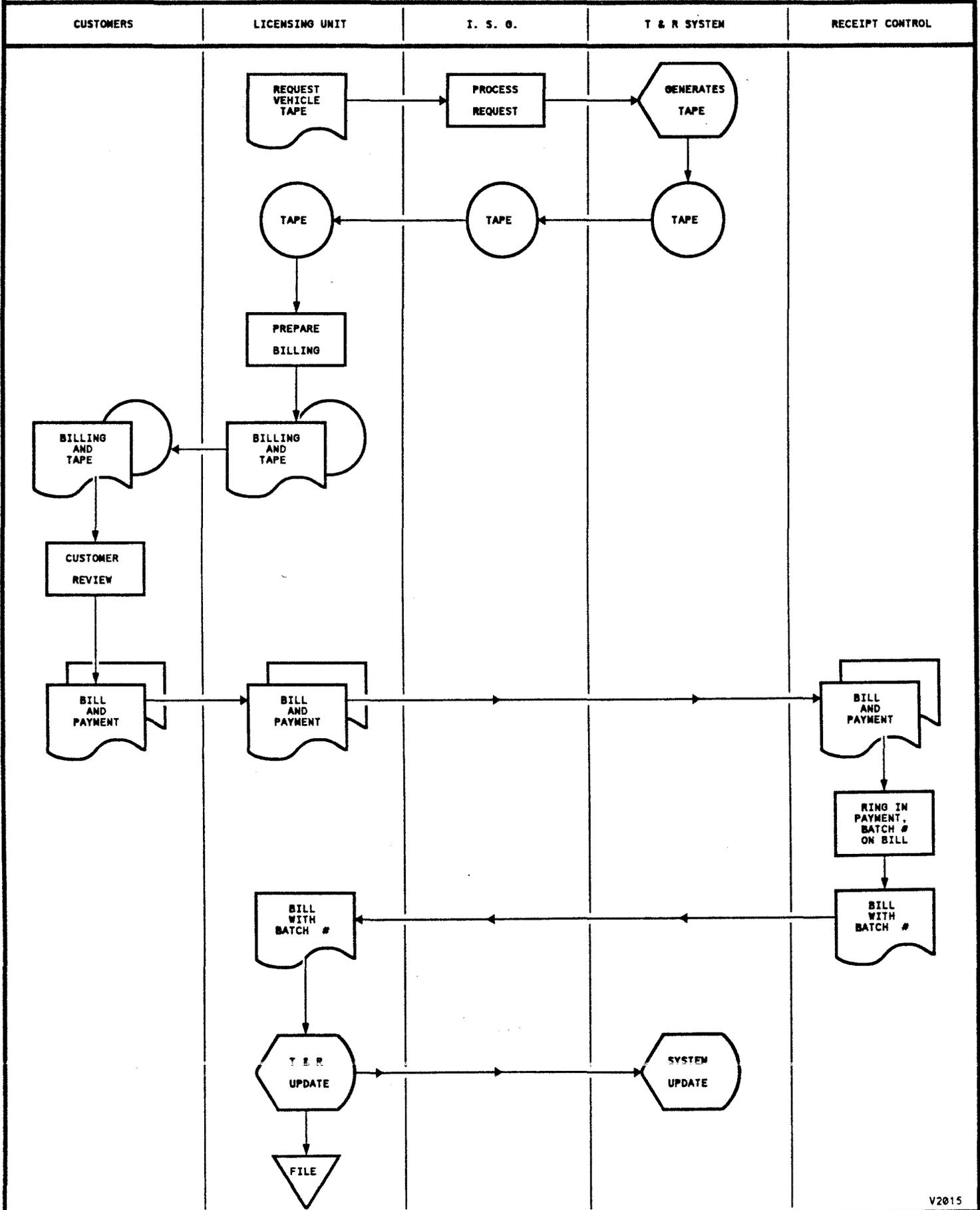
$$(\$6,010/520) X 3,432 = \$39,673.92$$

TOTAL EST. CUSTOMER COST FOR RENTAL CAR FLEET PROCESSING
--

\$39,673.92

AZ DEPARTMENT OF TRANSPORTATION
 PERMANENT FLEETS ANNUAL BILLING PROCESS - PROPOSED

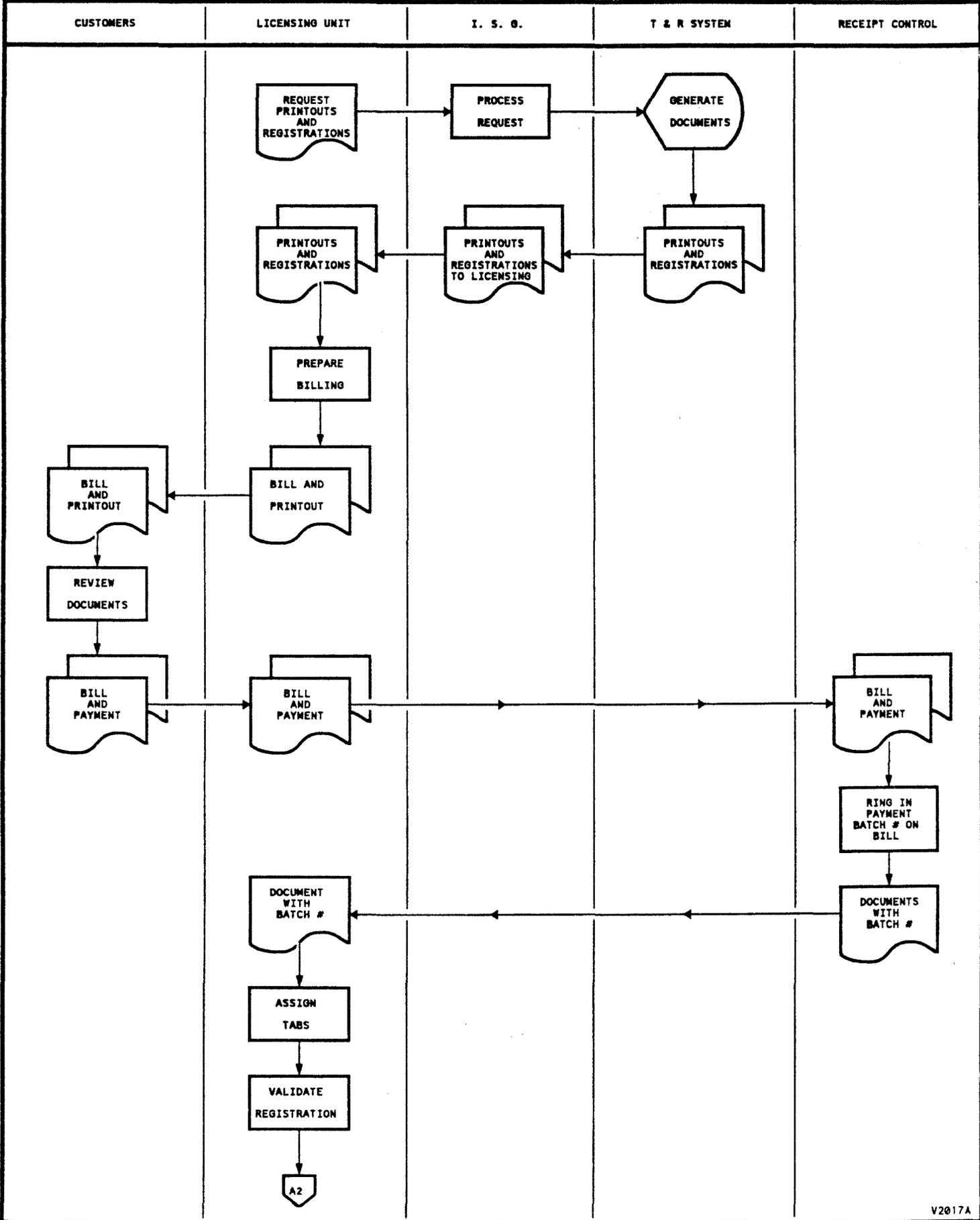
Exhibit 25



AZ DEPARTMENT OF TRANSPORTATION ALLOCATED FLEETS ANNUAL RENEWAL - PROPOSED

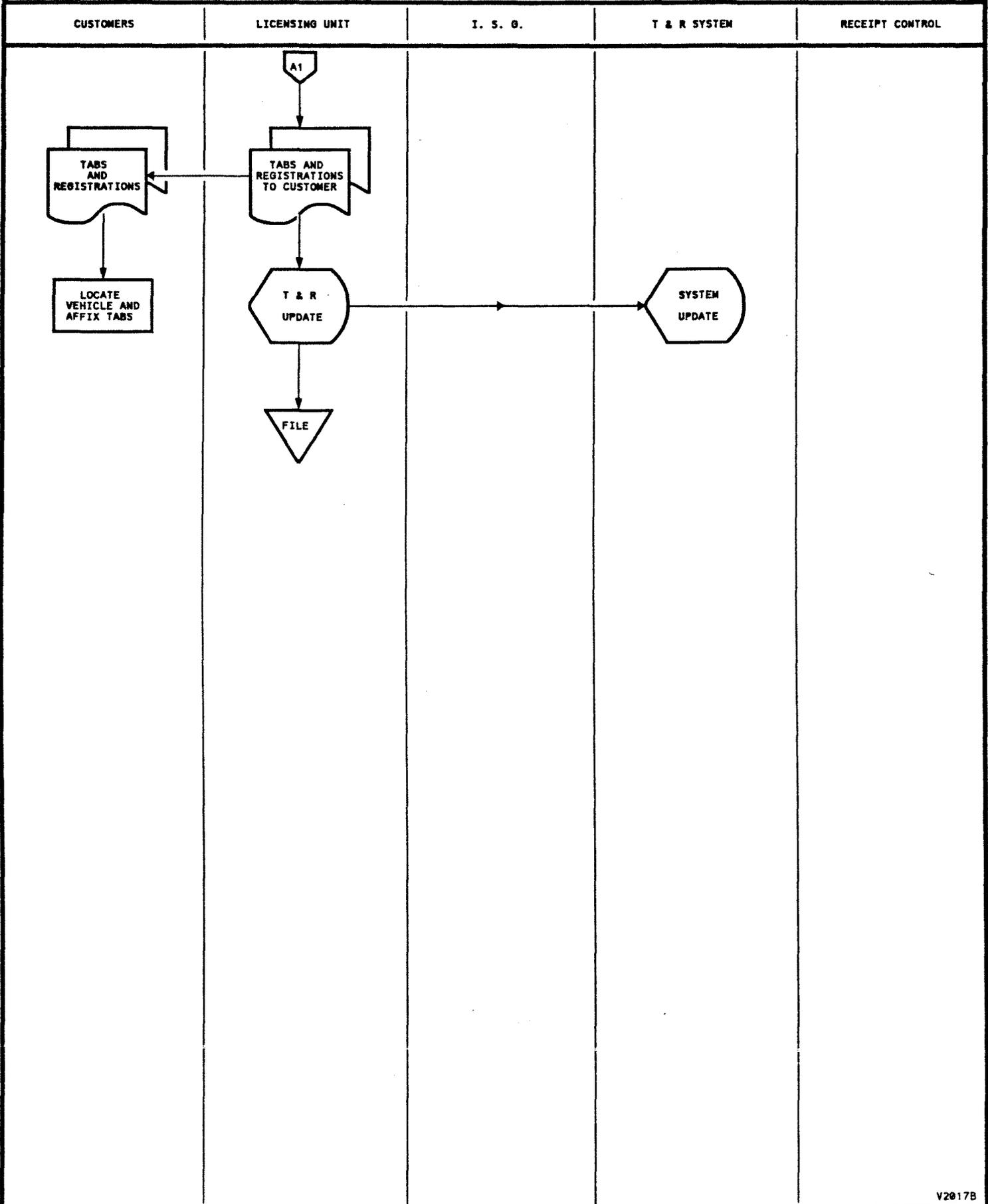
Exhibit 26

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V2017A

AZ DEPARTMENT OF TRANSPORTATION
 ALLOCATED FLEETS ANNUAL RENEWAL - PROPOSED



FLEET PROCESSING MODIFICATIONS - INDUSTRY SAVINGS

<u>Company</u>	<u>No. Hours Per Year</u>	<u>Est. Hours*</u>	<u>Hours Saved</u>	<u>Hourly Wage</u>	<u>Total Savings</u>
APS	40	16	24	\$14	\$336
USWest**	480	192	288	\$11	\$3,240 **
Ryder	24	3	21	\$10	\$240
Total	544	211	333		\$3,816

*Customers were asked to estimate how many hours the process would take if the data were accurate.

**USWest did not provide an estimate. We extrapolated based on the other companies' estimated savings. USWEST could save a minimum of 288 hours and \$3,240, based on 60% savings at \$11.25 per hour.

STREAMLINING MOTOR CARRIER REPORTING

Current Situation

Motor carriers are required by law to submit Tax Reports along with their monthly or quarterly "use fuel" and Motor Carrier tax. The report requires documentation of miles operated, gallons of "use fuel" used, as well as tax and any penalty calculations that support the total amount due. Annually, motor carriers are sent a package of Tax Report Instructions and reporting forms.

Motor carriers are directed to send their Tax Report and payment to a specific P.O. Box. Mail from this Box is delivered to the Receipt Control Unit of the MVD, Revenue/Motor Carrier Program.

Exhibit 28, Cash Handling -- Receipt Processing, depicts the steps necessary to process the Tax Report and payment. Generally, this process is cumbersome due to system requirements of the Tax and Revenue Group Automated Tracking System (TARGATS), taxpayer errors and processing redundancy. From the time the checks and reports are received by Receipt Control, approximately 32 steps are performed prior to deposit of the checks. Examples of process flow elements that hinder efficiency are as follows:

- Approximately 20% of the motor carriers do not include an account number with their Tax Report. TARGATS can not process a payment to an account without the account number, so account "look-ups" are required
- Payments cannot be deposited until processed through TARGATS. TARGATS requires a redundant keying of the payment amount and a subsequent error resolution step prior to preparation of the deposit
- Checks and related documentation are encoded with account and TARGATS batch information after initial entry into TARGATS. After completion of the entry, checks are handled again for the purpose of encoding the bank validation. Checks are also filmed as a part of this process, though the film is not subsequently referenced
- "TRAN code" information, which identifies the statutory distribution of the funds, is captured when keying each payment. TARGATS, however, does not provide a total deposit by TRAN code. As a result, the Lead Clerk, who is required to record the deposit by TRAN

code, must manually separate reporting documents and manually add amounts on a calculator to determine the deposit total by TRAN code

- TARGATS does not recognize a cash payment in the check payment process. Thus, the Lead Clerk must separate all cash receipts and enter the cash payments on a separate screen. After this process is completed, TARGATS will then recognize the cash as part of the deposit
- A manual recap sheet of deposit information by TRAN code is prepared for the Accounting Office. This recap sheet duplicates information contained on the Treasurer's deposit form (TC55) and related TARGATS screens that are printed for backup
- A Receipt Control employee phones the Capitol Police daily for an escort to the Treasurer's Office at the State Capitol. Other State agencies handling large sums of money have Armored Car Service pickup on-site
- TARGATS requires double input of all Tax Report information as a verification step in the Administrative Services Division, Data Entry step (CADE).

After input, batches are forwarded to the Error Resolution Unit for resolution of errors which are not caught by the Receipt Control or CADE portion of the process.

Impact

Tax Report and payment processing require approximately 6,550 hours of Receipt Control staff and temporary staff time. In addition, 1,220 hours of Data Entry keying and 8,100 hours of Error Resolution time are necessary. This equates to 8.9 FTE with a total cost of employee time of \$208,845. Forty-five minutes of staff time are expended daily to travel to the State Treasurer's Office, amounting to \$1,843 of ADOT staff expenses. These calculations are shown in Exhibit 29, Current and Proposed Staffing - Motor Carrier Processing.

A delay in depositing the cash and checks occurs both monthly and quarterly. The monthly backlog is normally three days, which results in an interest loss of approximately \$8,640 annually. A backlog in quarterly report processing is normally three weeks. This results in an additional loss of annual interest

earnings of approximately \$40,320 (see Exhibit 30, Interest Lost Due to Motor Carrier Processing Backlog). An additional \$1,080 in lost interest is due to checks being left in envelopes and discovered at a later time.

The cost of microfilming checks, though microfilm is not referred to for research, is \$100 annually.

Approximately \$1,064,800 is spent annually by the Motor Carrier Industry to complete required reports. This is based on 133,100 documents taking an average of one hour per document to complete at staff costs of \$8 per hour.

Recommendations

We recommend that a new approach be taken for motor carrier reporting and payment processing.

- Based on the motor carrier's actual tax liability reported in the previous year, TARGATS would be programmed with an algorithm to calculate the current year estimated monthly or quarterly payment. For those new carriers, an estimated amount would be calculated based on a schedule of estimated trips and vehicle type. ADOT would then provide a book of bar-coded or computer-readable payment coupons to the motor carrier at the beginning of the reporting year in lieu of the current blank tax reporting forms. The motor carrier would remit, either on a monthly or quarterly basis, the coupon amount or an adjusted estimated amount, if desired, based on business activity

Payments and the coupon would be processed using an automated remittance process. Using specialized equipment, the coupon's pre-printed coding would be read and the payment information would be captured for later uploading to the Carrier's account. This information would be electronically uploaded to the motor carrier's account and, at day's end, the database would produce deposit totals by TRAN code (see Exhibit 31, Lock Box -- Cash Handling Process).

- Using this machine, checks would be encoded for deposit and separated by major bank. Armored car service would stop at ADOT for daily deposits
- Once a year the motor carrier would be required to report the annual actual miles operated, gallons of "use fuel" used and other required calculations. Adjustments would be made resulting in a refund to the taxpayer or payment to the MVD, Receipt Control. Payments and documentation would be handled using the current process

The remittance processing equipment currently exists in Driver License Renewal, though modifications would be necessary.

Benefits

Based on staff time estimates provided by Data Entry, Receipt Control and Error Resolution, currently a total of 8.9 FTE, representing \$210,688 of staff expenses, are devoted to this function. This estimate includes the elimination of daily travel to the State Treasurer's Office.

To accommodate the need for keying exception amounts provided by the motor carrier, as well as updated information (eg. address change), 216 hours of staff time, or .1 FTE, will continue to be necessary.

Staff are also required for the opening and sorting of payment coupons and payments, amounting to .1 FTE.

Staff are also needed for the one reporting period annually that the motor carrier is required to confirm actual tax requirements. Based on the calculation for one quarterly and one monthly filing per year for each Motor Carrier, 1.7 FTE are required.

The total staffing necessary amounts to 1.9 FTE and \$41,193.

The net savings in staff is 7 FTE and \$169,495.

A minimum of \$38,160 in annual interest earnings could be realized. This represents the net benefit of same day processing of coupon payments for 11 monthly payments and three quarterly payments. Additional savings of approximately \$1,400 will also be realized due to a reduction in the float of one day due to presorting of checks by bank and \$1,080 due to checks not being left in envelopes.

Checks would no longer be microfilmed, resulting in \$100 savings annually.

Annual ongoing expenses include \$876 for armored car service and additional maintenance on the OCR equipment of \$2,000. Thus the net annual savings and increased revenue is \$207,359.

The motor carriers would benefit by approximately \$874,600 in salary savings due to the reduction of reporting to once a year.

Implementation

In order to implement this recommendation, programming of TARGATS to produce the coupon payment information and read the data captured by the remittance processor is necessary. Modification of the remittance processor is also necessary. It is also strongly suggested that information be provided to the Motor Carrier community in advance of implementation, informing them of the change.

The one-time costs required to implement this change are:

- Programming of TARGATS to generate the coupon and to upload captured data is estimated at \$100,000
- The existing remittance processing equipment must be upgraded and reprogrammed. Approximately \$36,000 would be needed for reprogramming to allow for the ability to scan multiple-type documents, sort checks by bank and key information from the coupon. An additional \$20,000 in equipment is needed for check sort bins, a microreader and printer.

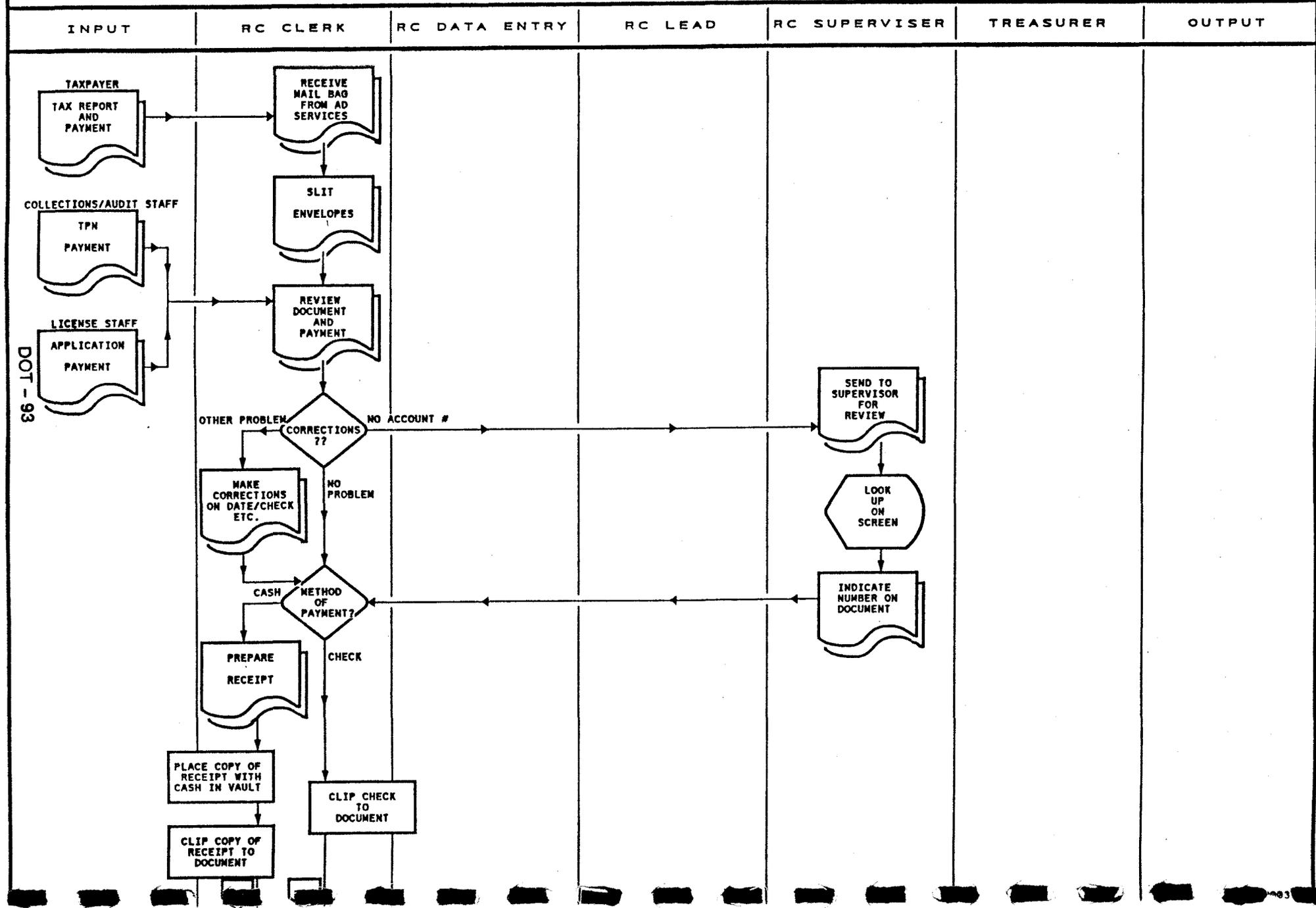
It is our understanding that provisions of the IFTA contract with other states may include a mandate for monthly or quarterly filing of actual tax information. This potential impediment must be addressed. In addition, existing statutory language should be reviewed to ensure that filing can be handled in this manner.

ADOT - MVD RECEIPT CONTROL

CASH HANDLING - RECEIPT PROCESSING

Exhibit 28

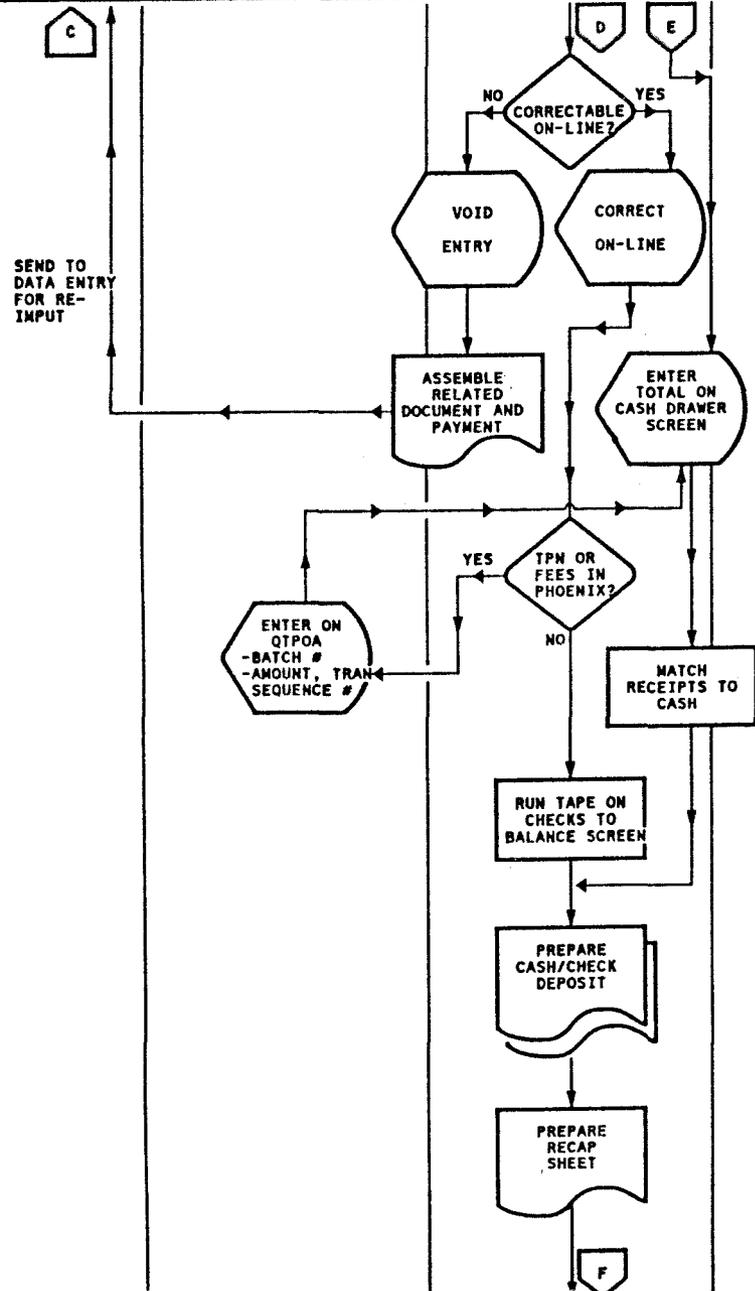
PAGE 1 OF 4



ADOT - MVD RECEIPT CONTROL

CASH HANDLING - RECEIPT PROCESSING

INPUT	RC CLERK	RC DATA ENTRY	RC LEAD	RC SUPERVISISER	TREASURER	OUTPUT
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**ADOT - MVD RECEIPT CONTROL
CASH HANDLING - RECEIPT PROCESSING**

INPUT

RC CLERK

RC DATA ENTRY

RC LEAD

RC SUPERVISISER

TREASURER

OUTPUT

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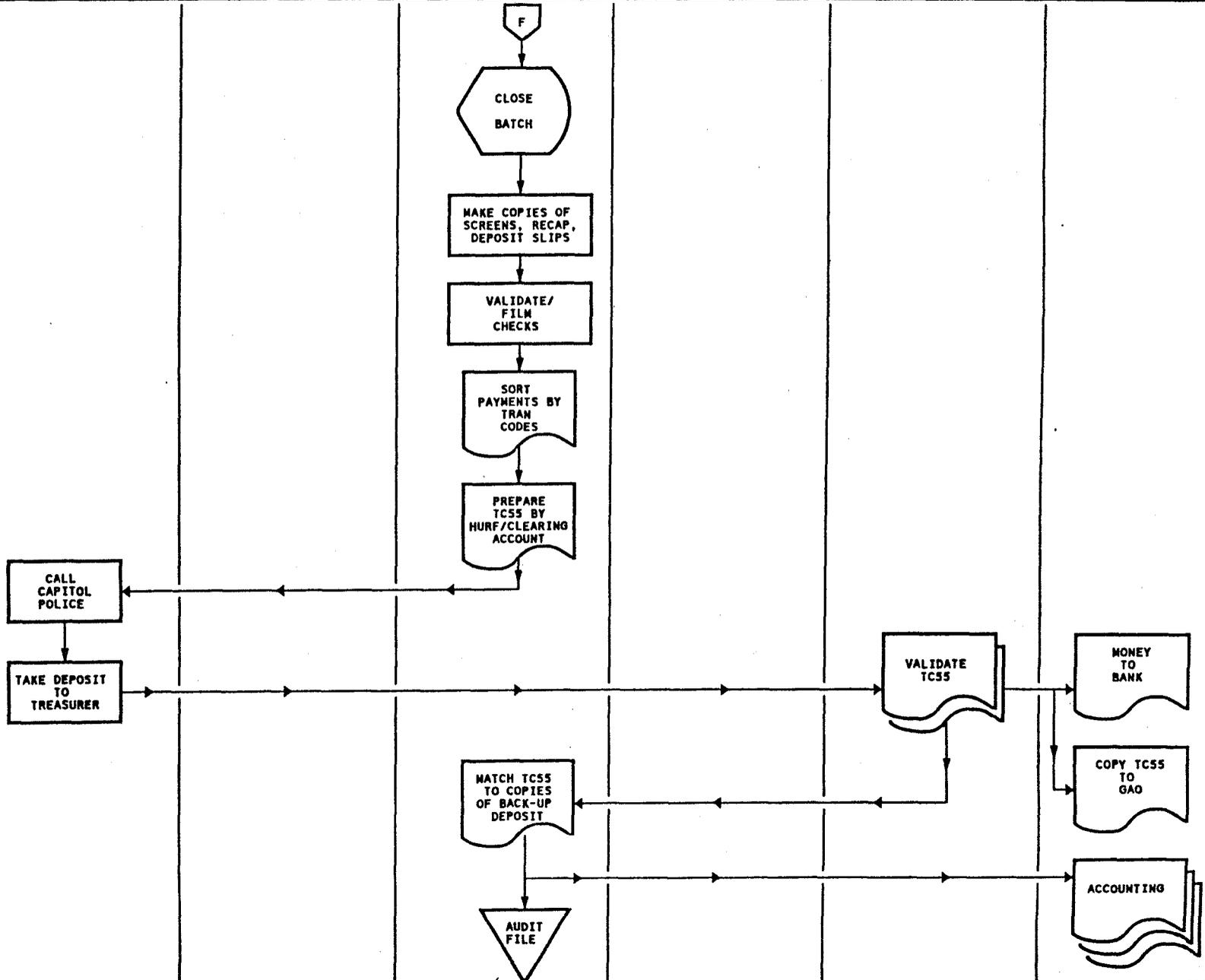


Exhibit 29

Current and Proposed Staffing- Motor Carrier Processing

Function	#docs or batches	Time doc/batch (hours)	Total (hours)	Salary/ FTE	ERE	#docs or batches	Time doc/batch (hours)	Total (hours)	Variance (hours)	FTE	Rounded FTE	Salary/ ERE
CURRENT SITUATION:				PROPOSED PROCESS:								
Receipt Control:												
Grade 9:												
slit/sort mail	2,662	0.25	666			109,300	0.0008	87	578			
temps	2,662	0.25	666			23,775	0.01	238	428			
data entry	5,324	0.25	1,331			951	0.25	238	1,093			
Treasurer delivery			188					0	188			
OCR:			0					137	(137)			
800docs/hr = 137 hours												
133,100docs-23,775 docs=109,325 docs												
TOTAL:			2850	1.5	30,839							
									2,150	1.2	1	20,559
Grade 13:												
acct # search	26,620	0.08	2,130						2,130			
verify	5,324	0.08	426						426			
close deposit	5,324	0.25	1,331						1,331			
TOTAL:			3,887	2.2	57,110				3,887	2.2	2	51,912
Data Entry:			1,220	0.7	13,587	0.178		216	1,004	0.6	0	
Error Resolution:			8,100	4.5	109,152				8,100	4.5	4	97,024
(Grade 12)												
GRAND TOTAL:				8.9	210,688						7	169,495

Assumptions:

- 4,750 monthly motor carrier reports
- 19,025 quarterly motor carrier reports
- = 133,100 docs/year
- 25/batch = 5,324 batches
- 20% documents do not have acct number

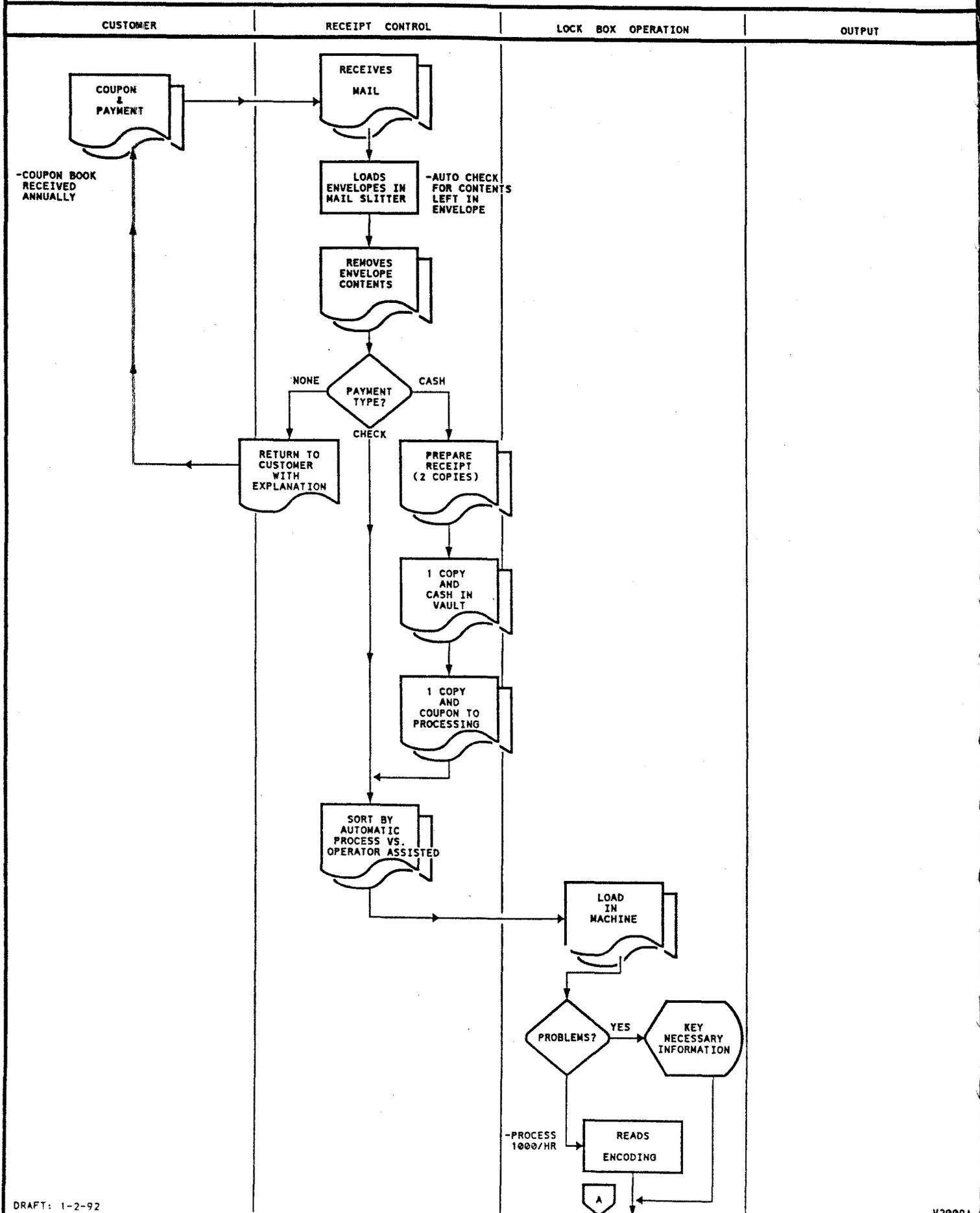
Interest Lost Due to Motor Carrier Processing Backlog

DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
\$12M START - QTLRY																				
.8M PROCESSED/DAY																				
ENDING DAILY BAL (in millions)	\$11.2	\$10.4	\$9.6	\$8.8	\$8.0	\$7.2	\$6.4	\$5.6	\$4.8	\$4.0	\$3.2	\$2.4	\$1.6	\$0.8	\$0.0					
INTEREST: 4.25% ANNUAL																				
.00012/DAY	\$1,344	\$1,248	\$1,152	\$1,056	\$960	\$864	\$768	\$672	\$576	\$480	\$384	\$288	\$192	\$96	\$0	\$10,080				
																	x 4 QTRS:	\$40,320		
\$6M START - MTHLY																				
2M PROCESSED/DAY																				
ENDING DAILY BAL (in millions)	\$4.0	\$2.0	\$0																	
INTEREST: 4.25% ANNUAL																				
.00012/DAY	\$480	\$240	\$0																\$720	
																			x 12 MONTHS	\$8,640
																			TOTAL:	\$48,960

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LOCK BOX - CASH HANDLING PROCESS

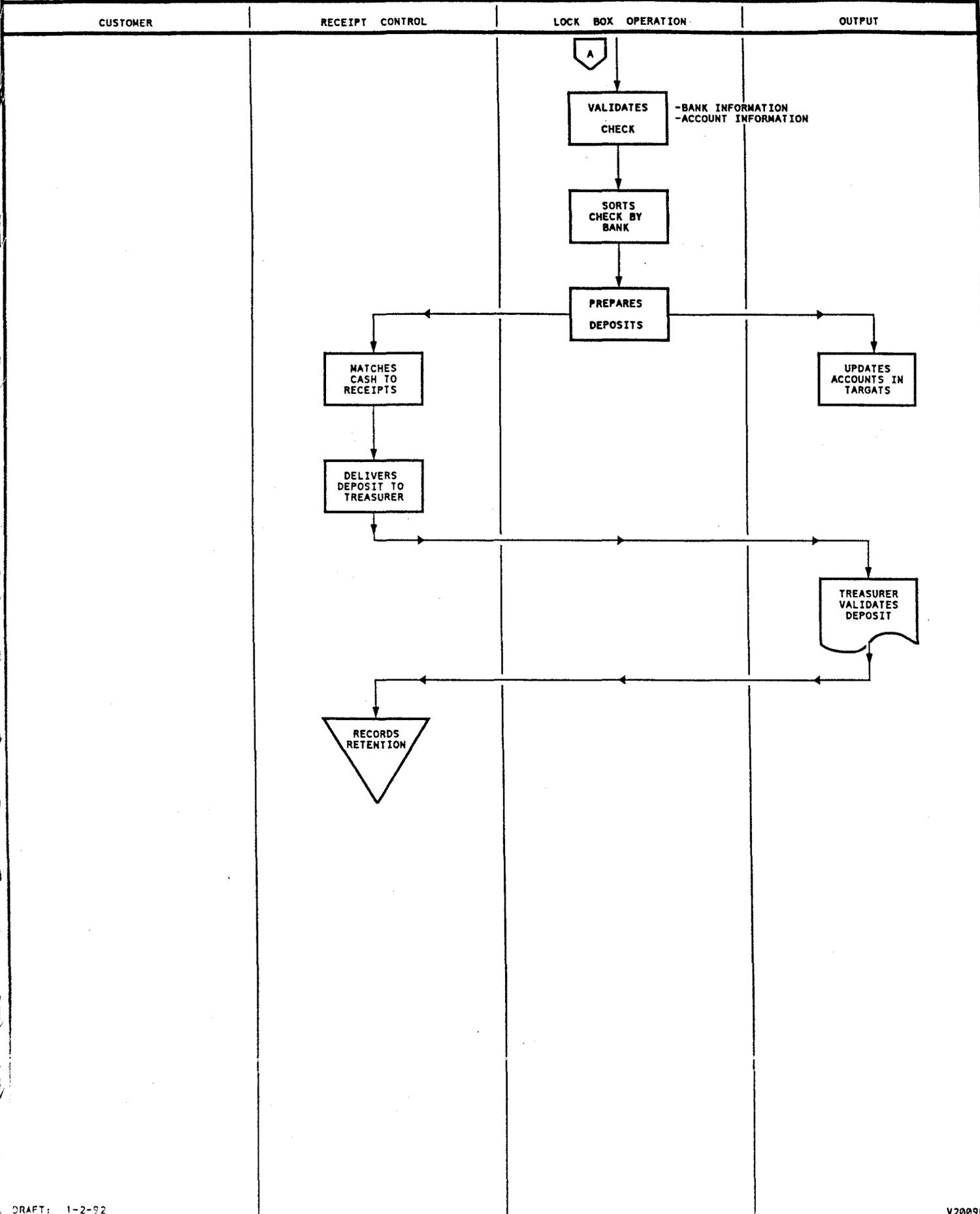
Exhibit 31



DRAFT: 1-2-92

V2009A

LOCK BOX - CASH HANDLING PROCESS



LEDGER RECONCILIATION

Current Situation

The mission of the Motor Vehicle Division (MVD) of the Arizona Department of Transportation (ADOT) includes responsibility for obtaining revenue for the Highway User Revenue Fund (HURF). Over half of the HURF revenue comes from the combination of fuel taxes and a motor carrier tax (weight & distance) on commercial trucks. These taxes are paid by gasoline distributors, diesel fuel vendors and motor carriers (commercial trucks).

The above taxpayers are required to file tax reports, either quarterly or monthly, and concurrently remit tax payments based on their reported level of activity. Voluntary compliance is prompted by a penalty schedule and periodic audits.

Presently, the MVD has about 23,000 active taxpayers. Within these 23,000 accounts, there are about 43,000 tax-type accounts. To help administer this program, ADOT developed an automated financial and taxpayer data management system named TARGATS. Management of the accounts and collection of fuel and motor carrier taxes and penalties are dependent upon this system.

If taxpayer payments fall into arrears relative to reported tax liability, TARGATS generates delinquency notices. Delinquent accounts are worked by a Collections unit within the Revenue Group of the MVD. Enforcement is provided by the MVD's Ports of Entry and specialty officers.

When TARGATS became operational in November 1986, the taxpayer accounts were accurate, having been recently reconciled under the "Star Project." Since then, numerous system-generated errors and some procedural errors by TARGATS users have occurred continuously. These problems, together with transaction backlogs, have resulted in loss of taxpayer-account integrity.

Over the past five years, the cumulative effects of these problems have led to widespread distrust of the taxpayer-account ledger balances on TARGATS. To restore account integrity, the MVD personnel have submitted requests for reprogramming to "fix" TARGATS. While many symptoms have been corrected, over 40 problems remain on the MVD User Support Section's status report dated January 8, 1992. Twelve of these pertain to the ledger balance problem (see Exhibit 32, TARGATS Maintenance). In the meantime, the MVD personnel do not rely on the accuracy of TARGATS' account balances.

Impact

To compensate for these problems, the Collections unit performs ledger reviews and reconciliations in order to correct the delinquency notices (called Taxpayer Notices or TPNs) before they are mailed to taxpayers. According to Collections personnel, the rate of errors found during pre-distribution reviews of initial TPNs ranges from 40% to 80%.

Despite this labor intensive activity, some erroneous TPNs are not caught, leading to phone calls and complaints from taxpayers who receive incorrect notices. Most of these complaints are handled by the Collections unit. Resolving such complaints involves reconciling the taxpayer's account, documenting necessary adjustments and preparing a corrected TPN. This process delays receipt of taxes and contributes to poor taxpayer/ADOT relations. In addition, it reduces time available for collecting on truly delinquent accounts.

These ledger balance problems also force the Audit section staff to reconcile each firm's account balance before starting their audit. This consumes about 15% of their audit time.

Exhibit 33, Cost of Employee Time Due to Reconciliation Problem, summarizes FTE labor being committed to reviewing ledgers, reconciling accounts, preparing and entering adjustments, revising Taxpayer Notices and responding to taxpayer complaints. This table shows that eight FTE and \$290,298 are spent annually to compensate for the ledger reconciliation problem.

Recommendations

While ADOT anticipates that the recently undertaken Enterprise Program will eventually supersede TARGATS and correct all of its deficiencies, the director of that program indicates that implementation is five years into the future. Therefore, in view of the quantified and ongoing costs of the ledger integrity/reconciliation problem, the following short-term actions should be undertaken jointly by the MVD's Revenue Group and Information Systems Group (ISG) management:

- We recommend TARGATS be reprogrammed to correctly perform calculations which affect ledger balances. The cost estimate to accomplish this is \$192,000. This is based on the Micon report, but excludes those costs associated with an automated approach to identification of system problems and establishment of ledger integrity

NOTE: According to the Micon Inc. report of October 15, 1991, the cost of reprogramming TARGATS and cleaning up the ledgers by dedicating existing personnel and using an automated approach (if such is feasible) was estimated at \$508,400. This is not an incremental cost, since it assumes commitment of present staff resources.

- We recommend that the MVD update or develop training plans and procedure manuals for the Error Resolution and Collections units and ensure that all affected employees are informed and trained on correct procedures, especially when programming or processes are changed. Estimated cost of this recommendation is \$15,200. This is based on estimates of three months for a management analyst to update procedure manuals and then present three days of TARGATS training for existing staff members in Error Resolution and Collections
- We also recommend review and, where needed, manual reconciliation of all active taxpayer accounts, using seasonal employees trained and supervised by experienced the MVD staff, at a cost estimate of \$198,200. This is based on hiring thirty seasonal employees, training them for two weeks and dedicating them to perform manual ledger reconciliations under guidance of a Collector III. Using an estimate of one-half hour per reconciliation, the process would take 2.6 months. Exceptionally complex account reconciliations would be referred to the Collections unit

In summary, these three recommendations are estimated to cost about \$405,400, of which only the latter \$198,200 are incremental costs; the first two recommendations involved internal costs.

Benefits

The benefits to be gained from implementing the aforementioned recommendations are:

- Restore confidence in account balances
- Improve taxpayer relations and employee morale
- Eliminate the need to inspect and revise TPNs
- Reduce or prevent operator errors

- Allow the Error Resolution, Collections and Audit staff to improve productivity by applying more time to their primary duties

If the preceding recommendations are implemented and the above benefits are realized, eight FTE, representing \$290,298 in personnel costs, will be saved annually.

Given the initial investment of about \$405,400 to clean up TARGATS, the payback period for the manual ledger clean up and other recommendations described above would be less than 17 months.

Implementation

According to the Assistant Director of the MVD, a special allocation of \$500,000 was granted to ADOT by the State Legislature last year to proceed with the TARGATS Interim Support and Enhancement Plan.

The implementation plan for the above recommendations should be developed by the selected contractor and the MVD personnel who will be involved in the project.

Date - 1/8/92

TARGATS MAINTENANCE

PROJ	PROB	AREA/	HRS TO GO	GOAL	CURRENT	ASGN	ASSIGNED				
NUM	PROBLEM DESCRIPTION	DATE	PR	TRAN	USS	MVS	DATE	PHASE	DATE	TO	COMMENTS
CHURF	MONTHLY HURF PARALLEL	NA	NA	INTERNAL	NA	NA		MVS	NA	DON	ONGOING - 24 HOURS PER MONTH
C409	MISC PROBLEMS			QTVNR	20	320		HOLD	04-26	JANICE	JANICE TO IDENTIFY PROBLEMS TO FIX
C428	REC POST OUT OF BALANCE	NA		RECPOST	50	352		MVS			
C437	ST. GEORGE SUPERPORT		NA	PORT	50	1098		MVS	NA	ROB	ONGOING
C455	REOPEN DOESN'T WORK	1/30/91		QTTYF	4	49		USER	12-23	ANN	
C466	DASD PROCEDURES	NA		INTERNAL		280		MVS			
C469	DASD BACKUP PROCEDURES	NA		INTERNAL		40		MVS			
C470	JCL CHGS-BMC SOFTWARE	NA	8	INTERNAL		4		MVS	NA	PETER	
C471	REV PROD JCL-NEW PACK #	NA		INTERNAL		80		MVS			
C472	VALIDATE PROCDOC PROC	NA		INTERNAL		68		MVS			
C478	TA310 OUT OF BALANCE	NA			30	78		MVS			
C480	PANAPT BACKOUTS	NA		INTERNAL		80		MVS			
C481	AUDIT REQ-FLOWCHARTS	NA		INTAUDIT	20	160		MVS			
C485	SRC CODE FOR TA157	NA	NA	INTERNAL	50	441		MVS	NA	DON	ON-GOING PROCESS
C490	4700 HANGUP-3270 SWAP	NA	16	4700	5	85		MVS	NA	ROB	
C495	FIX REJECTED PERMITS	NA	17		5	40		MVS	NA	ROB	
MTAR0028	ADD IFTA ST - INDIANA	4/24/91		IFTA	5	32		PROD	12-24		
MTAR0030	CREDITS IN L,P,I FIELDS	4/25/91	12	QTADJ	10	21		MVS			
MTAR0031	ABENDS-ZERO OUT TAX CR	4/25/91	11	QTADJ	10	20		MVS			
MTAR0043	TPN SENT ON OLD BALANCE	5/6/91	15		10	120		MVS			
MTAR0044	INSUF CR TO TRANSFER	5/8/91	5	QTADJ	2	63		MVS	10-15	PAUL	FAILED USER TEST
MTAR0045	ABEND-TFR UF TO MC	5/8/91		QTADJ	2	72		PROD	12-20		
MTAR0046	RPTD/POE MILES COMPARE	5/17/91		PRNTOUT	10	184		MVS			
MTAR0057	QTMCR ABENDS SOMETIMES	8/21/91	8	QTMCR	30	64		MVS	10-15	PAUL	FAILED USER TEST
MTAR0058	TERI/ALLAN DRAWERS	6/19/91		QTCDB	10	120		MVS			
MTAR0061	CRESCENT PROJECT		NA	PORT	10	560		MVS	NA	ROB	ONGOING
MTAR0062	POD INDICATOR-ABEND	NA	9	RECPOST	30	33		MVS	10-21	OWEN	
MTAR0063	UNPOSTED PYMT RPT	NA	20		10			MVS	NA	PETER	
MTAR0065	TA300 ABENDS	NA			20	100		MVS	NA	PETER	
MTAR0067	MOVE DATASETS TO SYSDA	NA	19	INTERNAL		35		MVS	NA		
MTAR0068	DEMAND JCL PROCEDURES	NA	18	INTERNAL		80		MVS	NA		
MTAR0101	DOA REFUND TAPE PROBLEM	7/24/91		INTERNAL			05-01	MVS			NEED BY 5/1/92
MTAR0103	PRINTOUT ON INFO IFTA RPT	7/24/91		PRNTOUT	5			MVS			
MTAR0104	HURF/DPS/TRACS RPTG	7/24/91	2	HURF			10-01	MVS	09-01	DON	
MTAR0106	CHG CAB CARD LOGIC	8/5/91	7	CABCARD	10		10-01	MVS	12-18		
MTAR0109	RED RATE WON'T ADD	8/13/91	13	QTMCX	5			MVS			
MTAR0112	ALLOW CHG TO 995 ENTRIES	8/23/91	14	995	15			MVS			
MTAR0113	PROJ ENTERPRISE SUPPORT	NA	NA	ENTERP	28	0	NA	MVS/USS	NA	NA	HRS TO GO = HRS USED FOR THIS ENTRY
MTAR0115	RPT CUTS OFF 1 DAY EARLY	9/16/91		GLACT	5			PROD	12-23		
MTAR0117	UPDATE NEBR-3RD QTR	9/25/91		IFTA			10-20	PROD	12-24		

Highlighted are projects that in some reflect on the accuracy of ledger balances.

Date - 1/8/92

TARGATS MAINTENANCE

PROJ NUM	PROBLEM DESCRIPTION	PROB DATE	PR	AREA/ TRAN	HRS TO GO USS	GOAL MVS	CURRENT DATE	ASGN DATE	ASSIGNED TO	COMMENTS
MTAR0118	TRANSMITTAL REVERSAL	9/25/91	10	IFTA	9		MVS	10-21	MARIA	
MTAR0120	QTIFR/QTLED DISAGREE	9/27/91		QTIFR	15		HOLD	09-27	CAROL	NEED MORE THAN ONE EXAMPLE
MTAR0121	ADD 3 NEW IFTA STATES	10/11/91		IFTA	5	03-01	MVS	12-03		
MTAR0122	TUCSON PRINTER IN TABLE	10/11/91		TUCSON	1		MVS	11-05	TOM	ADD PRINTER TO CAB CARD TABLE
MTAR0124	RUN CNTL/QTHRS IN SYNC	11/4/91			10		MVS	11-05		
MTAR0125	UPDATE NEB - 4TH Q	11/1/91	3a	IFTA	2	12-31	MVS	11-25	KITTY	
MTAR0127	REPORT OF OUT OF BALANCE	11/15/91	1		5		MVS	11-15		DUE DECEMBER 2ND
MTAR0128	UPDATE NEB - 2ND Q	12/3/91	3b		2		MVS	12-04	KITTY	
MTAR0129	MARTINEZ TO CC TABLE	11/6/91		TABLE	5		MVS	12-18		
MTAR0130	LOC 3367 TO DL TABLE	11/18/91		TABLE	3		MVS	12-18		
MTAR0131	TGLD RPT STOPPED PRINTING	11/18/91		TGLD	5		MVS	12-18		
MTAR0132	COST ALLOCATION STUDY	11/18/91	4		10	01-15	MVS	12-18		HERB HAS DETAILS ON THIS PROJECT
MTAR0133	MARION ADD TO RUN CNTL	12/20/91		RUNCNTL	3		MVS	12-20		
LOW PRIORITY OR ENHANCEMENTS										
C350	HURF POP FILE -- LOW PRIORITY			HURF	20	160	MVS			THIS IS AN ENHANCEMENT
C474	TEST PRODUCTIVITY TOOLS	NA		INTERNAL		360	MVS	NA		LOW PRIORITY
C492	SET UP TEST/CHG PLAN	NA		INTERNAL	20	160	MVS	NA		LOW PRIORITY
MTAR0025	INFO SYS TEST PROJECT	NA		INTERNAL	10	40	MVS	NA		
MTAR0039	AUTOMATE RUN CONTROL	4/18/91		RUNCNTL	10	80	MVS			THIS IS AN ENHANCEMENT
MTAR0042	ESTIMATE ON TAX AT PUMP	5/3/91			5	320	MVS			
MTAR0102	MANIFEST INPUT ESTIMATE	7/1/91		ESTIMATE	15		MVS			

COST OF EMPLOYEE TIME DUE TO LEDGER RECONCILIATION PROBLEM

<u>Organization</u>	<u>FTE's</u>	<u>Classification</u>	<u>Grade</u>	<u>Per Capita \$</u>	<u>Total Cost</u>
Collections	2	Collector II	15	\$29,407	\$58,814
	1	Exam Tech I	12	\$24,256	\$24,256
Taxpayer Audit	1	Fld Auditor III	20	\$45,196	\$45,196
	4	Fld Auditor II	19	\$40,508	\$162,032
TOTALS:	8				\$290,298

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BANKLINK RECONCILIATION

Current Situation

The Motor Vehicle Division has decentralized office locations for Driver License, Title and Registration and Ports of Entry. At these locations, staff collect cash and checks for various licenses, permits, registrations and titles.

For those offices located near a bank affiliated with the Concentration Banking System (CBS), deposits of the cash and checks can be made locally to that bank, eliminating the need to send the receipts through the mail to a central depository.

The CBS is established by the major banks to provide for immediate deposit at the local level, consolidation of all deposits for the Department on a daily basis and management reporting of the deposits. Normally this report is received by the Motor Vehicle Division, Receipt Control Unit two to three days after the date of deposit. The actual cash transfer is electronically transmitted by the bank to the State Treasurer's Office.

The report that is received from the banks includes the date of deposit, amount of deposit and location code of the office that made the deposit. First Interstate Bank sorts the deposits by office location and reports a deposit total by location. Valley National Bank and Security Pacific sort by deposit amount and not location. As a result, Receipt Control staff must manually add all deposits by location number prior to reconciliation.

Impact

This manual step takes 200 hours annually.

Recommendations

We recommend that the CBS report be sorted so that daily deposits by location are provided. The Treasurer's Office has contacted the banks and has indicated that this can be accomplished.

Benefits

The presort by the banks would eliminate 200 hours of manual calculations.

Implementation

The State Treasurer's Office has offered to facilitate an immediate change.

EHRENBERG PORT OF ENTRY BANKING

Current Situation

Due to the large amount of money received at the Ehrenberg Port of Entry, cash and checks are deposited locally at a bank in Ehrenberg. Money is deposited Monday through Friday. The bank does not electronically transfer funds through a Concentration Banking System.

Though the money is deposited in the bank account in Ehrenberg, ADOT must "recognize" the money for distribution purposes through a unique process. Daily deposit records are sent by the Port to the MVD Accounting Office in Phoenix. Once a week, the MVD Accounting Office writes a check against the total of the deposits for the week and submits it to Receipt Control for processing. Once Receipt Control processes the deposit, it deposits the check with the State Treasurer and the revenue is recorded to the Highway User Revenue Fund (HURF). Prior to this time, no interest is earned for the State General Fund or the HURF.

Impact

Based on average daily receipts ranging from \$10,000 to \$30,000 and an annual interest rate of 4.25%, approximately \$1,560 in interest is lost each year (see Exhibit 34, Ehrenberg Interest Lost).

In addition, 104 hours of Accounting staff time is spent each year in reconciling the account. No FTE savings will result from this recommendation because of the FTE being fractional.

Recommendations

In the Recommendation entitled "DPS Transport of Funds," we recommend that a MVD officer, rather than a DPS officer, transport daily cash receipts to the local bank. In this recommendation, we recommend that ADOT use the Parker bank since it is affiliated with the Concentration Banking System.

Benefits

ADOT will generate an additional \$1,560 in interest earnings.

Implementation

Implementation can occur simultaneously with the implementation of Recommendation, "DPS Transport of Funds."

Ehrenberg Interest Lost

Deposited	Amount	Cummulative Total	x int rate 4.25%(.00012/day)
Monday	\$30,000	\$30,000	\$3.60
Tuesday	\$10,000	\$40,000	\$4.80
Wednesday	\$10,000	\$50,000	\$6.00
Thursday	\$10,000	\$60,000	\$7.20
Friday	\$10,000	\$70,000	\$8.40
			\$30.00
			x 52 weeks
			\$1,560.00

DPS TRANSPORT OF FUNDS

Current Situation

ADOT maintains Ports of Entry at several border locations to ensure that motor carrier vehicles are in compliance with registration and licensing requirements. If a motor carrier requires credentials, the Port of Entry is staffed as a cashier function to sell required licenses, registrations and permits. Four of the Ports of Entry have contracted with Department of Public Safety (DPS) officers to transport daily receipts to the nearest bank as follows:

Ehrenberg - transports to Quartzsite	- 17 miles
San Simon - transports to Willcox	- 42 miles
Topock - transports to Topock Valley	- 14 miles
Sanders - transports to Holbrook	- 54 miles

- DPS is scheduled to pick up receipts only during the normal work week. Receipts on the weekends are maintained in a safe at the Ports of Entry. Weekly receipts average \$55,000 - \$80,000.
- DPS at times does not pick up receipts during the week and must be contacted to do so.
- Deposit controls that provide for cash accountability are in place at the Ports. Documentation representing daily business is compared to actual receipts by shift. The Receipt Control Office, located in Phoenix, provides final reconciliation of the deposit to daily business.

Impact

Based on fiscal year to date expenditures, approximately \$28,000 will be paid to Department of Public Safety officers for the transport of receipts this year. An additional \$16,700 will be paid to the Department for the reimbursement of vehicle expenses.

Recommendations

We recommend that ADOT transport receipts to the bank. In addition, consideration should be given to using night deposit banking service for Saturday and Sunday receipts. Uniformed officers should be used to transport receipts on their way home at the end of their shift. Mileage reimbursement should be given to employees for traveling to the bank.

Based on one-way mileage for each Port, with the Ehrenberg Port of Entry using the bank in Parker (50 miles), and reimbursement at \$.255 per mile, five trips per week would cost \$10,608 per year. If bank deposits are extended to seven days per week, a total of \$14,851 in mileage reimbursement would be needed.

Benefits

The net savings for ADOT will be \$29,849 - \$34,092 annually.

Implementation

There appear to be no impediments to immediate implementation of the recommendation. Financial controls are in place. Minor training may be needed for bank procedures and to emphasize safety.

GENERIC CASH PROCESSING

Current Situation

The Receipt Control Unit, located within the Motor Vehicle Division, is responsible for depositing cash and checks received at 1801 West Jefferson either over the counter or through the mail. Counter services are provided for motor vehicle customers on the first floor. Mailed remittances are received throughout the building for driver license renewal, license and registrations, oversize permits and payments from other states for the International Registration Plan (IRP) and the International Fuel Tax Agreement (IFTA). Cash and checks are also received from remote Driver License Offices, Ports of Entry and Title and Registration Offices. The process described in this recommendation differs from the processing of motor carrier monthly and quarterly reports (see Recommendation, "Streamlining Motor Carrier Reporting"). Generic processing does not involve updating of individual accounts with payment information.

The process that Receipt Control uses to deposit the cash and checks and record the proper distribution of funds is cumbersome due to system requirements of TARGATS and redundancy of manual procedures (see Exhibit 35, Cash Handling-Generic Non-Banklink). Examples of process flow elements that hinder efficiencies are as follows:

- A transmittal document summarizing daily business is forwarded with cash receipts to the Receipt Control Unit. Support documentation (eg. copy of permit, license application, taxpayer billing) accompanies the transmittal. The accuracy of the transmittal document is checked with respect to the totals by transmittal code (TRAN code). The error rate is less than 3%
- TARGATS provides for a total of cash and checks to be entered for each transaction. A second screen, which requires the TRAN code breakdown, debits the total as each amount is entered by TRAN code. The system will not allow progress from the screen until the entries balance to the total. Despite this feature, a manual calculator tape is run for the cash and checks for each transaction twice during the process
- Although TRAN code information is entered into TARGATS for each set of receipts which are processed, TARGATS does not provide a summary by TRAN code at the end of each day. As a result, a manual recap sheet is prepared to correctly identify the distribution of funds on the Treasurer's Office deposit form (TC55)

- Payments cannot be deposited until processed through TARGATS. To eliminate actual cash handling, a receipt is completed for the cash payment and a copy is attached to the cash and stored in a safe in the MVD. A second copy of the receipt is attached to the support documentation and processed.

Impact

Receipt Control staff time devoted to this process amounts to approximately 2,182 hours annually, or 1.2 FTE.

Recommendations

We recommend that the Generic Process handled through TARGATS be eliminated for individual entries and that a programmable cash register be used to record payment and TRAN code information (see Exhibit 36, Generic Cash Handling – Streamlined).

Throughout the day, cash and checks will be rung on the register. Checks can be encoded against the transmittal document if future research is necessary. At the end of the day, the register can be "rung out" to summarize cash and check breakdown for the bank deposit and a breakdown of the TC55 amount by TRAN code. From the tape, the summary information can be entered on the TARGATS distribution database.

- Cash receipts will no longer be necessary. Cash can be "rung" immediately by TRAN code without receipting
- Manual recap sheets can be eliminated since the "ring out" will include a TRAN code breakdown
- Counting cash and checks is limited to once per day
- Only one entry on TARGATS is needed daily, thus eliminating the need to review each entry screen against the total

Benefits

By processing cash and checks in this manner, staff time will be reduced to 260 hours annually, or .2 FTE. This .2 worth of work can be absorbed within the remaining staffing (see Exhibit 37, Receipt Control Breakdown of Generic Processing Functions).

The staff savings is one FTE, or \$20,394. The cost of a programmable cash register is approximately \$12,000, including one-time programming costs. The payback period is .58 or about 6 months.

Implementation

Implementation can occur immediately upon installation and programming of the cash register. The Department has embarked upon a five year automation project that will incorporate the remaining manual component of this process.

ADOT - MVD RECEIPT CONTROL CASH HANDLING - GENERIC NON-BANKLINK

INPUT

R C CLERK

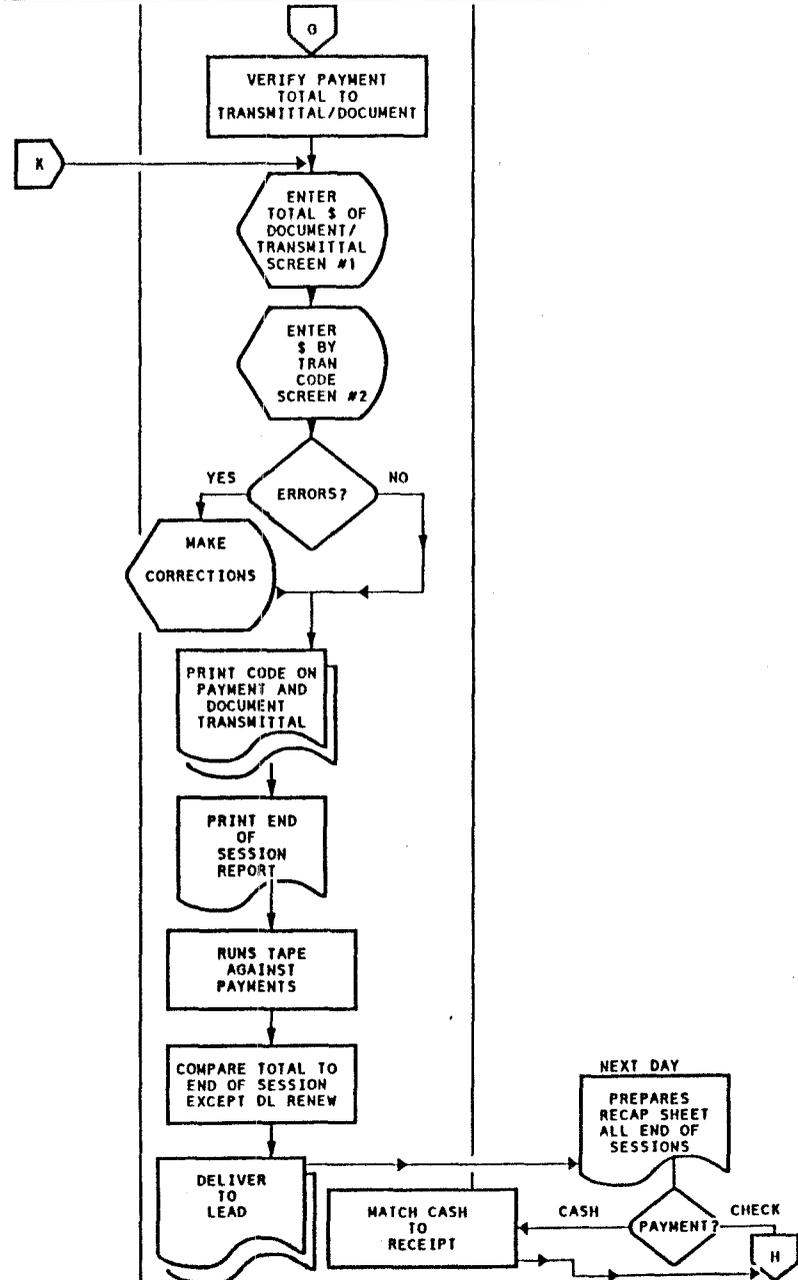
R C DATA ENTRY

R C LEAD

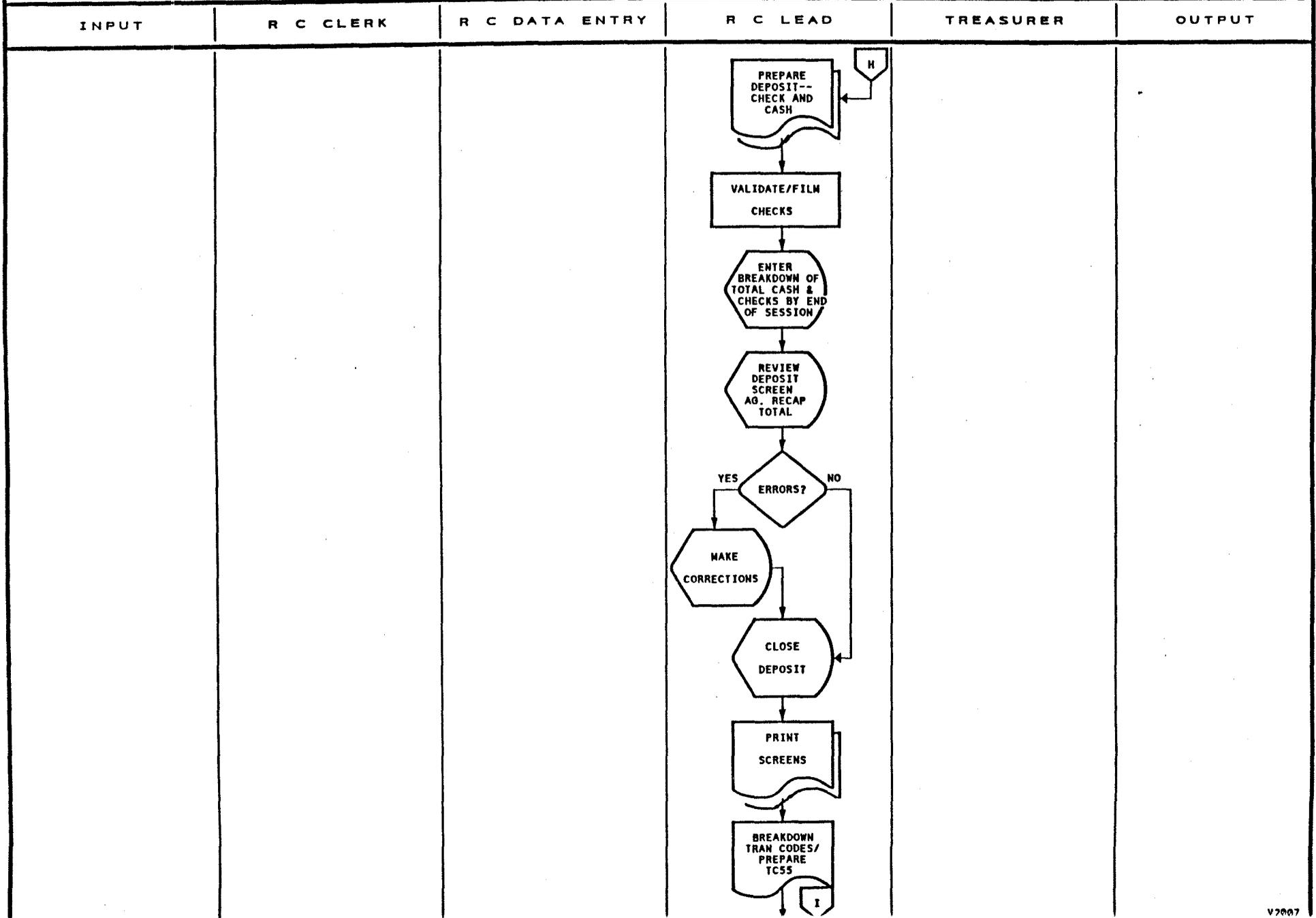
TREASURER

OUTPUT

DOT - 119



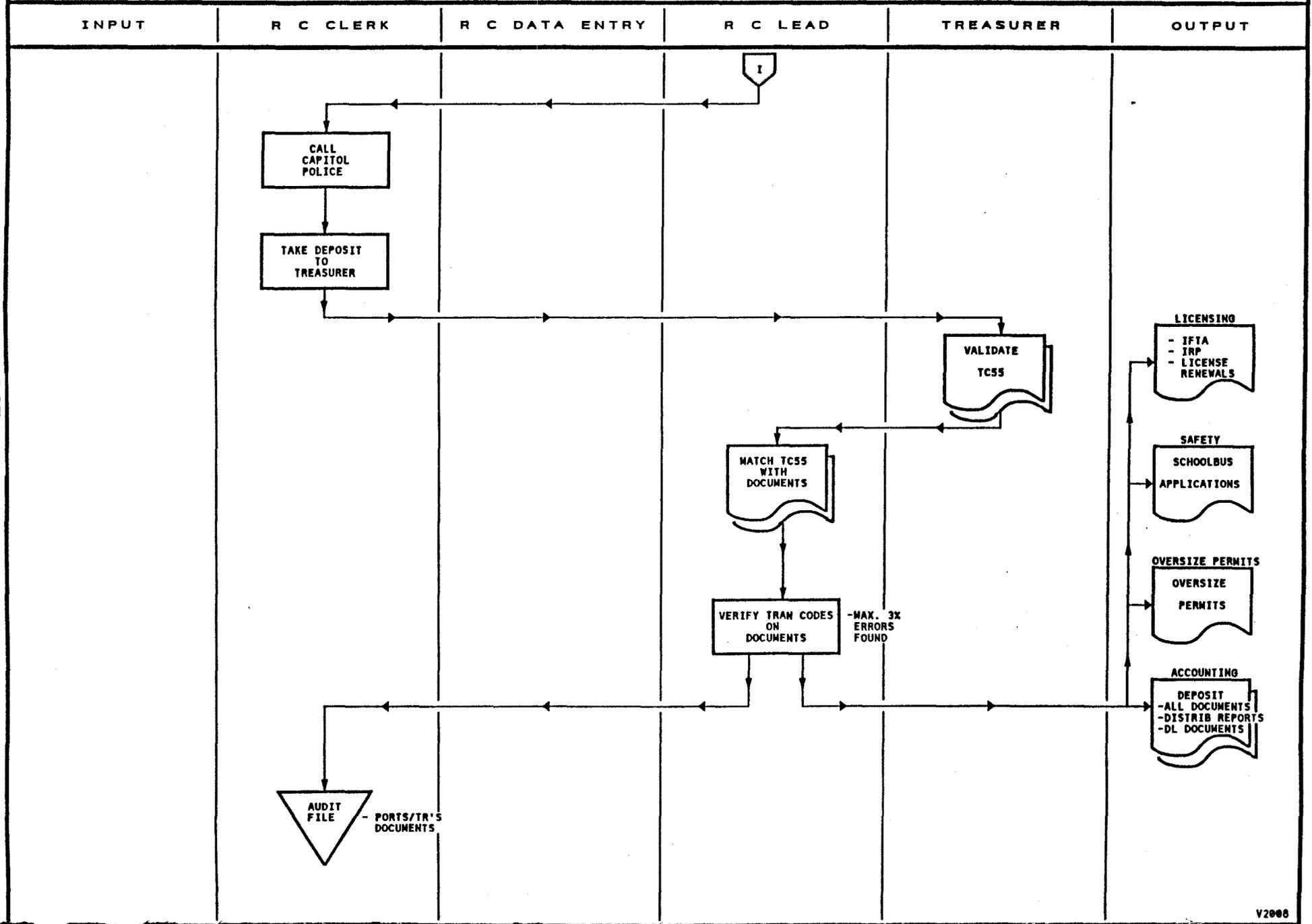
**ADOT - MVD RECEIPT CONTROL
CASH HANDLING - GENERIC NON-BANKLINK**



DOT - 120

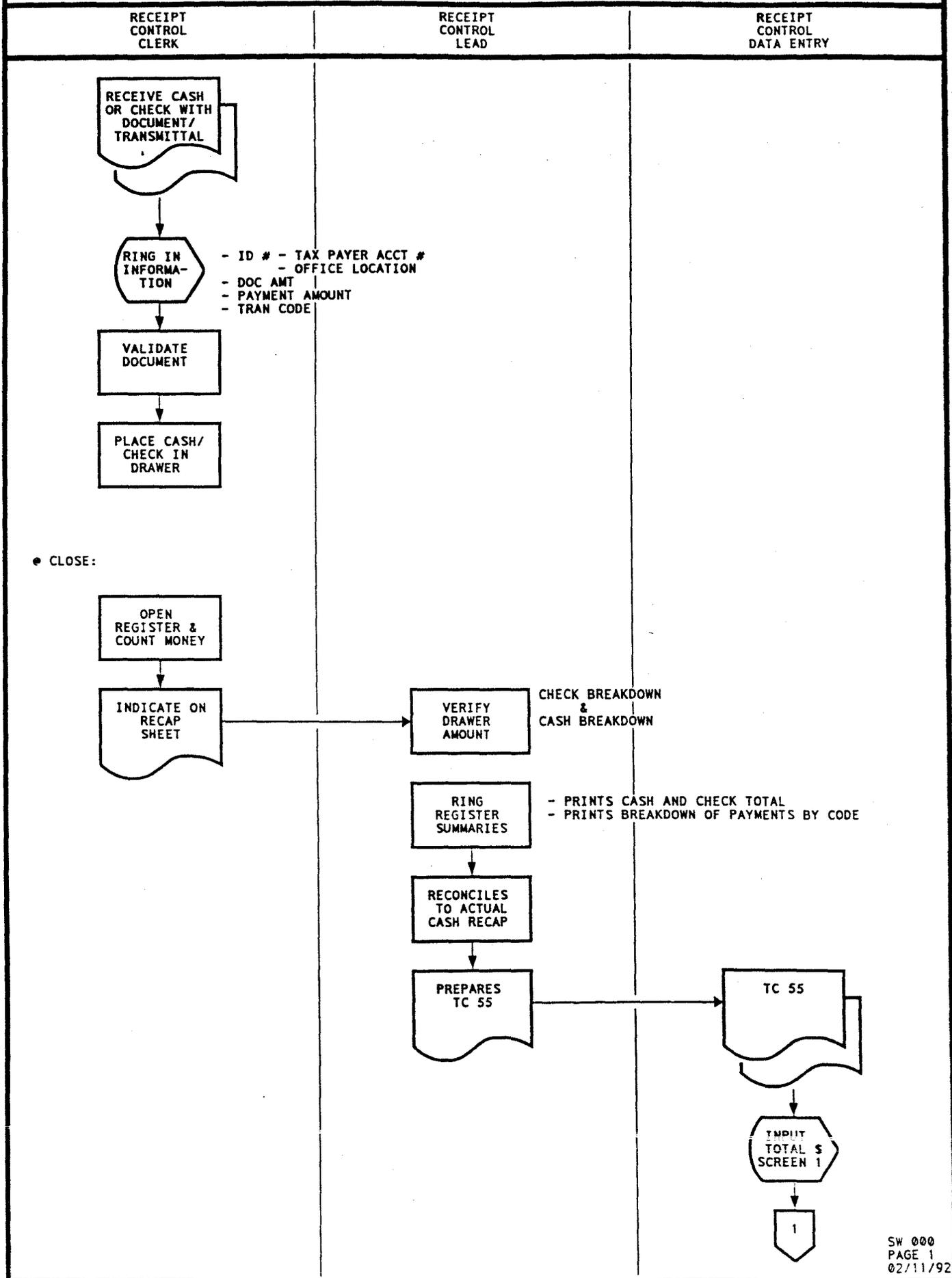
ADOT - MVD RECEIPT CONTROL CASH HANDLING - GENERIC NON-BANKLINK

DOT - 121



GENERIC CASH HANDLING - STREAMLINED

Exhibit 36

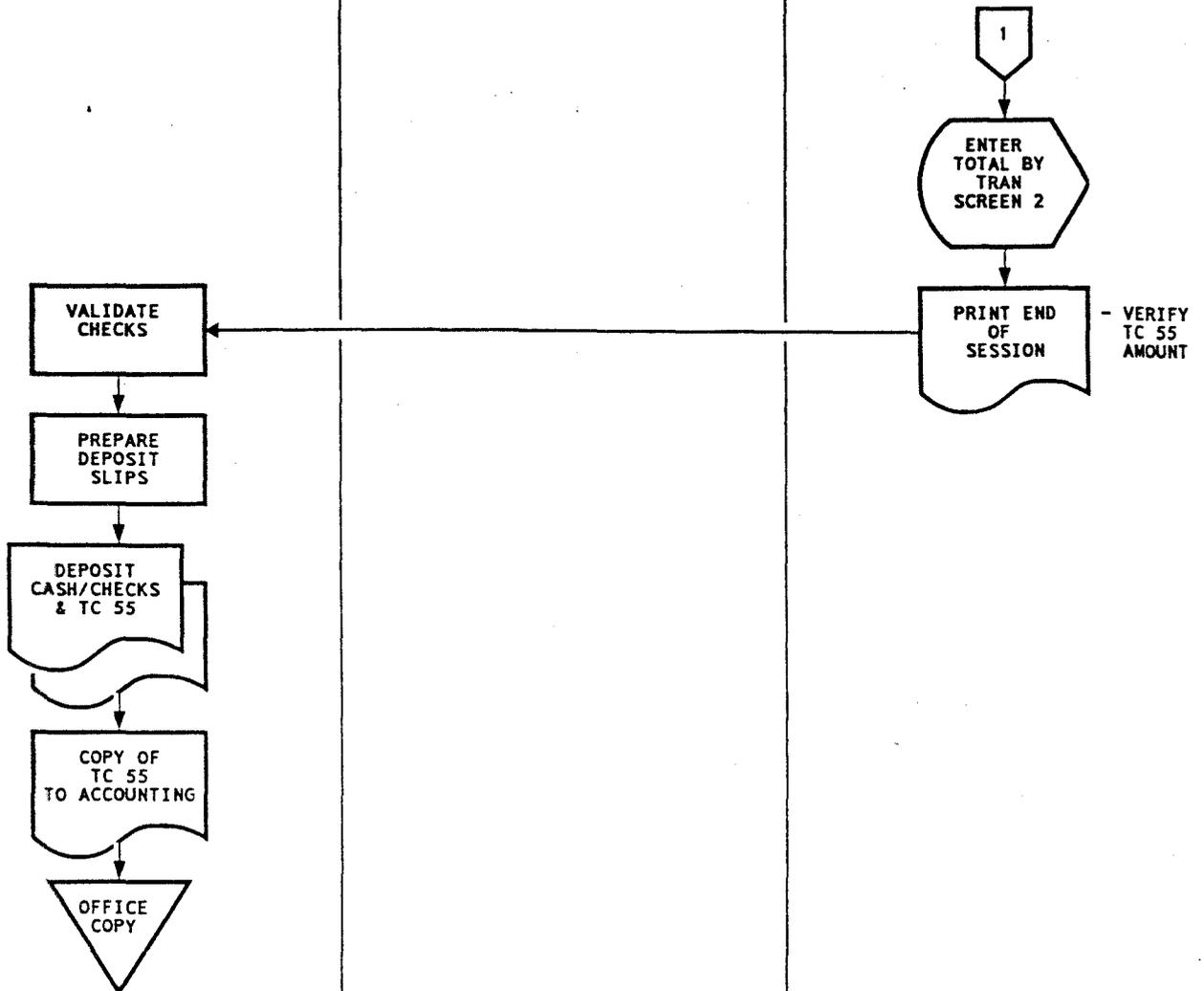


GENERIC CASH HANDLING - STREAMLINED

RECEIPT
CONTROL
CLERK

RECEIPT
CONTROL
LEAD

RECEIPT
CONTROL
DATA ENTRY



SW 001
PAGE 2
02/11/92

ADOT MVD/Receipt Control Breakdown of Generic Processing Functions

	<u># Days/ Year</u>	<u>TIME/DOC (HOURS)</u>	<u>TOTAL CURRENT HOURS</u>
DRIVER LICENSE:			
NON-BANKLINK; 250 WORKDAYS/YR.			
DATA ENTRY	250	0.17	40
LEAD ACTIVITIES	250	1.00	250
VERIFY TRAN CODES	250	0.17	40
T&R			
NON-BANKLINK; 250 WORKDAYS/YR.			
DATA ENTRY	250	0.17	40
LEAD ACTIVITIES	250	1.00	250
VERIFY TRAN CODES	250	0.17	40
PORTS OF ENTRY			
NON-BANKLINK; 250 WORKDAYS/YR.			
DATA ENTRY	250	0.17	40
LEAD ACTIVITIES	250	1.00	250
VERIFY TRAN CODES	250	0.17	40
OTHER CASH PROCESSING:			
APPROX 4 HR/DAY			1,000
TAXPAYER RECEIPTS			
LICENSE TRANSACTIONS			
CUS SVC-1ST FL			
OVERSIZE			
DR LIC RENEWALS			
COL/AUDIT PAYMENTS			
OTHER ADMIN			
OTHER REPORTS:			
APPROX 2 DAY/MO			192
AVIATION (8/MO)			
IFTA (20/MO)			
IRP (45/MO)			
UST (8/MO)			
TOTAL Current:			2,182
FTE @1800 hrs/FTE:			1.2
PROPOSED:			
50 transactions @1minute			
TARGATS Entry: 10 minutes			
260 days/year			
FTE @1800 hrs/FTE:			0.2
NET FTE Savings:			1.0

UNPOSTED BATCH REPORT

Current Situation

Although motor carrier payments and fees received by the MVD are designated for deposit into the Highway User Revenue Fund (HURF), they are initially deposited into a clearing account until the payments and the reports accompanying them are accepted as accurate by TARGATS. During the nightly TARGATS posting, problem documents and payments identified by TARGATS are flagged and are placed on a printout called the Unposted Batch Report.

The original intent was that the errors identified on the report would be corrected on an ongoing, timely basis. As of January 11, 1992, however, the complete, detailed Unposted Batch Report was 692 pages long, contained 17,285 entries (some dating as far back as 1987), and totaled nearly \$36 million.

ADOT management has expressed commitment to resolving this issue. The Office of Audit and Analysis is currently conducting a study of the MVD Cash and Clearing Account. In addition, a consultant has been hired under the umbrella of Enterprise to address interim TARGATS stabilization. Among the consultant's top priorities is development of a work plan to deal with the Unposted Batch Report.

Prior to the arrival of the consultant, we completed a preliminary review of the Unposted Batch Report and identified the following conditions:

- The Unposted Batch Report is generally organized by transaction (tran) code or by batch number. With the exception of the separate "Out of Balance" report, there is no organization by error/problem type
- Items appear on the report due to problems with taxpayer's reports, with payments, or with both
 - Amounts include zero dollars, real dollars, and "flag" dollars
 - Document problems include erroneous motor carrier tax reports; in some cases, errors cannot be researched and corrected because the source document cannot be located

- Problems are created by the system, as well as by human error
- Some errors are permanent; some can be corrected
- Obstacles to resolving the problems are rooted in systems, as well as processes
- Some of the errors no longer occur; some are ongoing
- In some cases, there is nothing to indicate why an item appears on the report.

More specific problems include:

- Tran code 300 - The fee that accompanies a motor carrier application is nonrefundable, regardless of whether the customer ever completes the entire process. Staff estimated that approximately 35 percent of the customers do not follow through with opening the account. TARGATS, however, cannot post the application fee without an account number
- Tran code 305 - At one point during the conversion to TARGATS, batches of surety bonds were being entered as part of the process for opening an account. They are all zero dollar amounts and have no account numbers assigned to them
- Tran code Error - Each payment must be credited to an account number and a tax type. When an invalid TRAN code is entered, the document cannot be posted. Depending on the age of the error, invalid tran codes may be automatically converted to 995s by the system or may appear as entered. Once an invalid tran code is entered, there is no mechanism by which to correct it on the system. In order for the document to post, staff reported that a journal entry process that takes between one and four hours must be used. Thus, even after this process is completed, the entry remains on the Unposted Batch Report
- Tran code 995 "Flag" - When a payment has been credited to an active account, but entered under an invalid tax type for that customer, the tran code is automatically converted to 995. To distinguish these types of errors that have a zero dollar amount from those that have a dollar amount, a bogus dollar amount

is automatically entered. Beginning in approximately August 1991, the dollar amount used was \$999,999.99

- **Conversion Entries** - Staff reported that the majority of entries remaining on the Unposted Batch Report from 1987 did not represent real dollars or documents. They are thought to be dummy batches created to accommodate conversion or duplicate batches resulting from implementation problems
- **Taxpayer Error** - In order to resolve some problems, staff must contact the taxpayer. When the taxpayer cannot be reached over an extended period of time, particularly when the business has gone bankrupt or the taxpayer cannot be located, it is not possible to fix the error. There is no mechanism for posting such documents and removing them from the Unposted Batch Report
- **Unposted Batches** - Reports and payments are typically batched in groups of twenty-five. TARGATS assigns the same batch number to each item in the batch. The Unposted Batch report identifies entries by batch number and by sequence number within the batch. It is not uncommon for entire batches not to post, although the reason for this is not clear. Some explanations for this may be:
 - Unposted batches from 1987 may include dummy batches
 - Some staff reported that these were duplicate batches created due to system problems. If the computer system goes down after initial cash input by Receipt Control, but prior to verification, the entire batch must be reentered. The original batch number is left intact for audit purposes; documents are assigned a new batch number
 - The majority of these unposted batches were associated with zero dollars.
- **Out of Balance** - This condition occurs when a motor carrier with more than one tax type account shows a credit in one account and a debit in the other due to system misapplication of late fees, penalties and/or interest.

Impact

The total figure for the Unposted Batch Report gives the appearance that approximately \$36 million has not been posted to HURF and has not been appropriately distributed.

Due to the number, types, and age of problems, the Unposted Batch Report is not a reliable measure of errors and does not accurately reflect unposted HURF revenue. As a result, the report is not actively "worked" by Error Resolution Staff. Instead, daily problems with documents and payments are identified and resolved through review of TARGATS screens and by review of the actual batch documents. Old entries are researched primarily on a case by case basis as the result of customer concern about the posting of payments to their accounts.

- Conversion Entries (see Exhibit 38, Unposted Batch Report -- 1987 Entries) accounted for approximately thirty percent of the report - or 200 pages with a total of approximately 5,000 entries. The majority of entries were zero dollar reports; payments totalled approximately \$385,000
- The Impact of other problem areas can be seen in Exhibit 39, Unposted Batch Report- Analysis by Selected Categories:
 - Tran code 300 - As of January 11, 1992, unposted motor carrier/use fuel applications accounted for approximately 145 pages, 3,631 entries, and \$80,000 in the Unposted Batch Report, \$49,000 of which was dated after 1987
 - Tran code 305 - This tran code contributed 1,907 entries and seventy-six pages to the Unposted Batch Report, but totaled only about \$670
 - Tran code Error - As of January 11, 1991, tran code errors accounted for approximately twenty-seven pages, 673 entries, and totaled \$23,475,763. Of that amount, \$23,028,377 was generated by the 995 flag
 - Taxpayer Error - Approximately forty percent of the errors encountered by Error Resolution can be attributed to customer error. Of these, approximately three percent cannot be resolved due to inability to contact the taxpayer. Nearly 200 entries may remain unresolved each year

- Unposted Batches - There were approximately 200 unposted batches from 1987 through 1992, to date, contributing 5000 entries and 200 pages to the Unposted Batch Report. Zero dollar reports represent eighty-five percent of the batches
- Out of Balance - We did not analyze this area because the MVD staff and an outside consultant were focusing their efforts on resolving this error and properly distributing the associated revenue. Based on information provided by staff, however, the out of balance error generally totaled \$6 to \$7 million at any given time.

Recommendations

In general, the report should be reorganized in an order conducive to analysis and resolution of categories of errors. It should be organized by document problem only, payment problem only, problem with both, and problem with neither; these could be produced as separate reports. Within each category, further sorts should be done by error/problem type - missing account number, invalid tran code, missing verification date, etc.

The following provide more specific recommendations:

- Tran code 300 - Excluding 1987 entries (due to the common belief that these are invalid entries created during conversion), post all application fees older than 90 days to the HURF. On an ongoing basis, post all application fees older than 90 days
- Tran code 305 - Purge these entries off of the system
- Tran code Error -
 - Discontinue use of the 995 to identify invalid TRAN codes. The TRAN code should appear on the Unposted Batch Report as entered
 - Continue use of the 995 to flag erroneous zero dollar reports, but find a way to flag these errors which will not inflate the dollars on this report in such a significant manner

- In future system design by Enterprise, give Receipt Control staff the capability to correct tran codes during the data entry process; allow Error Resolution to correct tran codes for errors identified on the Unposted Batch Report
- Conversion Entries - Create a separate tape of 1987 items for historical purposes. Purge items remaining on the Unposted Batch Report from 1987 from TARGATS
- Taxpayer Error - Establish a process to allow posting of a document when a taxpayer cannot be reached within a time frame established by management. Payments that err in the Department's favor would be credited to the account; those that are insufficient would be turned over to the Collections Unit
- Error Resolution staff should analyze errors and identify and address their causes on an ongoing basis
- Unposted Batches - Through Enterprise, modify the process to allow Receipt Control to reuse the original batch number for reentry or to purge the old batch number once the new one is entered and has posted; establish another mechanism for maintaining an audit trail, if necessary.

Benefits

Implementation of the recommendations would provide a more valid assessment of revenue that has not been posted to HURF and has not been appropriately distributed. The total would decrease approximately sixty-six percent -- from \$36 million to \$12 million (see Exhibit 40, Unposted Batch Report -- Recommendation Benefits). The volume of the report would decrease approximately fifty percent -- from 692 to 356 pages; from 17,285 entries to 8,853. This reduction would render the document more meaningful for ongoing problem/error analysis and resolution.

In addition:

- Posting of the motor carrier/use fuel application fees received after 1987 would result in a one-time distribution of approximately \$49,000 to the HURF

- Allowing staff to correct tran code errors would allow payments and/or documents to post to the taxpayers account and would allow appropriate deposit into the HURF.

Implementation

Given that a consultant is now dedicated to TARGATS, these recommendations can be considered as part of the overall stabilization effort or through the larger Enterprise effort.

Through the efforts of staff and the TARGATS consultant, \$6.8 million were moved to the HURF from the clearing account during February - approximately \$5.6 million through journal entry and \$1.2 through Error Resolution activity.

UNPOSTED BATCH REPORT - 1987 ENTRIES
 (As of 1/11/92)

<u>Tran Code</u>	<u>Approx. Entries</u>	<u>Approx. Pages</u>	<u>Approx. \$</u>
10	67	3	\$186,744
100	1886	75	\$109,242
105	8	0	\$0
110	87	3	\$6,370
115	28	1	\$37
120	30	1	\$0
125	37	1	\$0
140	1	0	\$0
155	24	1	\$16,895
200	46	2	\$27,266
300	725	29	\$11,000
305	1907	76	\$650
310	74	3	\$18,432
315	24	1	\$7,103
320	89	4	\$2,020
TOTAL	5033	201	\$385,759
PERCENT OF TOTAL REPORT	29.13%	29.09%	1.08%

UNPOSTED BATCH REPORT - ANALYSIS BY SELECTED CATEGORIES

Report Total as of January 11, 1992 - **\$35,852,250**

<u>Problem</u>	<u>Approx. Entries</u>	<u>Approx. Pages</u>	<u>Approx. Amount</u>	<u>- 1987 Adjustment</u>			<u>Approx. Entries</u>	<u>Approx. Pages</u>	<u>Approx. Amount</u>
				<u>Entries</u>	<u>Pages</u>	<u>Amount</u>			
Tran Code 300	3631	145	\$60,000	725	29	\$11,000	2906	116	\$49,000
Tran Code 305	1907	76	\$670	1907	76	\$670	0	0	\$0
Tran Code Errors									
000	71	3	\$1,600	0	0	\$0	71	3	\$1,600
010	129	5	\$426,871	67	3	\$186,744	62	2	\$240,127
155	24	1	\$16,895	24	1	\$16,895	0	0	\$0
320	89	4	\$2,020	89	4	\$2,020	0	0	\$0
995	360	14	\$23,028,377	0	0	\$0	360	14	\$23,028,377
Conv. Entries	5033	201	\$384,759				5033	201	\$384,759
TOTALS	11244	449	\$23,921,192	2812	113	\$217,329	8432	336	\$23,703,863

1987 adjustments were made to ensure that benefits were not double counted under Conversion Entries and individual tran code benefits.

UNPOSTED BATCH REPORT - RECOMMENDATION BENEFITS

	<u>Entries</u>	<u>Pages</u>	<u>Amount</u>
Current	17285	692	\$35,852,250
Proposed Deletions	8432	336	\$23,703,863
REMAINING	8853	356	\$12,148,387
PERCENT DECREASE	48.78%	48.55%	66.12%

CENTRALIZING TITLE AND REGISTRATION BANK ACCOUNTS

Current Situation

ADOT-operated Title and Registration Offices are located in all counties except Maricopa, Gila and Santa Cruz. To ensure that the cash and checks received at the offices are deposited quickly, local banks are used. However, offices operating in Pima, Yuma, Cochise, La Paz, Coconino and Navajo counties have established a local checking account in which the receipts are deposited and disbursements are authorized at the office level. These disbursements include customer refunds, transfer of revenue to the office's operating budget and transfer of revenue to the MVD Receipt Control Unit to cover statutory disbursement of funds to the Highway User Revenue Fund (HURF) and other governmental agencies.

The remaining offices utilize the Concentration Banking System, where deposits are made locally, but all disbursements and refund payments are handled centrally through the MVD Receipt Control Unit.

Impact

Handling funds locally through a checking account results in lost revenue, operating inefficiencies and potential financial control issues as follows:

- The checking accounts that are maintained are non-interest bearing accounts. An average three-day balance is maintained in each account due to time delays in mailing disbursements to appropriate accounts. A balance is also maintained to handle refunds
- A transfer of funds, based on statutory formula, is made daily to the Title and Registration operating account. This payment is sent directly to the State Treasurer and Department of Administration General Accounting Office, thus by-passing ADOT's Accounting Office. By by-passing the Division's financial oversight function, transfers are not validated before reaching the State's accounting ledger. Though the T & R Offices send a copy of the transaction to the MVD Accounting Office, any corrections must be made after-the-fact to the State's ledger through an additional transfer document
- In 1991, 11,141 dealer and customer refunds were issued by the field offices due to overpayments of title and registration fees. Staff at the offices were also responsible for

collecting 1,353 non-sufficient fund (NSF) payments. Phoenix processing units handle refunds and NSF collection activities for those offices that do not have their own checking account. Thus, there is a duplication of effort for processing refunds and NSF payments.

Approximately \$2,667,000 represents the average daily balance in the checking accounts (see Exhibit 41, T & R Cash Handling Activities). Based on an annual interest rate of 4.25%, \$113,345 is lost annually due to the accounts being non-interest bearing. The account balance also represents revenue that should have been distributed based on statutory formula.

1.8 FTE are utilized in the offices for the purpose of managing the account, reconciling to the bank statement and processing refunds as follows:

Pima	1.3 FTE
Yuma	.1 FTE
Cochise	.1 FTE
LaPaz	.1 FTE
Coconino	.1 FTE
Navajo	.1 FTE

In all offices, except LaPaz, the FTE represent Accounting Technician time. In that office, a supervisor is responsible for the maintenance of the checking account.

Recommendations

We recommend that the checking accounts be eliminated and that the offices handle deposit information through the Concentration Banking System. This will result in centralization of all refunds and NSF processing.

Benefits

With deposits being made in the Concentration Banking System, funds will earn interest. This would amount to \$113,345 based on average daily balances.

We recommend that one FTE be eliminated in the Pima Office, amounting to \$22,616. By centralizing refund and NSF processing (see Exhibit 42, Central T & R Refund Process, and Exhibit 43, Central T & R NSF Process) an additional FTE would be needed, amounting to \$22,616. No true FTE savings have been identified for the remaining county offices because of the FTE being fractional.

Implementation

Implementation would necessitate joining the Concentration Banking System. Checking accounts could not be eliminated until all checks clear. Some checking accounts include armored car delivery at no charge. This service would need to be renegotiated with the bank.

Office/Rte	Cashier/ Acctg FTE	Banking Type	Checking Account Aver Bal	# Dir Refunds	#NSF
TUCSON AREA/PIMA (Checking acct covers Pima Co offices.)	Acctg Tech (4) Supv/Mgr (2)	checking	\$1,798,072	8,615	781
YUMA AREA/YUMA (Checking acct covers Yuma Co offices.)	Acctg Tech	checking	\$132,500	589	150
SIERRA VISTA AREA/COCHISE (Checking acct covers Cochise Co offices.)	Acctg Tech	checking	\$451,239	1,099	144
SAFFORD AREA Safford (Graham Co) York (Greenlee Co)	Acctg Tech	banking			
FLORENCE AREA/PINAL (Central acctg covers Pinal Co offices.)	Acctg Tech	banking			
PRESCOTT AREA/YAVAPAI (Central acctg covers Yavapai Co offices.)	Acctg Tech	banking			
KINGMAN AREA/MOHAVE (Central acctg covers Mohave Co offices.) Parker (La Paz Co)	Acctg Tech Supv.	banking checking	\$24,000	18	50
FLAGSTAFF AREA/COCONINO (Checking acct covers Coconino Co offices. Offices dep. locally, Flagstaff draws check on account.)	Acctg Tech	Flagstaff Page/Wms Tuba City Fredonia	\$131,636 \$37,069 \$3,589 \$42,213	590 (est)	150 (est)
ST JOHNS AREA/NAVAJO (Apache Offices. Some acctg done at Area Office.)	Acctg Tech	banking			
Holbrook(Apache)	Acctg Tech	checking	\$48,633	230	78
TOTAL:			\$2,666,951	11,141	1,353
Interest Rate @4.25%:			\$113,345		
Phoenix Processed:				3,200	2,200

		REFUND PROCESS TIME	REFUND FTE	REENGINEERED REFUND PROCESS	TIME
1.	Sort	1min/ref turn: 1-5 days	0.03	1min/Area/day turn:.5 days	0.02
2.	Check Against Transmittal report; Enter in TARGATS Refund Screen; Look up Address if needed; Write batch # on refund;deliver to Acctg	5min/ref 3200 ref turn: 7 days	0.15	Area:Prepare transmittal w/ TRAN/amount & Revise refund form w/infor for customer. Elim check+address lookup. 4 min/ref	0.12
3.	Acctg Review for TRAN/amt (2 errors/mo)	1min/ref 3200 ref	0.03	Elim Specific Review. Need Authority for run. 15min/wk	0.01
4.	Sort checks;enter warrant# on doc; write form letter w/ explanation (eg:date,name,title#, VIN#,make of car, reason for refund); stuff envelope	8min/ref 3200 ref	0.24	Enter warrant # Pull refund slip for explanation Stuff envelope 3 min/ref	0.08
TOTAL FTE:			0.45		0.23
if 11,141 refunds:			need 2 FTE total add 1.5 FTE		need 1 FTE total add .8 FTE

Central T&R NSF Process

NSF PROCESS:		TOTAL FTE
1. Copy back of Check Inquiry account to verify amt regis/check Header sheet for each check Batch by county Sign onto county T&R Back out \$/Code Close batch Enter on Spreadsheet Send to Collections	2200 chks	0.5
2. Collections notifies by letter	2200 chks 5min/ck	0.1
Levies acct.	2200 chks 50% @ 4min	0.04
Processes chks Sends letters to taxpayer/bank as thankyou	@4 min	0.04
TOTAL:		0.68
If receive added 1353 checks:		need added .4 FTE

VEHICLE REGISTRATION RENEWAL PROCESS

Current Situation

The annual vehicle registration renewal process is simple and repetitive and represents two thirds of all transactions handled by Title Registration Offices distributed throughout the State. Although vehicle owners have the option of conducting this business by mail or in-person, the process does not require face-to-face contact. In either case, all renewal registrations are handled in Title and Registration field offices using the same process.

If a vehicle owner chooses to obtain a renewal in person, the owner would go to any Title and Registration (T & R) Office in the county in which his car is registered. These offices provide the following services: title changes, new titles, new registrations, renewal registrations, and some permitting.

Although car owners renew their registrations at offices throughout the month, they tend to go into the office during the last few days of the month. This leads to the formation of long lines, which creates bad will between the Motor Vehicle Division (MVD) and car owners and difficult working conditions for the MVD employees. This peak demand period also affects staffing levels in the field offices. In an attempt to understand why car owners would choose to wait in long lines at the end of the month as opposed to renewing by mail, a brief survey of 70 owners was conducted at the Tucson Regional office and the Prescott office.

The majority of the car owners (44.3%) stated that they renewed in person because they waited until the last minute and did not want to drive illegally with expired tabs. We asked them if they were aware that a postmark by the last day of the month is sufficient for registering on time and that there is a grace period which would allow them to drive with old tabs until they received their new tabs in the mail. All of these respondents were unaware of this policy and said that they would renew by mail if they had this grace period. The complete set of responses to the survey is shown in Exhibit 44, Renewal By Mail Comments.

Seventy-eight percent of all respondents would be willing to renew by mail, particularly after knowing that they could postmark the registration by the last day of the month and have a grace period until they received their tabs in the mail. Twenty-two percent of the respondents said that

they did not want to renew by mail or could not for some special reason (see shaded entries in Exhibit 44, Renewal By Mail Comments).

Car owners who choose to renew by mail, send their registration materials and check in the pre-addressed envelope provided by the MVD. The addresses printed on these envelopes are the main offices in each county of the State -- not a central processing unit.

The registrations are either processed in each main county office or are sent to the various field offices within the county to be processed by clerks in between walk-ins. These main county offices used to be the county seat offices when vehicle registrations were administered by the counties (except for Maricopa, Gila, and Santa Cruz Counties, which are still administered by these counties).

Whether or not a person chooses to renew by mail or in person, the process remains the same. The process is described below:

- The Title and Registration (T & R) database generates a two-part form that shows the registration fees, the Vehicle Identification Number (VIN), and the plate number for each vehicle which must be registered in a given month
- The registration forms are mailed out to car owners at the beginning of the month in which the vehicle registration expires
- The car owners have their cars tested for emission levels if they are registering in Tucson
- A MVD Ops. Clerk II reviews the registration materials for the following requirements:
 - The postmark date on the envelope is on or before the registration expiration date. Otherwise, the car owner is assessed a penalty
 - The emission card shows that the car passed the emissions test and the VIN on the emission card matches the VIN on the registration form for Tucson car owners (Maricopa County is the other region of the State

where emissions tests must be performed; Maricopa County handles all of these registration transactions)

- The insurance card is the correct size and configuration and the VIN on the card matches the VIN on the registration form
- The registration form is signed by the registered owner on the line stating that the car is insured
- The check is made out correctly or the dollars provided at the office are correct
- If anything is missing or incorrect, the clerk fills out a form indicating what the problem is and mails it along with the registration materials back to the registered owner. Or, the clerk explains the problem to the car owner if the registration is done in person
- The clerk takes out a tab, logs it, and writes the tab number on the registration form
- The clerk updates the record on the T & R database by calling up the record on the database using the plate number, entering the tab number, verifying the amount paid, and hitting the enter key. This automatically changes the expiration date to the next year
- The clerk validates the registration form, rips the top off of the registration form, staples the tab to the top portion of the form and mails or hands it to the registered owner
- At the end of the day the clerk runs a tape of the checks and cash and reconciles this total with the totals from the validation machine and T & R database. Then the deposit is prepared.

Impact

By processing all registration renewals in the field, the MVD is not taking advantage of the efficiencies which could be gained by processing these transactions centrally. Field processing, whether in person or by mail, requires additional staffing in each office due to the need to provide service in many different offices which may or may not precisely fit the demand in each area. In addition, the distribution of mail-in renewals from the main county offices to field offices throughout the State increases the turnaround time. Finally, distributed as opposed to central processing does not allow the MVD to take advantage of automated equipment which can improve the efficiency of processing such transactions.

Recommendations

We recommend developing a registration renewal process which provides incentives for car owners to mail in their renewals as opposed to renewing in person. Emphasis should be placed on making sure that car owners understand that they have a grace period if they postmark their renewals by the last day of the month. In addition, bins should be placed at each facility so that people can deposit their renewals in the bin if they choose to avoid the postage charge. Finally, the MVD should consider imposing a significant processing fee for people who choose to register in-person unless they fall into certain exception categories (e.g. they did not receive their notice in the mail and they need to sign in front of a notary or the MVD clerk for disability plates).

We recommend that all mail-in registrations be processed centrally and take advantage of the efficiencies which can be gained by using the Optical Character Reader (OCR) machine in the Driver License Renew By Mail Unit, which has sufficient excess capacity to handle all registration renewals. The new process would be as follows:

- The registration form would be bar coded with the license plate number, the amount to be remitted, and the new expiration date. The amount due would be broken out by TRAN code for the \$1.00 operating fee, the dollars to be distributed to the counties, and other fees to be broken down as necessary. This would allow the Receipt Control Unit to use the print-out from this machine as a transmittal for entering information into TARGATS. In addition, the form would be labelled with a symbol if an emissions test is required. This would enable the MVD Ops. Clerks to tell very readily that an emissions test coupon is required

- This form would be mailed out to car owners as is done currently
- The central processing unit would check for proper documentation and postmark date as is done now. In addition, the clerks would sort out those forms and checks which could be run through the OCR machine with no personnel intervention from those that are physically damaged enough to require input by hand
- The clerks would process the forms through the OCR machine or by hand as necessary for rejects. This process would enable the machine to read the license plate number on the bar code and update the record with the amount paid and new expiration date
- The clerk would unload the OCR machine, pull off the top sheet of the registration form, place it in an envelope along with a tab and place it in mail trays to be sent to the mail room for delivery
- The print out from the OCR machine can be used as the transmittal sheet so no additional tapes would need to be run. The tabs would be treated like cash, thus they would be counted and reconciled against the OCR printout each day.

Since the expiration date update and tab number both reflect an updated and paid transaction, the tab number on the record is not necessary. Law enforcement and T & R personnel can detect a problem with stolen or switched tabs by calling up the plate number on the system and checking the expiration date on the tab against the expiration date on the record. As long as the expiration date field is adequately protected, discussions with DPS officers indicate that the expiration date would be adequate. The state of Wisconsin has eliminated the placement of the tab numbers on the vehicle record.

Since the tabs are to be treated like cash, this operation should be housed within a secured room within the MVD building.

Benefits

In order to quantify the benefits of this change, we calculated the field staff required to complete all non-renewal registration transactions and then subtracted this number from the existing staffing level. Thus, we completed a zero-based staffing analysis with the removal of registration renewals. Then we added back the required staff to complete the renewals centrally using the new automated process. The staff required to complete the new process is shown in Exhibit 45, Proposed Central Staffing.

To conduct the zero-based analysis, we obtained statistics and time estimates from the T & R personnel. We obtained the following information for each office:

- The total number of 'public service transactions' (refers to title transactions and permits) per office
- The number of different types of public service transactions and their frequency of occurrence
- The time required to complete each type of transaction
- The total number of Level I inspections
- Time required for Level I inspections.

By multiplying the time requirement by the frequency of occurrence by the total number of 'public service transactions' in each office, we were able to estimate the number of clerks required to complete the 'public service transactions.' Added to this is the time requirement for completing all Level I inspections. We then took this number rounded to the nearest whole FTE and applied cash handling time per day based on this FTE, considering cash handling sessions both with problems and without problems. We applied the cash handling time to the original FTE count, including fractions, and then rounded up as necessary. Finally, we subtracted this amount from the original staffing level to assess savings (see Exhibit 46, Renewal by Mail-Savings Summary). Appendix A, "Transactions Processing" shows the zero-based analysis for each office.

We tested this analysis in the field by finding an office that dedicates specific clerks to public service transactions only. Their staffing level and ours for the public service transactions matched.

In the original staffing level we did not include those FTE that are involved with accounting, communications, QC/terminal operations, and commercial services. In addition, we did not count the number of FTE who could be identified as working 100% of their time on vehicle inspections or renewal by mail. The original staffing levels were obtained by reviewing each office with the Program Managers in the north and south zones (see Exhibit 47, Title and Registration FTE by Function).

We calculated total savings by taking savings calculated above for each office plus savings for FTE dedicated to renewal by mail in each office less FTE costs for the new process (see Exhibit 46, Renewal by Mail-Savings Summary). The total savings is \$1,286,949 and 58 FTE.

An additional benefit of this recommendation is that the queuing in each office will be more even since the end-of-the-month rush will be eliminated. This should improve the MVD's ability to serve the public and should "dehassle" the workplace for the MVD employees.

Control of the tabs will improve since the majority of tabs issued by the State will be housed in one secured room within the MVD building and handled by a much smaller group of people. The only remaining tabs to be issued in the field are those issued by the commercial group for new cars and title transfers which occur within the month that the tab expires.

Implementation

The registration form layout and printing need to be revised to enable the OCR reader to function.

The OCR machine will require some programming, as will the T & R database system, so that information will be captured appropriately and downloaded from the OCR machine into the T & R system.

Public relations pieces will need to be developed to communicate effectively with the public with respect to the changes proposed.

Renewal By Mail Comments

Why they renewed in person:	Freq.	Percent
Waited until the last moment Would be willing to renew by mail with grace period until receive tabs (do not want to get stopped) (did not have enough money) (want to hold on to money) (just let the time slip by)	31	44.3%
MI trouble (e.g.instructions on envelope did not include insurance requirement) – would be willing to renew by mail if MI went smoothly	7	10.0%
Did not know renewal by mail was possible (would renew by mail now that know it can be done)	5	7.1%
Had trouble with emissions – car in shop Would be willing to renew by mail with grace period until receive tabs – if postmark by deadline	5	7.1%
Likes to take care of at office after emmision is checked	4	5.7%
Thought going in person is easier – but renewal by mail is fine	3	4.3%
Would normally renew by mail but due to travel schedule, will not be around	3	4.3%
Did not recieve any notice, otherwise would renew by mail	2	2.9%
Widow exemptions/low income, cannot do by mail	2	2.9%
No reason – would be willing to renew by mail	2	2.9%
Was not sure what paperwork was necessary	1	1.4%
Never tried renewal by mail but would be willing to try	1	1.4%

Renewal By Mail Comments

Why they renewed in person:	Freq.	Percent
Need to sign in front of notary or agent to receive disability plates	1	1.4%
Vehicle broken – just got running, otherwise would renew by mail	1	1.4%
Does not want to do by mail because concerned that things would get lost	1	1.4%
Pays for things in cash	1	1.4%
		44.3%
		10.0%
		7.1%
		7.1%
		4.3%
		2.9%
		1.4%
		1.4%
Total		78.5%
		5.7%
		4.3%
		2.9%
		2.9%
		1.4%
		1.4%
		1.4%
		1.4%
Total		21.4%

Proposed Central Staffing

Total T&R Renewals Annually:	Based on 1991	1,221,574
<u>OCR Technology Processing:</u>		<u>Hours</u>
1 Load Mail Slitter: Unload Envelopes (Slitter - with contents detector & partial extractor)	@450/mail tray =2715 mail trays @1 min/tray	45
2 Remove & Check Contents & Sort . Payment . Emissions/Reg VIN # . Insurance	@10 sec/envelope	3,393
3 Processing Rejects: . Check Notification Box . Put in Window Envelope . Place in Mail Tray	@20% reject rate 1 min/reject	4,072
4 Cash Handling . Receipt Cash	@1% @30 sec	98
5 Load OCR	1 hour/day startup & closeout 70% processed automatically approx 3200/day est: 15 min/day	260 100
6 Unload OCR/To Mailroom	est: 30 min/day	125
6a Stuff Tab w/regist.	est:600/hr	2,036
7 Operator Assisted	10% incl machine rejects @2 min/doc	3,665
8 Prepares Deposit	@.5 hours/day	125
Total Hours:		13,919
Cost:		
FTE @ 1,800/FTE		7.7
Salary (Grade 9 - \$16,062; 28%ERE)		\$158,983

2-5-92/trr/sw

Renewal by mail – Savings Summary

County	Savings	FTE/loss	FTE/add Fractions
Apache	26,616	1	1.32
Cochise	158,314	7	3.00
Coconino	67,848	3	2.10
Graham	22,616	1	0.23
Greenlee	22,616	1	0.66
LaPaz	0	0	0.96
Mohave	67,848	3	1.79
Navajo	67,848	3	1.15
Pima	474,942	21	1.85
Pinal	165,099	7	4.23
Yavapai	90,465	4	1.69
Yuma	90,465	4	0.88
Total	1,254,677	55.0	19.86
Full time Renewal by mail	179,078	10.0	
Accounting Tech	17,669	1	
OCR Process	(164,475)	(8.0)	
Total Savings	1,286,949	58.0	

Title and Registration FTE By Function

Exhibit 47

Office/Rte	# Service Windows	Public Service Counter FTE	Lead FTE	Vehicle Inspect FTE	Pure Renewal By Mail FTE	Comm Svcs FTE	Cashier/ Acctg FTE	QC/ Term FTE	Commun FTE	Supv FTE	Area Mgr/ Admin FTE	Total FTE
TUCSON AREA/PIMA COUNTY												
Tuc Reg/	20	Staff: 15		4	5	18	3	2	6		8	61
Hdqtrs		Supv: 4			1	4	2	1	1		4	17
Green Valley	2	2										2
DMAFB	3	2								1		3
Tucson E(Sar)	10	8		1				1		1		11
Tucson N(Nin)	8	6		1				1		1	1	10
YUMA AREA/YUMA COUNTY												
Yuma	7	7		1	1	2	1	1		1	1	15
Ajo	1	1										1
Yuma Branch	4	4								1		5
SIERRA VISTA AREA/COCHISE COUNTY												
Sierra Vista	4	4				1	1	1		1	1	9
Ft Huachuca	4	3								1		4
Douglas	2	2										2
Bisbee	1	1										1
Benson	1	1.9				0.1						2
SAFFORD AREA/Graham.Greenlee.Cochise Counties												
Safford	4	2					1			1	1	5
York	2	2										2
Willcox	1	1.95				0.05						2
FLORENCE AREA/PINAL COUNTY												
Florence	3	3				1	1	1		1	1	8
Casa Grande	4	3.3				0.7				1		5
Apache Jnct	5	4				1				1		6
Superior	1	1										1
Kearny	1	1										1
San Manuel	2	2										2
Coolidge	3	2								1		3

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Title and Registration FTE By Function

Office/Rte	# Service Windows	Public Service Counter FTE	Lead FTE	Vehicle Inspect FTE	Pure Renewal By Mail FTE	Comm Svcs FTE	Cashier/ Acctg FTE	QC/ Term FTE	Commun FTE	Supv FTE	Area Mgr/ Admin FTE	Total FTE
PRESCOTT AREA/YAVAPAI COUNTY												
Prescott	7	6	2		1.5	2	1		0.5		1	14
Sedona	2	2										2
Clarkdale	3	2.75								0.25		3
KINGMAN AREA/MOHAVE COUNTY (Parker-LaPaz Co)												
Kingman	4	3		0.5	1	1	1		0.5	1	1	9
Colorado City	1	0.5										0.5
Bullhead City	5	5							0.5	1		6.5
Parker	3	2.5					0.2		0.1	0.2		3
Lake Havasu	4	2.5				0.5				1		4
FLAGSTAFF AREA/COCONINO COUNTY												
Flagstaff	6	4	1		1	1.5	1		0.5	1	1	11
Page	2	2										2
Williams	1	0.5										0.5
Tuba City	1	1										1
Fredonia	1	0.5										0.5
ST JOHNS AREA/Navajo,Apache Counties												
St John's	3	2.6					1			0.4	1	5
Holbrook	3	3				0.5			0.5	1		5
ShowLow	4	2	1									3
Winslow	3	1	1									2
Kayenta Rte		0.2										0.2
St Johns												0
Chinle	2	1.8										1.8
TOTAL:	148	126	5	7.5	10.5	33.35	13.2	8	9.6	17.85	21	252

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DRIVER LICENSE RENEWAL BY MAIL

Current Situation

Arizona driver licensees can renew their licenses by mail if they:

- Have been licensed for seven years, the most recent three years in Arizona
- Are 69 or younger
- Are renewing the same class of license
- Have not let their current license expire
- Have had no convictions for minor moving traffic violations within two years and no convictions for major moving traffic violations or suspensions, revocations or denials within four years, AND
- Have not renewed by mail in the previous renewal period.

In 1991, 159,562 driver license renewal by mail "invitations" were issued. Of this total, only 69,813 were processed by the Renewal By Mail Unit. In addition, 34,568 invitations were returned with no forwarding address. The remaining 55,181 invitations were either renewed at a Driver License Office or not renewed.

In an attempt to identify the reasons why only 43.7% renewed by mail, the following major hypotheses were formulated:

- The Driver License invitations are mailed five months in advance of the expiration date of the license; therefore, unless a person sends the renewal in quickly, the paperwork may be misplaced
- Though the renewal invitation is sent five months prior to the expiration date, the renewal must be postmarked no less than 30 days prior to the expiration date. Once again, if the

licensee waits until the "last minute" to renew and has failed to previously note the 30 day limit, they may lose their opportunity to renew by mail

- The licensee may not have received an invitation due to an address change that was not reported. No tape match is made on the driver license database to improve the accuracy of licensee records prior to invitations being mailed. Further, though a licensee is required to notify the Department of an address change, a proactive marketing effort to capture address changes is not done
- The licensee may have become disqualified due to a traffic violation or did not meet other qualifications described above after the invitation was mailed.

In order to test the hypotheses, a survey was conducted in the Tucson Regional and Prescott Offices. Customers were asked the following questions relative to Renewal By Mail issues:

- What month was your renewal received in the mail?
- What month does your license expire?
- Why are you coming in to the Office as opposed to renewing by mail?

Of the 47 customers surveyed, no one had received an invitation to renew by mail due to an existing traffic violation or previous renewal by mail. Due to the number of qualifications cited previously, a small portion of the total driver license transactions which occur can be renewed by mail. Thus, in surveying at Driver License Offices, we did not intercept any drivers who actually received an invitation. Thus, we were unable to test our hypotheses.

For those that submit a renewal by mail, the renewal is handled centrally by four FTE, using an Optical Character Reader (OCR). Though automated, the process is hampered for the following reasons:

- The OCR reader is pre-programmed to read \$7 payments only. 10% of the renewals cover multiple licenses and must be manually processed
- All renewals are microfilmed either during the OCR reading process or after the manual process. If manually processed, the Renewal By Mail Unit subsequently updates the

driver's record with a film reference number. Regardless, microfilm is not used for research purposes since the Unit does not have a microfilm reader/printer on site. Instead, renewals are sorted, processed and filed by expiration month for future reference

- The deposit for the checks read by the OCR takes three hours to complete. Though the OCR reader compiles the total amount of the checks and prints a tape, the staff also runs a tape of the activity using a calculator and manually prepares a transmittal
- The Driver License Program organizationally has a Communications Unit that handles incoming phone calls. However, the Renewal By Mail Unit handles approximately 122 calls daily related to renewals and address changes
- Each renewal returned due to a bad address is opened for the purpose of removing and reusing the return envelope and renewal pamphlet. Returned mail "counts" are also logged.

Impact

Since the majority of potential renewals by mail are not processed centrally, it is recognized that a less efficient field office process is being used. However, at this time we are unable to quantify the number of licensees who could utilize the renewal by mail process who are not currently doing so. Additionally, we are unable to quantify the number of people that could renew by mail if a current address was available.

In 1991, 1.2 FTE handled the renewal process. Within the process, .2 FTE was spent on unnecessary sorting of renewals by month, a cumbersome deposit process and handling returned mail. An additional 2.8 FTE were utilized to handle phone calls (see Exhibit 48, Driver License Renewal Processing Time).

Recommendations

We recommend that the Driver License Program identify the reasons the Renewal by Mail Program is not more widely used. Customer surveys should continue. Probably the most effective way to survey in the future would be to telephone people from the sample of those who received an invitation. Monitoring of renewal by mail transactions is necessary so that field personnel can be shifted to handle central processing as renewals increase.

Tape matches with the Title and Registration database and others (e.g. Post Office, purchased mailing lists) should be utilized to minimize returned mail. Again, monitoring of central processing is necessary to shift staff from field operations to the central office if renewals by mail increase.

We further recommend that the renewal by mail process be streamlined to exclude processing by month to provide subsequent manual research of documents. Since documents are currently microfilmed, the addition of a microfilm reader-printer would replace the referral to hard copy documentation. Recalculating deposit information generated by the OCR and preparing a transmittal should be eliminated. Receipt Control should be provided the OCR information without further intervention. The ADOT Mail Room should cease delivery of returned mail that is purged for generic forms and envelopes.

Finally, all phone service should be centralized in the Communications Unit, which has been established to handle general Driver License customer inquiry.

Benefits

Of the 1.2 FTE devoted to processing, .2 FTE can be saved by streamlining the renewal by mail process. The cost of a microfilm reader-printer is approximately \$4,000. Therefore, the payback is one year. However, no FTE savings will result from this point because of the FTE being fractional.

The remaining 2.8 FTE devoted to customer phone service will be consolidated within the Communications Unit, correctly aligning the strategic mission. Until the Communications Unit is analyzed, the .2 FTE savings may not be realized due to the presence of a .8 fractional FTE. If additional FTE savings cannot be generated within the Communications Unit, we would recommend that one FTE remain in Renewal by Mail and three FTE be transferred to the Communications Unit.

Analysis and monitoring of the invitations to renew by mail will provide a maximized use of resources centrally and will provide the public with the most efficient way to obtain a renewed license.

An additional benefit of these changes is that the work process will be "dehassled."

Implementation

Implementation of the streamlined process can occur immediately.

Analysis of renewals not handled centrally by mail will require programming effort, including tape matches for address corrections.

Driver License Renewal Processing Time

Exhibit 48

	90 Total Time (hours)	91 Total Time (hours)	POINT DATA Breakdown	Less	Net
Open/sort renewals	697	260		48	212
. signature on check					
. amount on check			Read Check:		
. check included			Proc: 10 sec/return		
. address change			Ck: 1 second:		
. form readable by OCR			87250 (91)=		
. incomplete app			24 hrs/yr		
. 40 min/day/person (90)			sort/mo 24 hrs/yr		
. 15 min/day/person (91)					
Return app w/explanation	2560	872		0	872
. 25 returns/hour					
. incl terminal notation					
(Processed+25%Reject):					
. 25% of 256,000 (90)					
. 25% of 87,250 (91)					
Manual proc.(incl OCR rejects)	320	116		0	116
. 2 min/reject					
. 5% of 192,100 (90)					
. 5% of 69,800 (91)					
Load/run OCR machine	216	216		0	216
. 6x/month					
. 3 hours/run					
Deposit from OCR	216	216	1211checks/run	180	36
. 6x/month			.5hrdeposit/run		
. 3 hours/run			=36 hrs total		
Deposits-Manual Proc	104	104		0	104
. Each person 1x/wk					
. 1/2 hr/person					
Phone Traffic	2371	5075		5075	0
. 3 min talk time					
. 7 min followup					
. 57 calls/day (90)					
. 122 calls/day (91)					
Microfilm	532	226		0	226
. Sort 1 hr/week					
. Enter film# on System					
takes 3 min					
. 9600/year (90) 5%					
. 3490/year (91)					
Returned Mail	133	69		69	0
. count					
. pull contents-500/tray					
. 1 hour/tray					
. 66,400 (90)					
. 34,600 (91)					
Pull NDRs	39	39		0	39
. 45 min/wk					
	7188	7193		5372	1821

TITLE AND REGISTRATION AND DRIVER LICENSE FIELD OPERATIONS

Current Situation

Title and Registration and Driver License functions are administered by two different programs within the Motor Vehicle Division (MVD). Each of these programs has field office operations. The Driver License Program operates seventy-five offices and routes throughout the State. The Title and Registration Program operates forty-one offices and routes in all counties of the State except Maricopa, Gila, and Santa Cruz. Route services use buildings or rooms in buildings on a part-time basis.

Thirty-four cities have both Title and Registration and Driver License functions. In twenty-one cities, both programs are housed in the same building. Although these programs are in close proximity physically, they have separate line personnel, supervisory staff, and support staff. The management layers are not consistent within each program or between programs. Exhibit 49, Title and Registration Present, and Exhibit 50, Driver License Present, show the present management structure for each program.

Both programs provide vehicle related licensing functions to the general public. Within each program many transactions are simple and routine while others are more complex, requiring more extensive knowledge of the systems and rules governing each area. Both programs require good customer service skills, knowledge of rules governing vehicle licensing functions and knowledge of the computer systems involved. Currently, one office in the State contains a person who is cross-trained to perform both functions.

The line personnel for the Title and Registration Program are grade 11s and require three months of training, while the line personnel for the Driver License Program are grade 14s and require only one month of training. Due to the difference in pay grades, Title and Registration line personnel move into the Driver License Program.

When customers enter a building that has both programs, they must go to the appropriate side of the building based on the service they are requesting. As we visited offices in the State, we could see that the lines can become very uneven between the two programs.

When Title and Registration clerks have idle time between customers, they process registration renewals which were sent in by mail. This activity will no longer be necessary when mailed registration renewals are processed centrally in Phoenix (see Recommendation entitled "Vehicle Registration Renewal Process").

When Driver License clerks have idle time they perform a quality control review of the work completed so far that day, or sit and wait for customers to enter the building. Clerks will no longer check their work after the fact, but will check their work as they go -- so this activity will not continue (see Recommendation entitled "Driver License Application and Issuance").

Impact

Separation of the two programs leads to inefficient use of line personnel and duplication of managerial staff. In addition, it has a negative impact on customer service.

- Line staff are not serving customers at all times because they are restricted to working only one program. At any particular time, one set of line staff may have no customers and be idle while the other set of line staff may be trying to serve a large group. This inefficiency will be exaggerated after the "Vehicle Registration Renewal Process" and "Driver License Application and Issuance" recommendations are implemented
- A separate set of managerial staff is required to manage each program throughout the State. If both programs are considered together, the ratio of Leads/Officer-in-Charge/Supervisors to line staff is 1:5 and the ratio of Area Supervisors/Area Managers/Zone or Program Managers to Leads/Officer-in-Charge/Supervisors is 1:2
- Customer service decreases when one program is very busy while the other program is not busy. As we talked to and watched customers we could see that they become concerned and often upset when a long line forms on one side of the building and people going to the other side of the building move through quickly. This situation does not occur consistently for one program or the other, but is random and generally peaks at the end of each month for the Title and Registration Program
- Due to the difference in pay grades between the two programs, the Title and Registration Program experiences turnover as line personnel move over to the Driver License Program.

Recommendations

We recommend merging the Title and Registration and Driver License field operations. Each clerk would be trained to deliver services provided by both programs. Thus, for any MVD Office, customers

could walk in, go to any available window and be served, regardless of the type of licensing or title service they may need. The Enterprise Systems Development group in the MVD conducted a survey of the MVD operations and has determined that many jurisdictions have this type of full service Title and Registration and Driver License operation. In particular, we know that in the U.S., New Jersey, Vermont, and Wyoming and in Canada, Alberta, and New Brunswick operate in this manner.

The following changes will facilitate and enhance the ADOT Motor Vehicle Division's ability to provide full service offices:

- Training each clerk to provide all services and establish Grade 14 as the standard for window clerks
- Creating one supervisory/managerial structure which is consistent throughout the State. The proposed organizational layering is shown in Exhibit 51, Driver License and Title and Registration Proposed. In addition, the proposed supervisory/managerial regions in the State are shown in Exhibit 52, Supervisory and Managerial Regions. The supervisors would either supervise a large office or a group of small offices. The area manager would supervise one of three regions of the State. This would result in a 1:8 span of control for all layers in the field organization. The specific reporting structure for all offices is shown in Exhibit 53, Proposed and Present Staffing. The new organizational layers were built up based on existing Driver License clerks and a reduced number of Title and Registration clerks (see Recommendation, "Vehicle Registration Renewal Process")
- Installing multi-session/smart terminals which enable clerks to switch very quickly between the Title and Registration and Driver License databases. These terminals would also enable clerks to enter all payments into a program that would provide a transmittal for all types of transactions at the end of the day, against which clerks would cash-out. In addition, the data from each clerk's transmittal can be rolled up electronically into one transmittal that can be sent in to Phoenix for the purpose of reconciling with the bank transmittal from the concentrated banking system and updating TARGATS (the MVD accounting system). Future systems should enable this payment update to be made in the field as each transaction is completed. Reconciliation time savings from this terminal is described in Recommendations entitled "Driver License Cash Receipts" and "Title and Registration Cash Receipts"

- Configuring all offices so the clerk at each window completes the entire transaction with each customer, except picture-taking. This is the current process at all Title and Registration Offices and at some of the Driver License Offices. Some Driver License Offices will require additional eye machines
- Creating a small technical support group in the Phoenix Office to answer questions which arise in the field for the more difficult or complex transactions and for policy and procedure questions. The sole purpose of this group would be to serve the field operations.

Benefits

By combining functions of the two programs and using fractional FTE kept but not needed for the Title and Registration Program from the Recommendation entitled, "Vehicle Registration Renewal Process," we were able to create 13 new full-time full service offices without adding any additional FTE. These include, Florence, Kearney, Superior, San Manuel, Davis Montham AFB, Ft. Huachuca, Benson, Bisbee, Wilcox, St. Johns, Holbrook, Winslow, and Page. We recommend closing the Coolidge facility due to its proximity to Florence.

This recommendation will result in a savings of 46 FTE, cost savings of \$713,852 and reduced layering in the organization-from six layers in the Title and Registration and five layers in the Driver License to only four layers. Thus the span of control will be increased from 1:5 and 1:2 to 1:8 for all layers. Exhibit 53, Proposed and Present Staffing shows the FTE and cost calculations for the present and proposed structure. The FTE reduction includes reduced administrative staff appropriate for the reduced managerial staff.

The time which supervisors and managers can spend on supervisory duties will also increase by moving their facility planning and maintenance activities to a centralized facility group in the Administrative Services Division (see Recommendation entitled "Management of the MVD Facilities"). Currently, 10 to 20% of supervisor and managerial time is spent dealing with facilities issues.

Implementation

This recommendation should be implemented in coordination with the registration renewal recommendation, since the line staff was defined based on the reduced staff from the Recommendation

entitled, "Vehicle Registration Renewal Process." Initial steps should include developing and beginning the training process.

The computer terminals installed should be compatible with Enterprise Program goals, but prototype implementation sites can use the existing Title and Registration terminals and Driver License smart terminals. Eye machines will also need to be purchased for some offices to allow for the complete servicing of customers at one window.

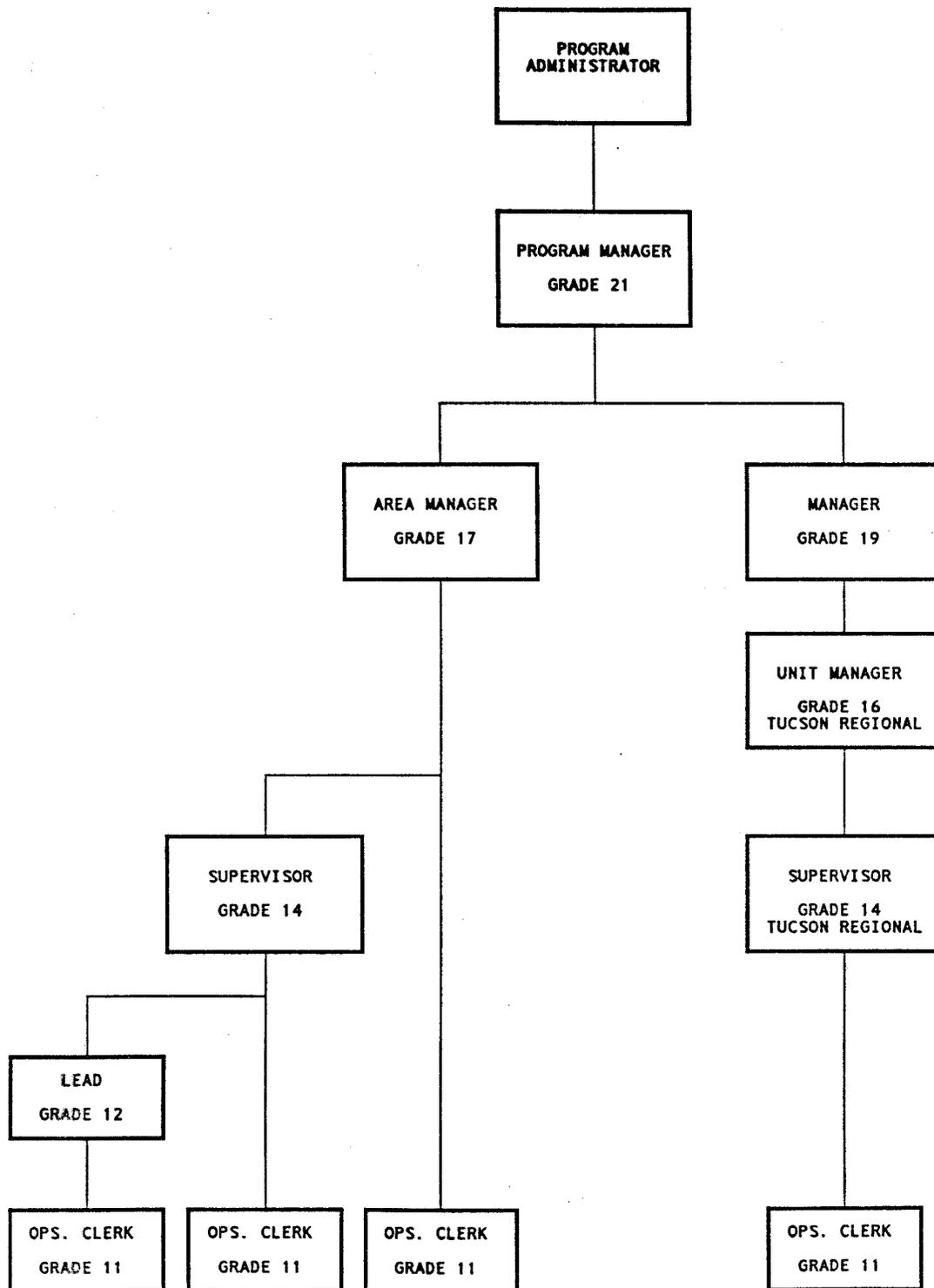
Computer programming will be required to hook up the terminals and allow for a quick switch option between the two databases. In addition, a program now currently resident on the smart terminals in some Driver License Offices will need to be modified or rewritten to provide a comprehensive and easy means of recording the cash taken in for each type of transaction. In addition, the TRAN codes will be added to the program to facilitate the movement of payment information to the MVD accounting system (TARGATS). The MVD ISG group will need to be involved in this project both from a programming as well as a system support standpoint.

The estimated cost of implementation is \$761,000. Many steps can be taken that should enable the implementation to be carried out on a "pay-as-you-go-basis" (see Exhibit 54, Title and Registration and Driver License Program Implementation Costs).

TITLE AND REGISTRATION

PRESENT

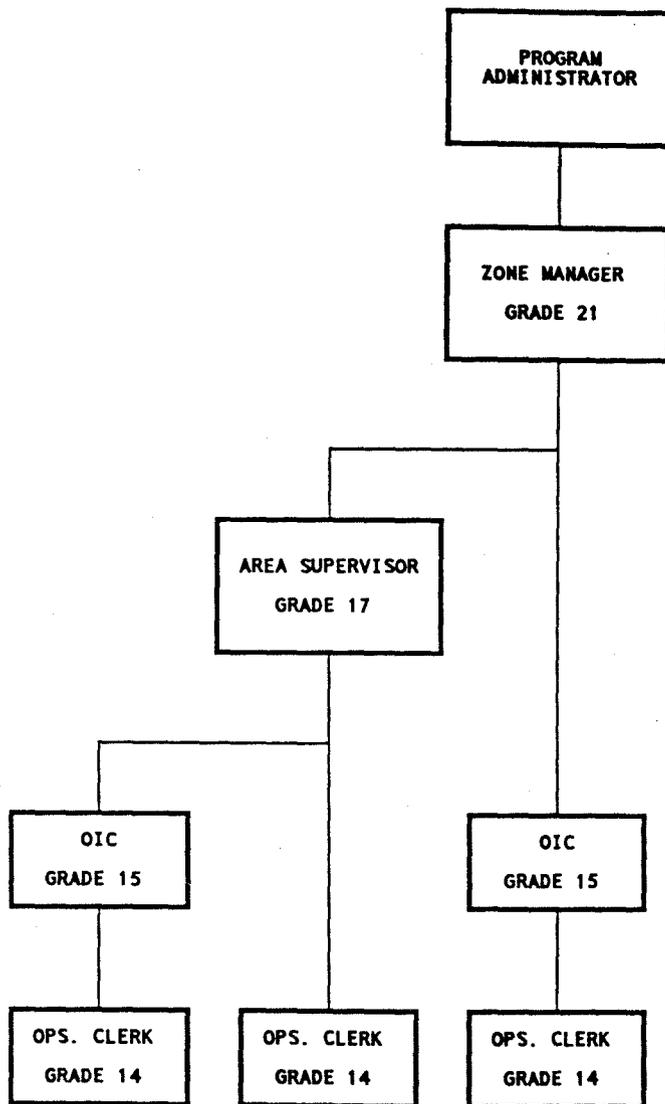
(6 LAYERS)



DRIVER LICENSE

PRESENT

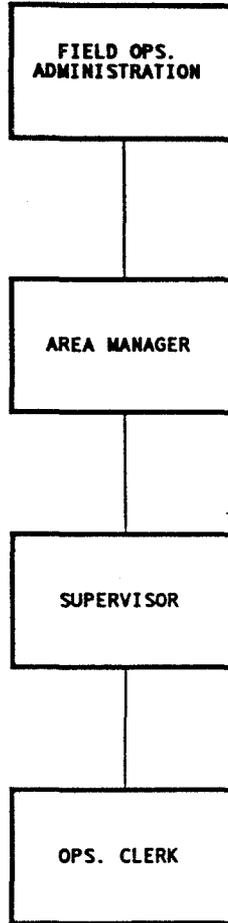
(5 LAYERS)



DRIVER LICENSE AND TITLE AND REGISTRATION

PROPOSED

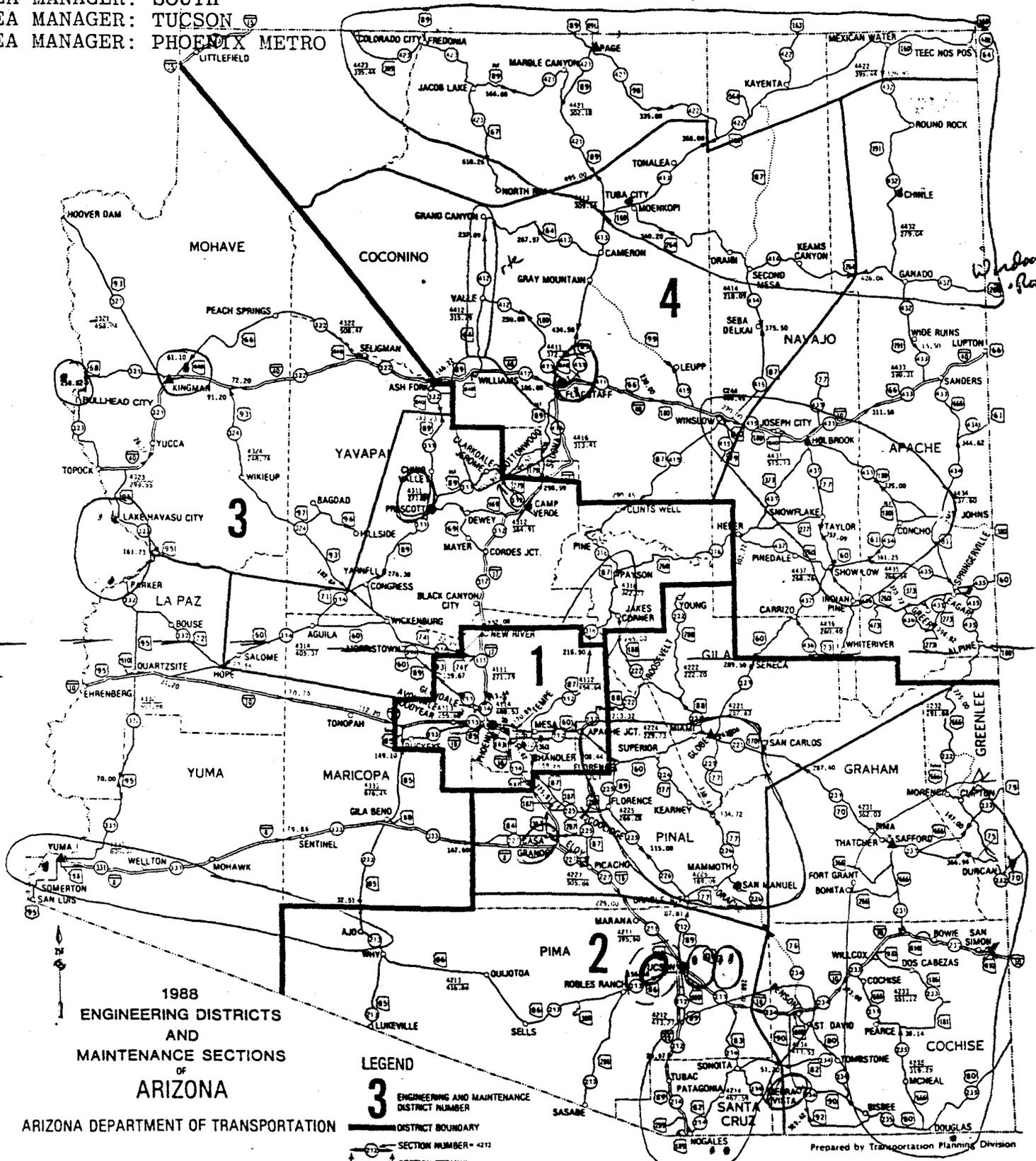
(4 LAYERS)



SUPERVISORIAL AND MANAGERIAL REGIONS

Exhibit 52

AREA MANAGER: NORTH
 AREA MANAGER: SOUTH
 AREA MANAGER: TUCSON
 AREA MANAGER: PHOENIX METRO



1988
 ENGINEERING DISTRICTS
 AND
 MAINTENANCE SECTIONS
 OF
 ARIZONA

ARIZONA DEPARTMENT OF TRANSPORTATION

- LEGEND**
- 3** ENGINEERING AND MAINTENANCE DISTRICT NUMBER
 - DISTRICT BOUNDARY
 - 4212 SECTION NUMBER - 4212
 - SECTION TERMINI
 - 70.00 MILE POST NUMBER
 - 4214 406 Number Lane Miles
 - APPROVED ALIGNMENT
 - ▲ AREA OFFICE



Prepared by Transportation Planning Division

PORT OF ENTRY
 DRIVER LICENSE
 TITLE & REGISTRATION STATE
 TITLE & REGISTRATION COUNTY

DOT - 168

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,847	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669

Casa Grande	6	1		3	3			1					1	
Apache Junction	4			3	1			1						
Florence (Eliminate Coolidge 9 miles from Florence)	2	2		2	0			1		1				
San Manuel	1			1										
Kearney/Superior Rte.	1			2										
Globe (DL only)	2				2									

As is:
 Coolidge T&R only
 Florence T&R only
 Kearney T&R only
 Superior T&R only
 San Manuel T&R+DL rte

To Be:
 Coolidge Deleted
 Florence T&R+DL 5 days
 Kearney T&R+DL 3 days
 Superior T&R+DL 2 days
 San Manuel T&R+DL 5 days

DOT - 169

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisory/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,258	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669
Tucson E	10	1		5	5			1					1	1
DMAFB	1			1				1						
As is:														
DMAFB T&R + DL rte														
To Be														
DMAFB T&R + DL														
Tucson Court DL only	1													
Tucson N	10	1	1	5	5			1		1			1	
Sierra Vista	6	1		4	2			1		1			1	1

DOT - 170

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisory/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669

Green Valley	2			1	1									
Nogales (DL only)	2				2									
Ft. Huachuca	1	1		1			1							
Benson	1			1	0									

As is:

Ft. Huachuca T&R only
Benson T&R + DL rte

To Be:

Ft. Huachuca T&R + DL
Benson T&R + DL 5 days

Based on T&R buffer and
DL route personnel

DOT - 171

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process													
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff									OIC DL 15	supv. DL 17	zone mgr DL 21
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21						
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804			
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669			
Bisbee	1			1	0.5												
Wilcox	1	1		1													
Douglas	2			1	0.5												
Safford	3			1	2		1		1								
York (close)	0			1													
As is:																	
Bisbee T&R + DL rte																	
Wilcox T&R + DL rte																	
York T&R only																	
Clifton DL rte																	
To Be:																	
Bisbee T&R + DL 5 days																	
Wilcox T&R + DL 5 days																	
York+Clifton => Safford																	
Yuma (Did not have branch state)	11	2		7	4		2		1			1	1				
Ajo	1			1													

DOT - 172

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669
Tucson/public svc*	17	2	1	5	12		3	1		1	1	1	1	1
Tucson/non public svc*	34	4		34			7	3						
St. Johns	1			1			1		1					
Holbrook	3	1		2	1		1					1		
Showlow	2			1	1	1						1		
Winslow	1			1		1								
As is:														
St. Johns T&R + DL rte														
Holbrook T&R + DL rte														
Winslow T&R only														
Springerville DL at port														
To Be:														
St. Johns T&R+DL 5 days														
Holbrook T&R+DL 5 days														
Winslow T&R+DL 5 days														
Springerville=>St. Johns														

DOT - 173

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisory/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + FFE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Prescott	10	1		7	3	2	1		1		1	1		1
Flagstaff	11	1	1	4	7	1	1		1				1	
Sedona	2	1		1	1									
Clarkdale	3			2	1		1							
Williams/Gr. Canyon Rte	1			0.5										

As is:

Clarkdale T&R only
Camp Verde DL only

To Be:

Clarkdale T&R + DL
Camp Verde => Clarkdale

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process												
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff									OIC	supv.
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	DL 15	DL 17	DL 21		
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804		
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669		

Colorado City/Fredonia	1			1	1 port									
Page	1			1										
Tuba City/Kykotsmovi	2	1												
Chinlee	1.6			0.8	1									
Kayenta Rte	0.4			0.2										
TecNosPos/port staff	1 port				1 port									
Window Rock/port staff	1 port				1 port									

As Is:

Colorado City T&R rte
 Fredonia T&R/rte DL/port
 Page T&R and DL at ports

To Be:

Col. City/Fredonia Rte
 Page T&R + DL

DOT - 175

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,816	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669
Kingman	6	1		4	2		1		1			1		
Bullhead City	5	1		3	2		1							
Lake Havasu	5	1		3	2		1							
Parker	3			2	1		1							

DOT - 176

Proposed and Present Staffing

Title & Registration and Driver License Programs

Locations	Proposed			Proposed after the Point, Vehicle Registration Renewal Process										
	T&R + DL G 14	Supv G 17	Area Mgr. G 19	Line Staff		Supervisorial/Managerial Staff								
				T&R G 11	DL G 14	lead TR 12	supv. TR 14	unit mgr TR G 16	area mgr TR G 17	mgr TR 19	zone mgr TR 21	OIC DL 15	supv. DL 17	zone mgr DL 21
Salary	21,664	26,993	31,647	17,669	21,664	18,950	21,664	25,004	26,993	31,647	38,804	22,974	26,993	38,804
Salary + ERE	27,730	34,551	40,508	22,616	27,730	24,256	27,730	32,005	34,551	40,508	49,669	29,407	34,551	49,669
Total FTE	179	24	3	116.5	64	5	31	4	9	1	2	10	5	2
Total Dollars	4,963,656	829,225	121,524	2,634,801	1,774,715	121,280	859,628	128,020	310,959	40,508	99,338	294,067	172,755	99,338
Area Total	Existing	Proposed		Savings										
FTE	250	206		43.5										
Dollars	\$6,535,411	\$5,914,405		\$621,005										
Admin. Suppt														
FTE	8	3		5										
Dollars	\$192,700	\$67,849		\$124,851										
Total Savings														
FTE	258	209		48.5										
Dollars	\$6,728,111	\$5,982,254		\$745,857										
Less New Technical Support														
FTE G 16				-2										
Dollars				(\$32,005)										
Net Savings														
FTE				48.5										
Dollars				\$713,852										

DOT - 177

**Title & Registration and Driver License Program
Implementation Costs**

	Number of Units	Cost per Unit	Total Cost
180 New Terminals/PC's with multisession option	180	3000	\$540,000
Programming Costs Cash transmittal screen Programs to toggle between DL & T&R systems			\$100,000
Eye Machines One machine per window	121	1000	\$121,000
Total cost			\$761,000
Total Savings			\$713,852
Payback (years)			1.07

DRIVER LICENSE CASH RECEIPTS

Current Situation

The Driver License Offices receive cash and checks daily. The personnel at the front counter account for their cash and checks at the end of each day through counting of money and manual preparation of a transmittal. The transmittal reflects the total receipts as well as the breakdown of money by type of transaction. Following the daily "cash out," the deposit is made at a local bank, and the offices either enter deposit information on the TARGATS computer system or prepare support documentation that is sent to the MVD Accounting Office.

Accounting staff review the deposit information from the bank against the information sent either electronically on TARGATS or through mailed documents. Once the reconciliation of information is completed, documentation is prepared to transfer the deposit from a holding account to the Highway User Revenue Fund (HURF). This process, however, is time consuming and results in a loss of revenue to the HURF for the following reasons:

- Reconciliation is not done daily for each office, but is handled on a monthly basis, thus compounding errors
- Some Driver License Offices are not recording their deposits daily on the TARGATS System, but are lumping several days together. This complicates the reconciliation process against the daily deposit. There was one instance where an office had not recorded deposits for several months
- Not all Driver License Offices have access to TARGATS, thus creating the need for alternative procedures to handle the reconciliation process
- Formalized training is not mandatory for Driver License personnel who are handling the cashier function
- If a mistake is made on TARGATS by field personnel, they must call the Accounting Unit to clear the error. If this cannot be done, a subsequent transmittal is "jury-rigged" to account for the error since the system does not have journal entry capability for administrative errors.

Impact

The Recommendation entitled "Title and Registration and Driver License Field Operations" affects the "cash out" and accounting process at the Driver License Offices through the introduction of smart/multi-session terminals for all field offices. Currently, smart/multi-session terminals are used at the Tucson Regional Office in lieu of a cash register and a Driver License terminal. Though a minimum of double entry is still required for entering information on the driver's record and entering payment information on the cash receipts program, these terminals provide staff that handle money with an automated transmittal printed at the end of each day. The cash register did not provide this feature. In addition, the terminal also has the capability of preparing a master transmittal covering all cash handling stations at each office. This replaced a manual process that takes approximately 15-30 minutes daily per office. The Recommendation entitled "Title and Registration and Driver License Field Operations" addresses the savings in personnel and one-time equipment costs associated with the use of smart/multi-session terminals.

The Impact of this Recommendation focuses on the effect on Accounting personnel and the loss of revenue to the HURF due to the current process of monthly rather than daily reconciliation.

Currently 1.2 FTE handle reconciliation of Driver License deposits. A backlog currently exists covering deposits from 1990 to present. The average backlog over a one month period totaled \$727,687 (see Exhibit 55, Unacknowledged Daily Driver License Balances -- TARGATS). In addition, a backlog of \$86,150 exists for manually-processed deposits that were outstanding as of January 6, 1992, covering a period from May 1991 to present (see Exhibit 56, Unacknowledged Daily Driver License Balances -- Non TARGATS).

Interest earnings on unacknowledged deposits are not being credited to the HURF. As shown in the above Exhibits, the HURF is losing approximately \$124 daily, or \$45,260 annually. Backlogs continue to grow each month. Furthermore, the funds are unavailable for distribution.

Recommendations

With the use of smart/multi-session terminals, we recommend that input into TARGATS be discontinued. The master transmittal for each office will be submitted to the Accounting Unit, where the information can be input directly into TARGATS. Documentation to transfer funds to the HURF will be required to be prepared daily.

Benefits

Based on an entry and review time of five minutes per day per Driver License Office, .625 FTE is needed. This represents a savings of .5 FTE; however, no FTE savings will result from this Recommendation because of the FTE being fractional.

This recommendation will result in a one-time additional \$45,260 in revenue to the HURF.

Implementation

Implementation can occur in conjunction with the consolidation of field services and with the installation of smart/multi-session terminals at the offices.

While it is acknowledged that this recommendation of providing a hard-copy transmittal is a short-term solution to the current inefficiencies, it is strongly recommended that the long-term solution be replacement of the hard-copy transmittal with electronically transferred data from each cashier station to the HURF accounting system.

Temporary staffing to resolve the existing backlog will be needed. Based on the Daily Unacknowledged Deposit Report for 12-19-91, 970 deposits from 1990 through November 1991 remain unresolved. Given a 15-minute average for processing problem accounts, 185 hours of staff time would be needed to correct the backlog. Of the accounts not on TARGATS, approximately 200 deposits, representing 50 hours of staff time, remain unresolved from May 1991 through November 1991. Based on the salary of an Accounting Technician, \$2,079 would be needed to eliminate the backlog.

Unacknowledged Daily Driver License Balances – TARGATS

DOT - 182

MONTH	DAY	REPORT TOTAL	CODE 4001	CODE 4500	CODE 4850	NET TOTAL	DAILY D.L. INTEREST LOSS
NOV	20	\$820,693		\$11,373		\$809,320	\$97
NOV	21	\$859,280		\$11,373		\$847,907	\$102
NOV	22	\$892,914		\$11,373		\$881,541	\$106
NOV	25	\$1,291,459		\$11,373	\$484,039	\$796,047	\$96
NOV	26	\$1,298,999		\$11,373	\$484,039	\$803,587	\$96
NOV	27	\$1,330,807		\$11,373	\$484,039	\$835,395	\$100
NOV	29	\$1,401,327	\$2,013	\$11,373	\$522,516	\$865,425	\$104
DEC	3	\$898,673		\$11,373		\$887,300	\$106
DEC	4	\$1,054,459	\$1,437	\$11,373	\$216,088	\$825,561	\$99
DEC	5	\$2,138,523		\$11,373	\$1,366,132	\$761,018	\$91
DEC	9	\$6,939,275	\$470	\$11,373	\$6,357,658	\$569,774	\$68
DEC	10	\$604,326		\$11,373		\$592,953	\$71
DEC	13	\$1,102,301	\$28,666	\$11,373	\$428,259	\$634,003	\$76
DEC	16	\$705,177	\$17,139	\$11,373	\$3,914	\$672,751	\$81
DEC	17	\$753,097		\$11,373	\$31,084	\$710,640	\$85
DEC	18	\$760,388		\$11,373		\$749,015	\$90
DEC	19	\$892,871	\$8,072	\$11,373	\$90,932	\$782,494	\$94
DEC	20	\$813,195	\$494	\$11,373		\$801,328	\$96
AVERAGE:						\$727,687	\$87

DRIVER LICENSE INTEREST LOSS based on 4.25% annual rate or .00012 applied daily
 4001 = "Tax Type Revenue" derived from payments to ER controlled accounts (eg.IFTA).
 4500 = Obsolete account derived from payments controlled by Tax Asst (Licensing).
 4850 = Generic Revenue processed by Receipt Control.

Unacknowledged Daily Driver License Balances - Non TARGATS

Exhibit 56

DOT - 183

CODE	LOCATION	BACKLOG	OUTSTANDING		AVERAGE DEPOSIT /TIME	ESTIMATED OUTSTANDING	INTEREST LOSS	
			TIME	#			RATE	TOTAL
3251	CLIFTON	MAY 91	WEEK	28	\$150	\$4,200	0.00084	\$4
3002	SPRINGVILLE	OCT 91	DAY	40	\$60	\$2,400	0.00012	\$0
3053	BENSEN ROUTE	JUL 91	WEEK	20	\$125	\$2,500	0.00084	\$2
3250	FRANKLIN RTE	CLOSED				\$300	0.0425	\$13
3367	SOUTH PHX	NOV 91	DAY	40	\$900	\$36,000	0.00012	\$4
3504	SNOWFLAKE,ST JOHN'S RTE	MAR 91	WEEK	36	\$100	\$3,600	0.00084	\$3
3554	GREEN VALLEY	AUG 91	WEEK	16	\$200	\$3,200	0.00084	\$3
3557	SAN MANUEL RTE	JUL 91	WEEK	20	\$200	\$4,000	0.00084	\$3
3555	TUC CITY COURT	SEP 91	DAY	60	\$190	\$11,400	0.00012	\$1
3753	CAMP VERDE	DEC 91	DAY	20	\$200	\$4,000	0.00012	\$0
3754	SEDONA	DEC 91	DAY	20	\$175	\$3,500	0.00012	\$0
3852	WELLTON RTE	MAY 91	MONTH	7	\$150	\$1,050	0.00144	\$2
3853	CDL STACK	DEC 91	DAY	20	\$325	\$6,500	0.00012	\$1
3854	TUCSON CDL	DEC 91	DAY	20	\$175	\$3,500	0.00012	\$0

TOTAL: \$86,150 \$37

INTEREST RATE BASED ON ANNUAL RATE OF 4.25%

TITLE AND REGISTRATION CASH RECEIPTS

Current Situation

The Title and Registration (T & R) Offices receive cash and checks daily. The personnel at the front counter as well as the staff that process mail-in requests account for their cash and checks at the end of each day through actual counting of money and manual preparation of a transmittal. The transmittal reflects the total receipts as well as the breakdown of the types of transactions and inventory of tabs and plates used. Following the daily "cash out" the deposit is made at a local bank and all paperwork is sent to the area office so that funds can be consolidated by county. Subsequently, the paperwork is forwarded to the MVD Receipt Control Unit in Phoenix.

The Receipt Control Unit, using a personal computer program, enters all transmittal information to arrive at the correct distribution of funds by transaction (TRAN) code. This is necessary since the TRAN code totals are not computed "upstream" by the Title and Registration Offices. The TRAN code information is important for the following reason:

- The automated TARGATS Accounting System is used for distribution of all Highway User Revenue Funds by statutory formula. Input must be by TRAN code so that the system can recognize the proper distribution for that payment. For example, \$1 is credited to the county fund for each processed vehicle registration. For those county Title and Registration Offices operated by ADOT, the proceeds are credited to the ADOT Title and Registration operating account. For those counties not under ADOT, a payment is made to the County Treasurer twice a month. By entering both the number of registrations and the amount, the personal computer program generates the total of the \$1 registrations under one TRAN code and the remaining revenue under other distribution TRAN codes. The information is then entered into TARGATS under each TRAN code.

Following the input into the TARGATS System, Receipt Control also types documentation to transfer funds to the Title and Registration Operating account. This process includes splitting the transfer (TC55) by offices within each county due to a request made by T & R. It should be noted that the Title and Registration Field Office Budget is not appropriated. Allocations are made primarily by field office based on previous expenditure levels and personnel requirements, not revenue production. Records that reflect production by office are also available through other means.

Impact

The Recommendation entitled "Title and Registration and Driver License Field Operations," affects the "cash out" and accounting process at the Title and Registration Offices through the introduction of smart/multi-session terminals. Currently, smart/multi-session terminals are used at the Tucson Regional Office Driver License counters. Though a minimum of double entry is still required for entering information on the individual's record and for entering payment information on the cash receipts program, these terminals provide staff that handle money with an automated transmittal at the end of each day. The cash register did not provide this feature. In addition, the terminal also has the capability of preparing a master transmittal covering all cash handling stations at each office, by TRAN code. This replaced a manual process that takes approximately 15-30 minutes daily per office. The Recommendation, "Title and Registration and Driver License Field Operations," addresses the savings in personnel and one-time equipment costs associated with the use of smart/multi-session terminals.

The impact of this Recommendation focuses on the effect on Accounting personnel in the field Area Offices and the amount of time Receipt Control spends on preparation of distribution documentation.

Currently, 5.4 FTE are spent on preparing deposits, transmittals and reconciliation functions in the Title and Registration Area Offices as follows (see Exhibit 57, T & R Accounting FTE By Function):

Pima	1.2 FTE
Yuma	.4 FTE
Cochise	.5 FTE
Safford	.5 FTE
Coconino	.5 FTE
Navajo	.1 FTE
Pinal	.6 FTE
Yavapai	.5 FTE
Mohave	.6 FTE
Apache	.5 FTE

An additional .75 FTE is currently used in Receipt Control to determine the disposition of funds by TRAN code and prepare appropriate documentation.

Recommendations

With the use of smart/multi-session terminals, we recommend that corresponding accounting duties in the Title and Registration Area Offices be eliminated. The smart/multi-session terminal will print a composite transmittal at the end of each day by TRAN code and distribution, thus eliminating the need for manual calculation and reconciliation functions at the T & R Area Offices.

Thus, the transmittals from each Field Office will bypass the T & R Area Office and will be sent directly to the Phoenix Receipt Control Unit. The Receipt Control Unit will no longer have to prepare a PC-generated transmittal due to upstream production of the transmittal by the field offices.

We further recommend that Receipt Control discontinue the breakdown of funds by offices within each county on the TC55.

Benefits

The reduction of one FTE in the Pima Office and .5 FTE in the Yuma, Cochise, Safford, Coconino, Pinal, Yavapai, Mohave and Apache Offices is recommended, resulting in an annual savings of \$93,292. No FTE savings will be realized in Receipt Control because of the FTE being fractional. The savings is net of ERE needed for the .5 FTE that remain.

Implementation

Implementation can occur in conjunction with the consolidation of field services and with the installation of smart/multi-session terminals at the offices.

While it is acknowledged that this recommendation of providing a hard-copy transmittal is a short-term solution to the current inefficiencies, it is strongly recommended that the long-term solution be replacement of the hard-copy transmittal with electronically transferred data from each cashier station to the Highway User Revenue Fund accounting system.

T&R Accounting FTE by Function

Exhibit 57

Office	Cashier/ Change	Reconcile Cash Handler's Work/ Prepare Deposits/ & Transmittals	Refunds/ NSFs	Invoicing/ PODs/ Budget/ TRACS/QUATR	Month End Bank Recon	Mail Renewals	Customer Questions	Admin Mgmt	
Checking Acct:									
PIMA	1.0	1.2	1.2	0.6	1day/mo			2.0	6.0
YUMA	0.1	0.4	0.1	0.3	2hr/mo		0.1		1.0
COCHISE	0.1	0.5	0.1	0.3	2hr/mo				1.0
LaPaz (done by Supv)		0.1	0.1						0.2
COCONINO	0.1	0.5	0.1	0.3	2hr/mo				1.0
NAVAJO		0.1	0.1		1hr/mo	0.7	0.1		1.0
CBS:									
SAFFORD (Graham/Grenlee)	0.1	0.5		0.3			0.1		1.0
PINAL	0.1	0.6		0.3					1.0
YAVAPAI	0.1	0.5		0.4					1.0
MOHAVE	0.1	0.6		0.3					1.0
APACHE	0.1	0.5		0.3			0.1		1.0
Total:	1.8	5.5	1.7	3.1		0.7	0.4	2.0	15.2
Acctg Tech Only:		5.4	1.6						

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PORT OF ENTRY CASH HANDLING

Current Situation

The Ports of Entry receive cash and checks daily. The Port personnel account for their cash at the end of the shift through counting of money and manual preparation of a recap sheet. The recap reflects the total receipts as well as the breakdown of money by type of transaction. This recap is prepared by reconciling the receipts to copies of documentation from each transaction.

Though the automated system, TARGATS, which generates the permits and registrations sold at the Ports of Entry, provides a printout at the end of each shift that reflects transactions, reconciliation is cumbersome since the printout does not break out some transactions by category and does not include some transactions or duplicates previous day transactions due to system down time.

As a result, each officer must manually balance daily receipts by transaction type.

The compilation of the daily deposit and transmittal to the MVD Accounting Office, located in Phoenix, is also manually completed. This entails adding the recap information from all shifts by transaction type and balancing to daily receipts.

Impact

It is estimated that 6,480 hours are needed annually to "cash out" at the end of a shift. In addition, 8,564 hours are spent in compilation of deposit information and preparation of the master transmittal (see Exhibit 58, Port of Entry Cash Handling Time).

Recommendations

We recommend that multi-session/smart terminals be installed at the Ports of Entry to handle both input into the TARGATS System as well as cash accounting. The terminals provide the capability of toggling back and forth between programs using one key. The terminals include a local program that acts as a cash register, identifying each transaction by type and amount. At the end of the day, a transmittal can be generated that indicates cash totals by transaction. In addition, a master transmittal for the Port can be generated automatically. If the TARGATS system is down, the local program can continue to function, collecting deposit data throughout the day.

Benefits

Through the use of the multi-session/smart terminal, 9,123 hours of time can be saved throughout the Port system. Though this relates to fractional FTE, savings generated from the Recommendation entitled, "Fuel Manifests" coupled with savings from this Recommendation, result in savings of approximately one FTE each at Ehrenberg, Sanders, San Simon, Topock and Yuma (see Exhibit 59, Fractional FTE Savings at Ports of Entry). These five FTE represent a savings of \$138,650 annually.

Implementation

Approximately 35 multi-session/smart terminals are needed throughout the Port of Entry system, amounting to a one-time implementation cost of \$70,000. Programming for these terminals is included in the Recommendation entitled, "Title and Registration and Driver License Field Operations." The payback for this equipment would be approximately six months.

Port of Entry Cash Handling Time

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PORT	SHIFT	(d)	(e)	CASH TIME / SHIFT (hours)	TOTAL HOURS/ YEAR	(a)	(b)	(c)	(a*b+c)*52 wks	SMART CASHOUT (hours) (d*e)*10min	OIC CASHOUT/ DEPOSIT
		AVERAGE STAFF/ SHIFT	# DAYS WORKED PER SHIFT			TIME-DAILY DEPOSIT (TUES-SUN) (hours)	# DAYS SPENT (TUES-SUN)	TIME-DAILY DEPOSIT (MON) (hours)	TOTAL TIME FOR DEPOSIT (hours)		
SANDERS	1	2.0	365	0.25	180	4	6	4	1456	117	124
SANDERS	2	4.5	365	0.25	410					261	
SANDERS	3	3.0	365	0.25	270					175	
EHRENBERG	1	3.5	365	0.25	320	4	6	4	1456	202	124
EHRENBERG	2	3.5	365	0.25	320					204	
EHRENBERG	3	3.5	365	0.25	320					204	
SAN SIMON	1	4.0	365	0.25	370	2	6	2	728	234	124
SAN SIMON	2	4.5	365	0.25	410					263	
SAN SIMON	3	4.5	365	0.25	410					263	
YUMA	1	3.0	365	0.16	180	4	4	5	1092	175	124
YUMA	2	3.5	365	0.16	200					204	
YUMA	3	3.0	365	0.16	180					175	
TOPOCK	1	2.0	365	0.25	180	2	4	5	676	117	124
TOPOCK	2	4.0	365	0.25	370	1.5	4	2.5	442	234	
TOPOCK	3	4.0	365	0.25	370					234	
ST GEORGE	1	2.0	365	0.25	180	2.5	4	5	780	117	124
ST GEORGE	2	3.0	365	0.25	270					175	
ST GEORGE	3	3.0	365	0.25	270					175	
PARKER	1	2.0	365	0.16	120	0.67	7	0	244	117	124
PARKER	2	1.0	365	0.16	60					58	
PARKER	3	1.0	365	0.16	60					58	
KINGMAN	1	1.0	365	0.16	60	2.5	4	4	728	58	124
KINGMAN	2	1.0	365	0.16	60					58	
KINGMAN	3	1.0	365	0.16	60					58	
PAGE	2	1.0	245	0.16	40	1	4	2	312	39	45
PAGE	3	1.0	264	0.16	40					42	

Port of Entry Cash Handling Time

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PORT	SHIFT	(d)	(e)	CASH TIME / SHIFT (hours)	TOTAL HOURS/ YEAR	(a)	(b)	(c)	(a*b+c)*52 wks	SMART CASHOUT (hours) (d*e)*10min	OIC CASHOUT/ DEPOSIT	
		AVERAGE STAFF/ SHIFT	# DAYS WORKED PER SHIFT			TIME-DAILY DEPOSIT (TUES-SUN) (hours)	# DAYS SPENT (TUES-SUN)	TIME-DAILY DEPOSIT (MON) (hours)	TOTAL TIME FOR DEPOSIT (hours)			
NOGALES	1	1.0	312	0.5	180	0.5	4	0.5	130	50	48	
NOGALES	2	2.0	240	0.5	240					77		
NOGALES	3	1.0	288	0.5	140					46		
DUNCAN	1	1.0	240	0.08	20	0.25	4	0.25	65	38	41	
DUNCAN	2	1.0	240	0.08	20					38		
DUNCAN	3	1.0	240	0.08	20					38		
DOUGLAS	1	1.0	60	0.08	5	0.25	4	0.25	65	10	34	
DOUGLAS	2	1.0	60	0.08	5					10		
DOUGLAS	3	1.0	204	0.08	20					33		
WDW ROCK	1	1.0	240	0.08	20	0.25	4	0.25	65	38	41	
WDW ROCK	2	1.0	240	0.08	20					38		
TECNOSPOS	1	1.0	240	0.08	20	0.25	4	0.25	65	38	75	
TECNOSPOS	2	1.0	365	0.08	30					58		
TECNOSPOS	3	1.0	300	0.08	20					48		
SAN LUIS	2	1.0	204	0.16	30	1	4	1	260	33	35	
					6,480					8,584	4,610	1,311

Fractional FTE Savings at Ports of Entry

Exhibit 59

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	# Manifest	% of Manifest Total	Manifest Savings (hours)	Cash Handling Savings (hours)	Total Savings (hours)	Total Savings (FTE)
Duncan	54.0	0.77%	32.4	(30.0)	2.4	0.0
Douglas	0.0	0.00%	0.0	8.0	8.0	0.0
Ehrenberg	1,250.0	17.86%	750.0	1,682.0	2,432.0	1.4
Fredonia	93.0	1.33%	55.8			
Kingman	415.0	5.93%	249.0	610.0	859.0	0.5
Nogales	0.0	0.00%	0.0	449.0	449.0	0.2
Page	104.0	1.49%	62.4	266.0	328.4	0.2
Parker	154.0	2.20%	92.4	127.0	219.4	0.1
Sanders	1,049.0	14.99%	629.4	1,639.0	2,268.4	1.3
San Luis	0.0	0.00%	0.0	222.0	222.0	0.1
San Simon	1,346.0	19.23%	807.6	1,034.0	1,841.6	1.0
St George	613.0	8.76%	367.8	909.0	1,276.8	0.7
Springerville	58.0	0.83%	34.8			
TecNosPos	66.0	0.94%	39.6	(84.0)	(44.4)	(0.0)
Topock	1,074.0	15.34%	644.4	1,329.0	1,973.4	1.1
Window Rock	32.0	0.46%	19.2	(12.0)	7.2	0.0
Yuma	692.0	9.89%	415.2	974.0	1,389.2	0.8
	7,000.0	100.00%	4,200.0	9,123.0	13,323.0	6.4

MVOC II : T&R Transaction Processing (based on 1990 stats)

Yuma Co.

Total Savings

FTE (Rounded up)	4	Fractional FTE	
Annual \$	90,465	added back to the process	0.88

Yuma

Type of Transaction	Time (hours)	Percent of Total	Hours/yr Required (26,745 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	2,647.25
Bond	0.67	0.0046	101.66
Proof of Non-ownership (citation)	0.17	0.0077	42.36
Duplicate of Title	0.33	0.0077	84.72
Affidavit of Fixture	0.33	0.0001	0.73
Out-of-State	0.17	0.0077	42.36
Upset Customer	0.33	0.0077	84.72
Back-to-Back Salvage	0.25	0.0031	25.42

Renewals - (Personnel dedicated to Inspections)	Time (hours)	No. of Trans.	Hrs. Reqd.
Renew in person (22%)	0.05	9341.64	467.082
Total			3,496.30

FTE	1.94	Round to whole FTE	Current	Savings	
Cash	0.17				
Total FTE	2.12	FTE	3 FTE	7 FTE	4
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	47,849.83	Annual \$	67,848.96	Annual \$	158,314.24
				Annual \$	90,465.28

MOTOR CARRIER REVENUE

Current Situation

The Ports of Entry system includes six large Ports, which have facilities established to stop outbound traffic. The inbound lanes have proven to be the most productive in revenue collection from motor carrier registration. Though inbound lanes are the most cost-productive, outbound lanes are staffed ad hoc to verify proper registration and weight. Four of the six Ports reflect a non-cost effective outbound operation. In addition to registration verification, citation rates for weight violations are low.

Impact

Exhibit 60, Port of Entry Operations – Large Ports, reflects the revenue gain or loss at each Port's Outbound facility. At the Ports of Ehrenberg, Yuma B8, Yuma I8 and Topock, outbound lanes incur a loss of \$66,437 annually, based on revenue minus staffing expenses. San Simon and Sanders reflect a positive rate of return.

Recommendations

We recommend that six FTE be shifted within the Port of Entry System to staff outbound lanes at San Simon and Sanders. Ongoing monitoring of the cost effectiveness of the outbound lanes should be established to identify where future shifting can occur. In addition, determination should be made when weight enforcement citation rates are critical to justify staffing for enforcement purposes.

Benefits

Revenue is anticipated to be \$429,700 annually from increased outbound lane staffing at Sanders and San Simon.

Implementation

Implementation can occur immediately.

PORT OF ENTRY OPERATIONS - LARGE PORTS

	Field FTE	FTE COST	TRAFFIC PROCESSED	Revenue			VEHICLES TRUCK/FTE	VEHICLES WEIGHED	WEIGHT	VEHICLES MEASURED	LOADS	%	WEIGHT	%
				REVENUE	/Truck	Rev/FTE			CHECK BY MANIFEST		SHIFTED/ REDUCED		CITATIONS	
Ehrenberg	17.8	\$455,196	740,637	\$3,640,464	\$4.92	\$204,520	41,609	238,445	0	368	597	0.25%	85	0.04%
Sanders	17.8	\$463,415	622,652	\$2,716,534	\$4.36	\$152,614	34,980	545,848	0	362	3,837	0.70%	567	0.10%
San Simon	16.6	\$399,076	770,738	\$4,070,979	\$5.28	\$245,240	46,430	468,287	0	2,298	5,908	1.26%	475	0.10%
St George	15.0	\$414,806	373,976	\$838,701	\$2.24	\$55,913	24,932	307,799	43	2,863	3,855	1.24%	30	0.01%
Topock	15.5	\$378,875	678,971	\$1,820,842	\$2.68	\$117,474	43,805	380,933	2,964	4,780	738	0.19%	204	0.05%
Yuma	14.9	\$260,571	437,693	\$1,695,324	\$3.87	\$113,780	29,375	359,616	0	299	3849	1.07%	102	
	97.6	\$2,371,940	3,624,667	\$14,782,844	\$4.08			2,300,928	3,007	10,970	18,784	0.81%	1,463	0.06%

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	Field FTE*	FTE COST	Outbound Bypassed/ Processed	Revenue Collected	Gain or Loss	% open	Est. Total Traffic	Revenue /Truck	Revenue Closing Non-Prod	FTE Needed	Annual Citations	Citation Rate/ Truck
									Outbd/Open Productive			
Ehrenberg	1.2	\$33,276	102,780	\$7,690	(\$25,586)				(\$7,690)	(1)	14	0.01%
Sanders	0.2	\$5,546	34,409	\$10,986	\$5,440	0.031	1,109,968	\$0.32	\$343,401	4	0	0.00%
San Simon	2.4	\$66,552	241,317	\$75,952	\$9,400	0.468	515,635	\$0.31	\$86,339	2	236	0.10%
Topock	1.5	\$41,595	133,601	\$18,744	(\$22,851)				(\$18,744)	(1)	0	0.00%
YumaB8	0.8	\$22,184	63,861	\$4,528	(\$17,656)				(\$4,528)		73	0.11%
YumaI8	3.3	\$91,509	113,907	\$35,475	(\$56,034)				(\$35,475)	(4)		
		\$260,662	689,875	\$153,375	(\$107,287)				\$429,740	0	323	

*: Shifts x 8 Hours/1800 hours = FTE. Salary/ERE = \$27,730/FTE. Based on FY91 Report

NON-COST EFFECTIVE PORTS OF ENTRY

Current Situation

The ADOT Port of Entry System consists of 17 permanent Port of Entry stations that are strategically located on major highways that enter the State. The Ports are responsible for the enforcement of motor carrier registration for the vehicle weight, size and use fuel tax consumption based on anticipated mileage traveled in Arizona. In addition, the Ports act as a revenue collector for ADOT as well as a service to the motor carrier industry, providing on-site registration and permitting, amounting to over \$17 million in revenue to the Highway User Revenue Fund (HURF) annually.

Though it is recognized that the Port of Entry System as a whole is an effective enforcement and revenue collection program, there are two Ports within the system that are ineffective. Exhibit 61, Port of Entry Operations - Small Ports, shows the annual revenue collection and vehicle weight violations at each of the small Ports. At Fredonia and Springerville Ports of Entry, revenue collection is either less than or approximately equal to the cost of personnel. In addition, no weight violations were detected at these Ports. The Port at Douglas, which also has limited revenue collection and violation rates, is in the process of being relocated to a highway site where trucks cannot easily bypass the Port.

Impact

Fredonia and Springerville Ports of Entry are staffed with two FTE each, totaling \$112,597 for salary and employee related expenses. Facility operating expenses, travel and other operating expenses are additional. Revenues generated (based on FY 90 figures) amount to \$97,508.

Recommendations

We recommend that the Ports of Entry at Fredonia and Springerville be eliminated.

In order to handle weight enforcement for highways currently supported by these Ports, the Recommendation entitled "Port of Entry Consolidation of Resources" recommends that Department of Public Safety Weight Enforcement Officers operate portable scales on designated interior highways. Further, we recommend that these officers be given the responsibility to check for registration credentials and sell registrations where needed.

We also recommend that ADOT enter into an active program to encourage the Motor Carrier industry to pre-purchase registrations prior to entering the State. These opportunities exist through third party vendors and annual registration with ADOT.

Benefits

Elimination of the Ports will result in a net savings of four FTE and \$15,089 annually. Future maintenance of the Port facilities will also be saved.

Implementation

- Port closures can occur immediately
- The Federal weight enforcement plan must be modified to ensure that Weight Enforcement Officers patrol highways previously serviced by these Ports. DPS training is also needed for vehicle credential verification and registration.

Port of Entry Operations - Small Ports

Exhibit 61

	FTE	FTE COST	TRAFFIC PROCESSED	TRAFFIC BYPASSED	REVENUE	VEHICLES WEIGHED	WEIGHT CHECK BY MANIFEST	VEHICLES MEASURED	LOADS SHIFTED/ REDUCED	%	WEIGHT CITATIONS	%
Douglas	2	\$57,137	9,179	0	\$27,338	0	3,485	126	0	0.00%	0	0.00%
Duncan	3	\$84,867	31,187	429	\$62,910	19,899	64	492	1,264	6.18%	20	0.10%
Fredonia	2	\$57,137	54,719	0	\$58,687	0	1,732	395	0	0.00%	0	0.00%
Page	4	\$115,195	61,037	0	\$122,596	28,228	426	2,460	2,584	8.30%	51	0.16%
San Luis	3	\$84,867	40,356	982	\$103,935	26,586	0	1	82	0.31%	5	0.02%
Springerville	2	\$55,460	33,832	0	\$38,821	0	0	12	6	50.00%	0	0.00%
TeecNosPos	4	\$115,195	38,992	0	\$166,217	0	3,131	643	0	0.00%	4	0.11%
Window Rock	2	\$55,460	18,901	0	\$92,748	0	2,285	45	2	0.09%	5	0.21%
	22	\$625,316	288,203	1,411	\$673,252	74,713	11,123	4,174	3,938	4.38%	85	0.09%

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SPOE

WEIGHT ENFORCEMENT

Current Situation

The ADOT Port of Entry System consists of permanent Port of Entry stations that are strategically located on major highways that enter the State. The Ports are responsible for the enforcement of motor carrier registration to ensure the proper credentials were purchased based on vehicle weight.

Weight enforcement is key to the preservation of Arizona's highway infrastructure. The weight of a vehicle is directly proportional to the damage inflicted to the highway. Through payment of a weight and distance fee according to a statutory formula, the Motor Carrier industry is equitably accountable for wear and tear on the highway system. At the Port of Entry, staff verify that the vehicle is properly registered for its weight. This is accomplished by weighing the vehicle and its contents and then verifying either the prepaid registration fee or selling the proper registration at the Port.

Though the Port System is effective, it does not screen all motor carriers that use Arizona highways. When Port truck traffic is heavy or when the Port is closed due to staffing restrictions, trucks enter the State without verification of weight and registration. In addition, some motor carriers operate within the State and therefore, would not come into contact with Port of Entry personnel. To supplement the Port of Entry enforcement effort, a 16-member team of Department of Public Safety Weight Enforcement Officers operates portable scales on interior highways.

Impact

The Department of Public Safety Weight Enforcement Officers do not currently check trucker credentials when stopped for a weight check. As a result, a trucker may not be registered or registered properly, but is not required to obtain the appropriate credentials, resulting in lost revenue to the Highway User Revenue Fund (HURF).

Recommendations

We recommend that the DPS Officers be required to verify and sell proper credentials when performing weight enforcement checks.

We further recommend that a partnering agreement be established between ADOT and DPS to ensure that the weight enforcement effort reflects a comprehensive Statewide weight enforcement mission. Since the Weight Enforcement Program is funded in large part by Federal funds, the ADOT Heavy Vehicle Size and Weight Laws Plan must be revised to ensure that amount and location of weight enforcement performed by the Department of Public Safety is defined. This should be accomplished prior to each reporting year, to identify the number of vehicles to be checked daily as well as the designated highways to be patrolled. Through the data collected, ADOT can monitor the effectiveness of the Port of Entry System as well as the registration of intrastate truckers.

Benefits

Based on an average of 50 mobile weight inspections per day for each two-person team, one-third of the workweek devoted to travel, and an average revenue of \$2 per truck at the small Ports of Entry, it is estimated that registration revenue generated by the mobile Weight Enforcement Program will amount to \$128,000 annually.

In addition, Statewide coordination of interior highways and Port of Entry stations will ensure that resources are maximized.

Implementation

Weight Enforcement Officers will have to be trained in registration and permitting, including the establishment of cash handling procedures.

SAFETY ENFORCEMENT

Current Situation

The ADOT Port of Entry System consists of permanent Port of Entry stations that are strategically located on major highways that enter the State.

The Ports of Entry facilities also are used by the Department of Public Safety to enforce motor carrier safety laws. Eleven DPS Motor Carrier Safety Officers, who are located at major Port of Entry stations, are responsible for examination of trucks for safety violations while the trucks are stopped for ADOT credential and weight inspection.

Impact

Safety Officers are operating at the Ports of Entry, but due to limited staffing are only checking a small percentage of vehicles.

Supervision of the Safety Officers is centralized in Phoenix. This results in Safety Officers not devoting full time activity to safety inspections and in trucks passing through the Port system without a safety check.

Recommendations

In the DPS Recommendation entitled "Special Services Division," we recommend that these positions be consolidated with the Port of Entry Program due to common geographic location and client base. Exhibit 62, Proposed Port of Entry System, reflects the placement of the Safety Officers.

We further recommend that the Port of Entry employees be cross-trained to perform safety inspections so that inspection can be extended past the current five day per week/8 hour day time-frame.

Benefits

By consolidation of the safety and registration enforcement functions within the Port of Entry System, all personnel located at the Ports of Entry with a common motor carrier mission will be joined.

Cross-training will provide the Port with the ability to perform safety inspections throughout the seven day per week per 24 hour day time frame that the Port is open.

Implementation

Transfer of the 11 FTE from DPS must be accompanied by transfer of all operating funds associated with the program. In addition, ADOT should design a plan to integrate the safety program into the registration program so that safety checks are no longer limited to the assigned officer's shift.

PROPOSED PORT OF ENTRY System

REGION:	NORTH	SOUTH	CENTRAL
Ports:	St George Page TeecNosPos Sanders Window Rk	San Simon Douglas Duncan Nogales Yuma San Luis	Phoenix Ehrenberg Parker Topock Kingman
Safety Ofcr:	St George Sanders (2)	SanSimon (2) Nogales Yuma	Ehrenberg(2) Topock (2)

DOT - 202

CENTRAL PERMITTING UNIT

Current Situation

The Central Permitting Unit, also known as the Oversize/Overweight Permits Unit, is responsible for issuing single trip permits, oversize/overweight permits, and miscellaneous other permits. The Unit processes an average of approximately 1,000 permits per month. The Unit also has some administrative responsibility for permitting operations, including policy, procedure, rule, and legislation review; liaison with and training for local agencies; and providing guidance to the ports (see Exhibit 63, Central Permitting Supervisory Responsibilities – Current).

As shown in Exhibit 64, Current Organizational Structure, there are five FTE assigned to the Unit: one Administrative Service Officer (ASO, SG 19), three MVD Field Officers (SG 14), and one Licensing/Permitting Technician (LP Tech, SG 12). There is also a vacant seasonal MVD Ops Clerk position, which staff said had been filled only once in the last two years. The ASO I position is vacant. An Administrative Assistant (AA III, SG 17) whose position was no longer necessary in the Motor Carrier area, is temporarily assigned as the Unit supervisor, pending the outcome of Project SLIM analysis of the area. One of the MVD Field Officers, however, is actually performing the administrative and supervisory responsibilities of the group.

At the time of review, the Central Permitting Unit reported to the ASO II (SG 21) for the Motor Carrier Services area, who reported to the Revenue/Motor Carrier Program Administrator. Discussions between the Revenue/Motor Carrier Program Administrator and the ASO II about which area should supervise this Unit were ongoing.

- The Unit is physically in the MVD Administrative Building in downtown Phoenix.

Impact

This situation has led to inefficiencies, inconsistencies, and inconveniences to the public:

- Based on the analysis of monthly reports (shown in Exhibit 65, Central Permitting-Workload), activity description, and time estimates provided by Central Permitting and Port staff, the Unit is over-staffed by one FTE

- Staff carry out Port operations and administration with a high degree of autonomy, without direct reporting responsibility to a Port chain of command
- The classification of the Unit supervisor (SG 19) is inconsistent with that of other Ports. Ports of this size have an Office In Charge (OIC, SG 15), who reports to an MVD Area Supervisor or an MVD Area Manager. In addition, the AA III and the seasonal MVD Ops Clerk are not needed to carry out the functions of this group
- The physical location has led to traffic congestion at 1801 W. Jefferson because Motor Carriers frequently drive their trucks to the office when they obtain their permits.

Recommendations

The following recommendations, displayed in Exhibits 66, Proposed Organizational Structure, and Exhibit 67, Current and Proposed Staffing, would make the Central Permitting Unit more organizationally consistent with other Port operations:

- Eliminate the vacant ASO I position
- Eliminate the AA III position
- Remove the seasonal MVD Ops Clerk I from the organization chart
- Reclassify one of the MVD Field Officer positions to an OIC position
- Upgrade the LP Technician to an MVD Field Officer
- Designate the Central Permitting Unit as the Phoenix Port of Entry, reporting to the proposed Port Operations Manager (see Recommendation, "Port of Entry Consolidation of Resources")
- Relocate the office to under the stack, where CDL and the Transportation Safety Motor Carrier Unit are located.

Benefits

The Department would realize the following benefits from implementation of the recommendations:

- Avoided cost of \$40,508 from the elimination of the ASO I position and a cost savings of \$34,551 through elimination of the AA III (see Exhibit 68, Central Permitting Proposed Staff Reductions)
- As shown in Exhibit 69, Central Permitting Proposed Reclassifications, the cost of reclassification of the MVD Field Officer and the LP Tech was \$5,151, bringing total benefits to \$69,908
- Chain of command that ensures consistency and appropriate authority over Port operations and administration
- Co-location of organizational units dealing with the motor carriers in a site that is conducive to truck access and that will decrease the truck traffic to the MVD Administrative Office.

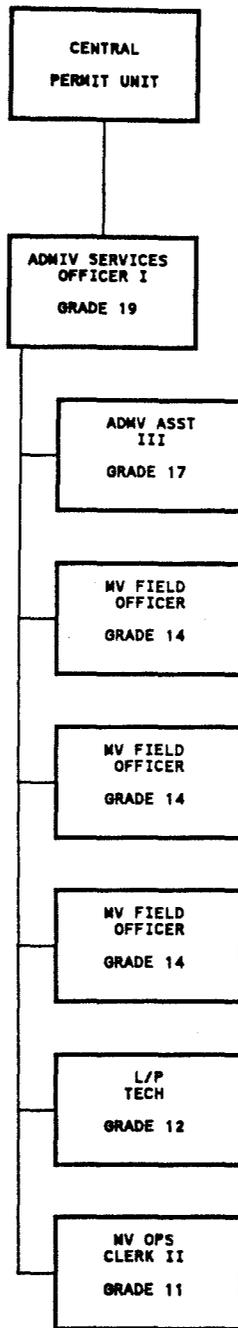
**CENTRAL PERMITTING
SUPERVISORY RESPONSIBILITIES - CURRENT**

<u>Task</u>	<u>Percent Time</u>	<u>Hours Per Year</u>
Hearings/Research	0.06	120
Committees	0.06	104
AG Court Action	0.06	120
Training	0.08	144
Axle and Gross	0.13	240
Publications/Surveys	0.14	260
Policies/procedures	0.07	126
Legislation	0.02	36
Guidance -Ports	0.02	36
Guidance -Law	0.04	72
Guidance -DPS	0.02	36
Guidance -T&R	0.02	36
Supervision	0.02	36
Special Projects	0.02	36
Reports	0.02	36
TOTAL	0.80	1438

SUPERVISORY RESPONSIBILITIES - PROPOSED

Under the proposed structure, the supervisor would be responsible for preparing transmittals Receipt Control, monthly reporting for the Unit, staff supervision, and more complex permitting. Administrative tasks, such as reviewing legislation, providing guidance to ports and outside law enforcement would be reassigned to a higher level.

CURRENT ORGANIZATIONAL STRUCTURE



CENTRAL PERMITTING - WORKLOAD

Exhibit 65

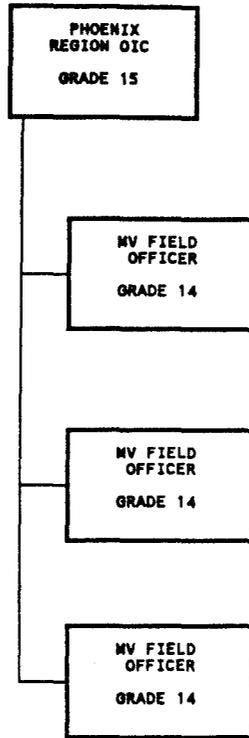
<u>Activity</u>	<u>Processed 1991</u>	<u>Mins Each*</u>	<u>Total Hours</u>
Single Trip Permit	4152	3	207.6
Oversize/Overweight	24252	7	2829.4
Other Permit	8058	3	402.9
Fees in Phnx - no permit	7800	3	390
Cash Handling			162.5
Customer Service**			900
Miscellaneous***			450
		TOTAL	5342.4
		FTE	2.97

*Single and Other time estimates obtained from the ports
Oversize/overweight time estimates obtained from Central
Permitting.

**Hours will decrease with creation of the proposed
Customer Service area.

***Includes mail, ordering supplies, filing, etc.

PROPOSED ORGANIZATIONAL STRUCTURE



CENTRAL PERMITTING - CURRENT STAFFING

<u>CLASS</u>	<u>No.</u>	<u>SG</u>	<u>ANNUAL</u>	<u>W/ERE</u>	<u>TOTAL</u>
ASO I*	1	19	\$31,647	\$40,508	\$40,508
AA III**	1	17	\$26,993	\$34,551	\$34,551
MV Field Officer	3	14	\$21,664	\$27,730	\$83,190
Lic/Permit Tech	1	12	\$18,950	\$24,256	\$24,256
MV Ops Clerk II ***	1	11	\$17,669	\$22,616	\$22,616
TOTAL	7		\$116,923	\$149,661	\$205,121

*Vacant

**Temporarily assigned, pending SLIM recommendatons.

***Vacant, seasonal

DOT - 210

CENTRAL PERMITTING - PROPOSED STAFFING

<u>CLASS</u>	<u>#</u>	<u>SG</u>	<u>ANNUAL</u>	<u>W/ERE</u>	<u>TOTAL</u>
MV OIC	1	15	\$22,974	\$29,407	\$29,407
MV Field Officer	3	14	\$21,664	\$27,730	\$83,190
TOTAL	4		\$44,638	\$57,137	\$112,596

CENTRAL PERMITTING - PROPOSED STAFF REDUCTIONS

Exhibit 68

<u>CLASS</u>	<u>COST SAVINGS</u>		<u>COST AVOIDANCE</u>		<u>POSITIONS</u>	<u>BENEFIT</u>
	<u>FILLED</u> <u>PERM</u>	<u>SALARY</u> <u>W/ERE</u>	<u>VACANT</u> <u>PERM</u>	<u>SALARY</u> <u>W/ERE</u>		
ASO I*			1	\$40,508	\$1	\$40,508
AA III**	1	\$34,551			\$1	\$34,551
TOTAL					2	\$75,059
RECLASSIFICATION COSTS						\$5,151
TOTAL BENEFITS						\$69,908

DOT - 211

CENTRAL PERMITTING - PROPOSED RECLASSIFICATIONS

<u>CURRENT CLASS</u>	<u>SG</u>	<u>SALARY(W/ERE)</u>	<u>PROPOSED CLASS</u>	<u>SG</u>	<u>SALARY(W/ERE)</u>	<u>DIFFERENCE</u>
MV Field Officer	14	\$27,728	MV OIC	15	\$29,407	\$1,679
L/P Tech	12	\$24,256	MV Field Officer	14	\$27,728	\$3,472

TOTAL RECLASSIFICATION COSTS \$5,151

DOT - 212

PORT OF ENTRY CONSOLIDATION OF RESOURCES

Current Situation

The existing Port of Entry System is divided into two Zones: Northern and Southern, headed by a Zone Manager. Within each Zone, an Area Manager, Regional Manager or Administrative Support Supervisor is in charge of a large port or multiple ports. Motor Vehicle Officers in Charge (OIC) are usually in charge of shifts at large ports or can be used as a Port Supervisor at small ports. Layering from the Field Officer to the Zone Manager level exists as follows:

Large Ports (six)	three layers
Small Ports (five)	three layers
Small Ports (four)	two layers

Within the large Ports, Motor Vehicle LP Techs appear to be working out of class by performing the same line duties as MVD Field Officers.

Impact

Organizationally, layering and lack of standard classifications reduces the overall flexibility of the organization for employee scheduling and communication.

Recommendations

The Ports of Entry organizational structure consists of 156 FTE, excluding two Ports of Entry that were recommended to be eliminated (see Recommendation entitled "Non-Cost Effective Ports of Entry").

The proposed organizational structure addresses the discrepancies in line and supervisory functions as follows:

- The proposed structure eliminates one layer of management in five small Ports and a variety of supervisory classifications. The Area Supervisor, Administrative Support Supervisor and Zone Manager are recommended to be eliminated. The proposed structure will have a Regional Manager in charge of a region, thus eliminating the current inconsistency of Regional Managers being used in some cases as managers over several

Ports and in other cases over only one Port. A new classification, Port Supervisor, grade 17, is recommended to be in charge of a large Port of Entry. The OCI is recommended as the supervisor of a shift in a large Port or as a small Port supervisor. At some small Ports, currently no OIC exists for Port oversight. Exhibit 70, Port of Entry-Span of Control, shows the supervisory ratio to staff by Port and by Region

- Three geographic Regions are recommended. Each Region includes two large Ports of Entry and three or four small Ports of Entry
- MVD LP Techs will be eliminated and replaced by MVD Field Officers. This will eliminate a current inconsistency of the LP Techs appearing to work out of class
- For consistency, each large Port of Entry will have a Port Supervisor to handle Port business for one shift and three OICs to handle the remaining shifts. Currently most large Ports have four OICs and a Supervisor. Ehrenberg has three OICs and a Supervisor.

Benefits

Cost savings in the Port of Entry System due to reconfiguration amounts to six FTE and \$207,497. The upgrade of all LP Techs to Field Officers amounts to \$70,652, netting a savings of six FTE and \$136,845 (see Exhibit 71, Port of Entry Staffing Proposal).

The Port of Entry job classifications will be consistent throughout the Port System. The number of layers from Field Officer to Regional Manager will be three in the large Ports and two in the small Ports.

Implementation

Personnel changes in the classification structure must be made.

Port of Entry - Span of Control

Exhibit 70

DOT - 215

	Fd Ofcr	LPTECH	Fac Wkr	Safety	SubTotal	OIC	Port Supv	Site Supv Ratio	Area Supv	Ad Asst	Area Supv Ratio	Total
PROPOSED:												
NORTH:												
St George	11			1	12	3	1	3:1	1	1	6:1	2
Page	3				3	1		3:1				4
Sanders	17		1	2	20	3	1	5:1				24
TecNosPos	3				3	1		3:1				4
Window Rock	1				1	1		1:1				2
												0
SOUTH:												
San Simon	15		1	2	18	3	1	4.5:1	1	1	7:1	22
Nogales	4			1	5	1		5:1				6
Douglas	1				1	1		1:1				2
Duncan	2				2	1		2:1				3
Yuma	10		1	1	12	3	1	3:1				16
San Luis	2				2	1		2:1				3
												0
CENTRAL:												
Ehrenberg	13		1	2	16	3	1	4:1	1	1	6:1	20
Parker	4				4	1		4:1				5
Topock	11			2	13	3	1	3.25:1				17
Kingman	5				5	1		5:1				6
												0
SUBTOTAL:												
	102	0	4	11	117	27	6		3	3		156
Area 3 Phoenix	2	1			3	1		3:1				4
TOTAL:												
	104	1	4	11	120	28	6		3	3	0	160

NOTE: FTE Includes all Recommendations.

PPOE1

PORT OF ENTRY STAFFING PROPOSAL

DOT - 216

CURRENT:	Zone Mgr.	Area Supv (Port Supv)	Reg. Mgr.	Ad Supt Supv	MVOIC	Field Ofcr	MV LP Tech	Facil Wkr	Admin Asst	Secretary	TOTAL
PROPOSED - ELIMINATE FREDONIA and SPRINGERVILLE:											
NORTHERN:	1								1	1	3
SANDERS			1		4	12	2	1			20
WINDOW RK						2					2
ST GEORGE		1			4	10	1				16
TOPOCK			1		4	10	3				18
KINGMAN				1		5					6
PAGE		1				3					4
TEEC NOS POS				1		3					4
SOUTHERN:	1								1	1	3
DOUGLAS					1	1					2
NOGALES		1				4					5
SAN SIMON			1		4	13	1	1			20
DUNCAN					1	2					3
EHRENBERG			1		3	14	2	1			21
YUMA			1		4	15		1			21
SAN LUIS					1	2					3
PARKER				1		4					5
	2	3	5	3	28	100	9	4	2	2	156
Salary:	\$38,804	\$26,993	\$31,647	\$25,004	\$22,974	\$21,664	\$15,531	\$15,531	\$20,278	\$13,548	\$231,974
Total Salary:	\$77,608	\$80,979	\$158,235	\$75,012	\$597,324	\$2,166,400	\$139,779	\$62,124	\$40,556	\$27,096	\$3,425,113
w/28%ERE	\$99,338	\$103,653	\$202,541	\$96,015	\$764,575	\$2,772,992	\$178,917	\$79,519	\$51,912	\$34,683	\$4,384,145

PORT OF ENTRY STAFFING PROPOSAL

CURRENT:	Zone Mgr.	Area Supv (Port Supv)	Reg. Mgr.	Ad Supt Supv	MVOIC	Field Ofcr	MV LP Tech	Facil Wkr	Admin Asst	Secretary	TOTAL
PROPOSED - ELIMINATE FREDONIA, SPRINGVILLE; REORG W/ NO RECLASSES + Point-Port Revenue											
PROGRAM HDQTRS:			3						3		6
SANDERS		1			3	16	2	1			23
WINDOW RK					1	1					2
ST GEORGE		1			3	10	1				15
TOPOCK		1			3	9	3				16
KINGMAN					1	5					6
PAGE					1	3					4
TEEC NOS POS					1	3					4
NOGALES					1	4					5
SAN SIMON		1			3	15	1	1			21
DUNCAN					1	2					3
DOUGLAS					1	1					2
EHRENBERG		1			3	12	2	1			19
YUMA		1			3	11		1			16
SAN LUIS					1	2					3
PARKER					1	4					5
	0	6	3	0	27	98	9	4	3	0	150
Salary:	\$38,804	\$26,993	\$31,647	\$25,004	\$22,974	\$21,664	\$15,531	\$15,531	\$20,278	\$13,548	\$231,974
Total Salary:	\$0	\$161,958	\$94,941	\$0	\$620,298	\$2,123,072	\$139,779	\$62,124	\$60,834	\$0	\$3,263,006
w/28%ERE	\$0	\$207,306	\$121,524	\$0	\$793,981	\$2,717,532	\$178,917	\$79,519	\$77,868	\$0	\$4,176,648
Difference:											
FTE	(2)	3	(2)	(3)	1	(2)	0	0	1	(2)	(6)
Salary	(\$99,338)	\$103,653	(\$81,016)	(\$96,015)	\$29,407	(\$55,460)	\$0	\$0	\$25,956	(\$34,683)	(\$207,497)

DOT - 217

PORT OF ENTRY STAFFING PROPOSAL

CURRENT:	Zone Mgr.	Area Supv (Port Supv)	Reg. Mgr.	Ad Supt Supv	MVOIC	Field Ofcr	MV LP Tech	Facil Wkr	Admin Asst	Secretary	TOTAL
PROPOSED - ELIMINATE PORTS, RESTRUCTURE + RECLASS											
PROGRAM HDQTRS:			3						3		6
SANDERS		1			3	18		1			23
WINDOW RK					1	1					2
ST GEORGE		1			3	11					15
TOPOCK		1			3	12					16
KINGMAN					1	5					6
PAGE					1	3					4
TEEC NOS POS					1	3					4
NOGALES					1	4					5
SAN SIMON		1			3	16		1			21
DUNCAN					1	2					3
DOUGLAS					1	1					2
EHRENBERG		1			3	14		1			19
YUMA		1			3	11		1			16
SAN LUIS					1	2					3
PARKER					1	4					5
	0	6	3	0	27	107	0	4	3	0	150
Salary:	\$38,804	\$26,993	\$31,647	\$25,004	\$22,974	\$21,664	\$15,531	\$15,531	\$20,278	\$13,548	\$231,974
Total Salary:	\$0	\$161,958	\$94,941	\$0	\$620,298	\$2,318,048	\$0	\$62,124	\$60,834	\$0	\$3,318,203
w/28%ERE	\$0	\$207,306	\$121,524	\$0	\$793,981	\$2,967,101	\$0	\$79,519	\$77,868	\$0	\$4,247,300
Difference:											
FTE	0	0	0	0	0	9	(9)	0	0	0	0
Salary	\$0	\$0	\$0	\$0	\$0	\$249,569	(\$178,917)	\$0	\$0	\$0	\$70,652

DOT - 218

AUDIT REVENUE

Current Situation

The MVD Revenue Auditors perform both in-state and out-of-state audits on trucking company records for fuel tax and motor carrier tax (weight and distance). The Audit Unit develops the audit schedule each year based on an automated random selection of accounts from the database. The selection criteria include the required time frames for auditing each account based on statute of limitations or joint agreements with states, average time per audit type and average tax liability of the trucking firm. Monthly tax liability is defined in various strata as follows:

Stratum 1:	over \$5,000
Stratum 2:	\$1,000 - \$4,999
Stratum 3:	\$100 - \$999
Stratum 4:	\$99 and less

Through analysis of the universe of tax accounts and the types of accounts audited based on FY 92 data, several strata do not prove to be cost-effective. In these cases the additional revenue derived from the audit is far less than the expense of the auditor's time (see Exhibit 72, The MVD Audit Production). Those areas that are not cost effective are Use Fuel-Stratum 4, Motor Carrier-Stratum 3 and Motor Carrier-Stratum 4. Though some auditing needs to occur at each level to ensure voluntary filing compliance and to evaluate the accuracy of filing, these strata are currently audited as follows:

Use Fuel-Stratum 4:	13%
Motor Carrier-Stratum 3:	8%
Motor Carrier-Stratum 4:	1%

Impact

Audit staff time spent on non-productive audits reduces productive audit time. Based on FY 92 audits and the current universe of accounts, 5,548 hours of auditor time is needed to perform non-cost effective audits, representing \$780,017 in lost revenue.

Recommendations

We recommend a minimum level of audits be performed in the non-cost effective strata and that those resources be shifted to audits that produce the highest positive revenue return.

A computer program should be written to monitor the total number of accounts by stratum and the current program for audit selection must be revised to identify fewer accounts in the strata that are not cost effective.

Continual monitoring should take place to determine which strata are cost effective so that resources can be shifted as necessary.

Benefits

The increased revenue is anticipated to be \$780,017 annually.

Implementation

Implementation can occur immediately.

Internal programming is needed to enhance the current audit select reports. It is estimated that this should take less than 100 hours, or a maximum of \$2,900.

Exhibit 72

MVD AUDIT PRODUCTION

	Actual Audit Hours (7 mos)	Estim. Audit Hours (12 mos)	Actual # Audits (7 mos)	Estim. # Audits (12 mos)	Actual Rev (7 mos)	Estim. Rev (12 mos)	Average Yield/ Audit	Average Hours/ Audit	Rate Return/ Audit Hour	Estim. Universe Total Accts (3yrs+bal)	%Accts Audited	# Added Hrs Needed For 3-Yr Audit Cycle	Proposed %	# Hours Saved	Hours Shifted To Productive Audits	Revenue Gain Shifted Accts	Revenue Gain Remaining Accts	Revenue Gain Remaining Accts
Use Fuel																		
1	952	1,832	31	53	\$37,992	\$65,129	\$1,226	31	\$40	162	32.72%	31					31	\$1,226
2	2,294	3,933	104	178	\$113,150	\$193,971	\$1,088	22	\$49	557	32.02%	162					162	\$7,979
3	2,518	4,317	211	362	\$137,056	\$234,953	\$650	12	\$54	1,151	31.42%	263					263	\$14,290
4	1,224	2,098	147	252	\$265	\$454	\$2	8	\$0	1,945	12.96%		0.01	1,936		(\$0)		
Motor Carrier																		
1	1,657	2,841	56	96	\$82,052	\$108,375	\$1,108	30	\$37	442	21.72%	1,519					1,519	\$56,881
2	2,530	4,337	136	233	\$141,538	\$242,637	\$1,041	19	\$56	1,318	17.68%	3,838			3035	\$169,790	803	\$44,923
3	2,364	4,053	224	384	\$19,307	\$33,098	\$86	11	\$8	4,521	8.49%		0.01	3,575		(\$20,968)		
4	966	1,656	104	178	\$1,403	\$2,405	\$13	9	\$1	17,437	1.02%		0.01	36		(\$36)		
Other																		
1	893	1,531	20	34	\$134,494	\$230,561	\$6,725	45	\$151	176	19.50%	1,086			1086	\$163,562		
2	147	252	7	12	\$122,585	\$210,146	\$17,512	21	\$834	95	12.63%	413			413	\$344,405		
3	185	317	14	24	\$41,699	\$71,484	\$2,979	13	\$225	149	16.11%	339			339	\$76,411		
4	1,021	1,750	58	99	\$70,871	\$121,493	\$1,222	18	\$69	413	24.06%	675			675	\$46,854		
Total:	16,751	28,716	1,112	1,906	\$882,412	\$1,512,706	\$33,651	238				8,326		5,548	5,548	\$780,017	2,777	\$125,298

DOT - 221

CARGO TANKER

Current Situation

As of January 1, 1992, Arizona law requires that all cargo tanks and cargo tank motor vehicles transporting hazardous materials on the highways of Arizona have a Certificate of Compliance from the Motor Vehicle Division (MVD). Cargo tankers will be required to pay for a Certificate of Compliance in addition to applicable motor carrier taxes. The certificate indicates compliance with the testing and inspection requirements of 49 Code of Federal Regulations, Part 180. The statute specifies that the Certificate of Compliance expires on December 31 and must be renewed annually.

The Arizona Department of Transportation (ADOT) is responsible for administration of the program. In addition, ADOT may audit and inspect cargo tanks and cargo tank motor vehicles. The Department of Public Safety (DPS) is charged with enforcement of this statute.

Although the Revenue/Motor Carrier Program is in place to provide one-stop shopping for motor carriers, a separate Cargo Tanker Section was created within the Transportation Safety Office of the Driver License Program to comply with the statute. When fully staffed, the section will consist of six FTEs, ranging from a Program and Project Specialist II (SG 19) as the manager to a Motor Vehicle Operations Clerk I (SG 9) to provide clerical support.

Staff identified motor carriers to whom this new statute applies using internal and external resources from Title and Registration, the Licensing Unit, the National Tank Truck Carriers Association, and selected cities, including Phoenix and Tucson. They recognize that through this method of research they likely have not identified the entire population. They are also relying on the Ports of Entry, which are organizationally under the Revenue/Motor Carrier Program, during the first year to identify cargo tankers in noncompliance, issue temporary permits, collect fees, and provide information to motor carriers on cargo tanker requirements. Reliance on the Ports is expected to decrease after the first year of operation.

Staff anticipate that approximately 3,000 tankers will fall under the statute's provisions; this figure is lower than initial projections of 5,000. As of January 16, 1992, a total of 2,208 vehicles had been certified for 313 companies.

The following self-certification process has been established for use upon full implementation of the program:

- Customers forward an application and a \$125.00 fee per vehicle to the Cargo Tanker Section. The application includes the last test and inspection dates for each vehicle. The customer is then sent a Certificate of Compliance and decal for each vehicle. If no dates are included on the application, staff contact the customer to explain what must be done to come into compliance. When the customer complies with the requirements, the certificates and decals are sent
- An account is established for the customer/company. The account number is unique to the Cargo Tanker Program and does not correspond to any existing motor carrier account number(s)
- Data from applications are entered into a stand alone cargo tank database, which maintains records per company and per vehicle
- Actual compliance is verified by a specially trained auditor through paper audit and physical inspection of a random sample. Current plans are to audit twenty percent of the cargo tankers, but this is subject to change based upon identification of the total population to which the statute applies. Motor carriers flagged as suspicious based on number of violations or information provided by DPS will also be audited
- The Certificate of Compliance may be suspended or revoked due to violations identified by DPS or through audit. Suspended certificates will be reinstated only after physical inspection
- No process has yet been established for turning delinquent accounts over to Collections, which is also in the Revenue/Motor Carrier Program
- DPS enforces the cargo tanker statute through random physical and visual inspections. In addition, they respond to public complaints concerning specific cargo tanker companies. DPS inspection reports are forwarded to Cargo Tanker for inclusion in their database.

The first year appropriation for the program was \$275,000. The MVD received \$238,500 for implementation and administration. DPS received \$36,500 for enforcement during the first year.

After the first year of operation, this program is intended to be self-supporting through fees collected, which are deposited in the Cargo Tank Administration Revolving Fund. Based on estimates provided by staff, the program can be expected to generate between \$375,000 and \$437,500 annually from application fees. The MVD and DPS are authorized to use the monies to administer and enforce the statute. Amounts in excess of \$50,000 at the close of each fiscal year revert to the State Highway Fund.

Impact

The motor carriers to whom the cargo tanker statute applies represent a subset of the population served by the Revenue/Motor Carrier Program. Establishment of a separate Cargo Tanker Section and its placement in the Driver License Program, rather than in Revenue/Motor Carrier, results in loss of efficiency in that it:

- Defeats the one-stop shopping concept and customer representative approach for the Motor Carrier/Trucking industry
- Creates duplication of effort in processes and functions: application, certification, fee collection, customer assistance, renewal, and data entry. The Licensing Unit of Revenue/Motor Carrier currently performs all of these functions for the Motor Carrier industry, including many of the same companies now submitting applications and fees to the Cargo Tanker Section
- Minimizes or eliminates the ability to benefit from the skills and experience of existing line, supervisory, and administrative staff in Revenue/Motor Carrier
- Creates and maintains a separate database containing some duplicate information
- Provides no systematic or ongoing mechanisms for identification of motor carriers to which the statute applies.

In addition, not requiring documentation of inspection/testing as part of the application process may indirectly invite noncompliance and requires an auditor to focus on verification of self-reported information. If documentation were submitted as part of the application process, auditors would not be required to verify inspection/testing documentation at the Motor Carrier Offices.

There is duplication of effort between the Program Compliance Auditor's inspection function, Port of Entry safety inspections, and DPS enforcement activity. Eleven staff previously assigned to the DPS Special Services Division are being transferred to ADOT to conduct safety inspections at the Ports (see Recommendation entitled "Safety Enforcement"). DPS will maintain one Motor Carrier expert in a metro division to respond to complaints concerning motor carrier/cargo tanker safety. In addition, there are forty-five DPS Officers who are responsible for mobile weight enforcement and permitting throughout the State.

Recommendations

Recommendations fall into several categories - organizational placement, automation, staffing, processing, and fees:

- Reassign responsibility for certifying compliance with the cargo tanker statute to the Revenue/Motor Carrier Program
- Cargo tanker vehicle data should be incorporated into the Title and Registration and/or VISTA databases, as these databases are vehicle specific. TARGATS should include, at a minimum, a field to identify a motor carrier who falls under the provisions of the cargo tanker statute and fee information
 - If current databases will not accommodate the additional information without significant programming costs, unique cargo tanker data should continue to be entered and maintained on a separate PC until Enterprise can provide a mechanism to eliminate this redundancy
 - The account number should be consistent so that it can be used to link records for communication purposes
- Transfer the Examiner Technician II (SG 13) in the Cargo Tanker Section to the Licensing Unit. Analysis of similar existing functions in the Licensing Unit indicate that one FTE is sufficient to handle the additional workload (see Exhibit 73, Cargo Tanker Processing)
- Transfer the Motor Vehicle Operations Clerk I (SG 9) to the Licensing Unit to maintain and monitor the cargo tanker database until it is no longer needed, then eliminate the position

- Eliminate the Program and Project Specialist II (SG 19) and the Program and Project Specialist I (SG 18) positions, both of which are vacant
- Eliminate the Program Compliance Auditor (SG 16) and Administrative Assistance II (SG 15)
- Include identification and initial certification of cargo tankers in the process for opening a motor carrier account
- Require cargo tankers to submit proof of inspection with their application. Rely on the Ports of Entry and DPS to enforce the program
- ADOT may choose to reduce the Cargo Tanker certification fee from \$125 per vehicle to \$30 per vehicle. Based on staff estimates of cargo tanker population and process quantification, \$30 would generate approximately \$90,000 to cover the staffing requirements in the MVD and would sustain the DPS enforcement allocation at its current level
- Increase the fee for reinstating suspended certificates from \$10 to \$100 to cover the additional administrative costs of dealing with noncompliance.

Benefits

Exhibit 74, Cargo Tanker Program – Current and Proposed Staffing, displays the benefit to the State through adoption of these recommendations. Benefits to the Motor Carrier industry are provided in Exhibit 75, Industry Savings – Fee Reduction.

- Salaries at the current staffing level total \$185,815, including ERE. Implementation of the recommendations would result in \$61,412 in cost savings through the elimination of two filled positions and \$77,888 in avoided costs through the elimination of two vacant positions
- Savings resulting from the reduction of program costs could be passed on to the public through a fee reduction of up to seventy-five percent or \$285,000

- Increased administrative costs associated with suspensions and reinstatements would be appropriately levied against those responsible.

Implementation

To implement the recommendations, the following steps should be taken:

- ADOT and DPS should establish a communication mechanism by which issues concerning violations and certificate revocation and suspension, are discussed and resolved
- A method of monitoring administrative and enforcement costs should be developed so that fees can be adjusted annually, as appropriate. Data to be collected and analyzed should be identified, as well
- The Administrative Rule should be revised to reflect modifications in responsibility, organization, and process
- Cargo Tanker account numbers should be revised to correspond to any existing motor carrier account numbers.

It should be noted that since this recommendation was first developed, the Transportation Safety Office has reassigned the Program and Project Specialist II (SG 19) and the Program and Project Specialist I (SG 18) from the Cargo Tanker Section to other assignments within the Transportation Safety Office Motor Carrier Program. These positions are no longer vacant.

CARGO TANKER PROCESSING

(Estimates based on similar processing performed by Licensing Unit.)

APPLICATION AND RENEWAL

<u>Task</u>	<u>Mins</u>	<u>Per</u>	<u>Est 425 Customers</u>	<u>Est 3000 Vehicles</u>	<u>Total Annual Mins.</u>
Send a form letter	3	customer	1275		1275
Verification, matching	3	vehicle		9000	9000
Data entry	5	vehicle		15000	15000
Forward certificates	3	customer	1275		1275
		Minutes	2550	24000	26550.00
		Hours	42.50	400.00	442.50

*Time estimates based on similar processing already carried out by Licensing Unit staff, as well as estimates provided concerning account maintenance, customer service, and filing.

ACCOUNT ACTIVITY

(Includes processing time)

<u>Activity</u>	<u>Annual Hours</u>
Applic and Renewal	443
Account Maintenance*	450
Customer Service**	788
File Maintenance***	144
Total Hours	1825
TOTAL FTE REQUIRED	1.01

*Based on 25% of staff time

**Based on 44% of staff time

***Based on 8% of staff time

CARGO TANKER PROGRAM - CURRENT AND PROPOSED STAFFING

CURRENT STAFFING

<u>Position</u>	<u>SG</u>	<u>Salary</u>	<u>ERE</u>	<u>TOTAL</u>
Prog & Proj Sp II*	19	\$31,647	\$8,861	\$40,508
Prog & Proj Sp I*	18	\$29,203	\$8,177	\$37,380
Prog Compl Auditor	16	\$25,004	\$7,001	\$32,005
Admin Assist II	15	\$22,974	\$6,433	\$29,407
Examiner Tech II	13	\$20,278	\$5,678	\$25,956
MV Ops Clerk I	9	\$16,062	\$4,497	\$20,559
Total				\$185,815

*Vacant

PROPOSED STAFFING

(To be transferred to the Licensing Unit)

<u>Position</u>	<u>SG</u>	<u>Salary</u>	<u>ERE</u>	<u>TOTAL</u>
Examiner Tech II	13	\$20,278	\$5,678	\$25,956
MV Ops Clerk I	9	\$16,062	\$4,497	\$20,559
Total				\$46,515

Cost Savings - FTE	\$77,888
Cost Avoidance - Vacancies	\$61,412

TOTAL BENEFIT	\$139,300
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INDUSTRY SAVINGS - FEE REDUCTION**Program Costs**

Cargo Tanker Staffing (Proposed)	\$46,515
DPS Funding	\$36,500

Total Annual Cost (Proposed)	\$83,015
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FEE REDUCTION

Current Fee	\$125
Proposed Fee	\$30
Savings Per Vehicle	\$95

TOTAL SAVINGS (Based on 3000 vehicles)	\$285,000
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RECORDS REQUESTS AND RETRIEVAL

Current Situation

Within the Motor Vehicle Division (MVD), records are decentralized by program area. Each major program area has staff assigned or entire organizational units devoted to filing, retrieving, and, in Title and Registration and Driver License, microfilming (see Exhibit 76, Records Retrieval – Staffing Breakdown By Organizational Units). We limited our review of the records retrieval function to Driver License, Title and Registration, and the Office of Special Investigations as those were the most frequently requested records.

The MVD receives an average of approximately 9,000 written requests for records information per month from such sources as courts, attorneys, postal service, Internal Revenue Service, cities, and the public. Because many of these requests require documents from more than one program area, outside requests are coordinated through the Records Service Unit within the Office of Public Service. There are currently fourteen staff assigned to this Unit, one of which is a vacant seasonal position. Staff are assigned to areas of specialization based on request type.

Requests forwarded to the program areas must be responded to within specific time frames, depending on the type of request.

Although there is some variation depending on the nature of the request, the following general process is followed in responding to requests:

- Incoming requests are sorted and in some cases logged
- Records Service Unit staff analyze the request to determine what documents are required and from which program area
- The request is communicated to involved program areas either through completion of a form or card, or by printing off motor vehicle record (MVR) screens and highlighting documents required. The request may be color coded to indicate the time frame/deadline for response

- Requests are then forwarded to the appropriate area
- Within the Title and Registration Records Response Section, requests are clocked in and logged. There are four FTE assigned to a records retrieval function for both inside and outside requests. Staff pull the roll(s) of microfilm, locate the document(s) on the roll(s), make copies, forward documents to the Records Service Unit, and refile the roll(s)
- Negatives of driver license photographs are maintained by the Office of Special Investigations. Requests are logged in. Staff pull the roll(s) of negatives, develop the photographs, log the work out, and forward the documents to the Records Service Unit. There are two FTE assigned to respond to requests for photographs
- Driver Records requests are counted and logged in by staff in the Records File Unit within the Driver License Program. The program has three FTE assigned to records and citation retrieval full-time; other FTE assist on a part-time basis. The number of hours expended in records retrieval totals 5.05 FTE. They respond to requests from inside and outside the Department
- Microfilm requests are handled through a process similar to that used in Title and Registration. Prior to forwarding the documents to the Records Service Unit, however, all traffic complaint documents must be certified, front and back, to indicate that the original was mailed on a given date
 - Not all documents requested are on microfilm. If the request requires a document data prior to 1986, staff must pull the manual "docket" from files within the Records File area or must retrieve the "docket" from ADOT records retention
 - If certain documents cannot be located, staff prepare a letter indicating that the documents are unavailable
 - The microfilm copies and the entire docket, along with the letter, if necessary, are forwarded to the Records Services Section
 - Throughout this process, up to five different staff members may be involved in responding to a single request

- Requests for citations are processed by the Citations Unit within the Driver License Records File Unit. Staff complete an out-card for the document, pull the document, and forward the document along with the original request to the Records Service Section. Requests are logged in and out in order to develop workload statistics
- Records Response staff file materials received from each of the program areas until they have all of the documents necessary to respond to the request
- If a manual docket is involved, they locate the required documents and copy them
- The complete response is then compiled, certified again, to attest that the documents are a true and exact copy of the record, and mailed.

Impact

The decentralization of records has resulted in the following inefficiencies in retrieval:

- Decentralization has created the need for a coordinating layer between the requestor and staff who have direct access to the documents
- There is duplication of effort in sorting, tracking, assigning, identifying items requested, compiling, and mailing
- There is no fixed responsibility or accountability for responding to a request due to the number of staff involved
- Given the deadlines associated with these requests, the inclusion of a coordination function at the beginning and at the end of the process decreases the amount of time available for line staff to do the work. This imposes more pressure on staff than is really necessary and in some cases leads to missing the deadlines.

Recommendations

Once records have been centralized (see Recommendation entitled "The MVD Reorganization") records requests and retrieval can be simplified and streamlined as follows:

- All staff associated with retrieval should be co-located in the proposed records section
- Six FTE from the Records File/Film Section should be assigned to the records retrieval function
- Based on the analysis of functions and tasks presented in Exhibit 77, Records Service Section – Task Analysis of Selected Functions, seven MVD Ops Clerk Is from the Record Service Section should be transferred to the proposed records section to perform records retrieval
 - The vacant seasonal position should be removed from the organization chart, as it does not represent a real position. The other seasonal position should be eliminated
 - The vacant MVD Ops Clerk I position should be eliminated
 - The remaining positions should be eliminated
- Requests should be forwarded to a supervisor or designated staff member for whatever logging or tracking is determined to be appropriate and then assigned to a staff member
- With the exception of developing photographs, each staff member should be responsible for processing entire requests from beginning to end, regardless of type of information requested.

Benefits

There are multiple benefits from this approach to request response/records retrieval:

- The need for a coordination function/layer is eliminated. This represents a savings of four FTE and one filled seasonal, for a total of \$114,081. Elimination of the vacant full-time permanent position results in a cost avoidance of \$20,559. As shown in Exhibit 78, Records Service Section – Proposed Staff Reductions, implementation of the recommendations results in a total cost savings of six positions and \$134,641

- Elimination of the coordination function will increase the time available to do the actual work and decrease the turnaround time for response to customer requests
- The response process is streamlined, with duplicate activities eliminated
- Line staff become knowledgeable about all record types
- Line staff are responsible for the entire process and product, with the exception of photograph development, rather than just a segment of it.

Implementation

In order to successfully implement these recommendations, it will be necessary to:

- Familiarize line staff with all record types and train them in all retrieval methods
- Determine how to meet the courts' need for document certification without duplication of effort
- Notify frequent customers of where and to whom to forward requests
- Determine whether it is necessary to have a microfilm reader-printer and a terminal for each staff member assigned to retrieval.

RECORDS RETRIEVAL – STAFFING BREAKDOWN BY ORGANIZATIONAL UNIT

<u>Area</u>	<u>Classification</u>	<u>No.</u>	<u>SG</u>	<u>Salary</u>	<u>Total W/ERE</u>
Public Service	Adm S Supvr I	1	14	\$21,664	\$27,730
	MV OPs Clerk II	2	11	\$17,669	\$45,233
	MV Ops Clerk I *	11	9	\$16,062	\$226,153
T & R	MV Ops Clerk II	1	11	\$17,669	\$22,616
	MV OPs Clerk I	3	9	\$16,062	\$61,678
Driver License					
Mail	Clerk Typist I	1.2	8	\$15,165	\$23,293
Citation	Info Proc Spec I	1	9	\$16,062	\$20,559
	MV OPs Clerk I	0.25	9	\$16,062	\$5,140
Film/File	Clerk Typist I	2.3	8	\$15,165	\$44,646
	MV Ops Clerk II	0.3	11	\$17,669	\$6,785
Special Investig	Photograph Techs	2	13	\$20,278	\$51,912
TOTAL		25.05			\$535,745

* One vacant; two seasonal, one of which is vacant

RECORDS SERVICE SECTION - TASK ANALYSIS OF SELECTED FUNCTIONS

Estimated Hours Per Task Annually

Functional Area	Sort/Log	Analyze Request	Printing	Docket Docs	Copy	Compile	Certify	Mall	*Total	FTE	% Error	Actual FTE
Subpoena	90	270	630	180	135	203	203	171	1881	1.05	0.05	1.00
Felony DUI	90	180	180	180	135	203	203	225	1395	0.78	-0.22	1.00
Certified	360	720	1440	720	540	810	810	828	6228	3.46	-0.14	4.00
T&R	90	720	540	0	113	225	225	162	2075	1.15	0.15	1.00
Government	90	180	900	0	0	225	225	180	1800	1.00	0.00	1.00
Sub-total Current	720	2070	3690	1080	923	1665	1665	1566	13379	7.44	0.07	8.00
Sub-total Transferred	180	2070	1440	1080	923	450	1058	342	7542	4.19	0.07	4.48
DL Clearance (1)												1.00
Purge/Name File (1)												1.00
TOTAL TRANSFERRED												6.48
ROUNDED												7.00

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*Hour totals for tasks are based on supervisor estimates of time spent on each activity. The total error percentage was applied to the proposed FTE total to adjust for estimation errors.

- (1) Driver License Clearance and Purge/Name File functions have been omitted from analysis because of their unique nature.
- (2) Shaded areas represent duplicate effort to be eliminated.
- (3) Total Proposed for Certify represents a 50% reduction in the shaded area.
- (4) Does not include Cert Printing or Mall functions. They represent duplicate activities to be eliminated.
- (5) Vacant SE MV OPs Clerk I is not included in the analysis. That position will be removed from the organization chart.

RECORDS SERVICE SECTION - PROPOSED STAFF REDUCTIONS

<u>Classification</u>	<u>COST SAVINGS</u>				<u>AVOIDED COSTS</u>		<u>TOTAL FTE</u>	<u>TOTAL</u>
	<u>Filled Perm</u>	<u>Salary W/ERE</u>	<u>Filled Seas</u>	<u>Salary W/ERE</u>	<u>Vacant Perm</u>	<u>Salary W/ERE</u>		
Adm S Supvr I	1	\$27,730					1	\$27,730
MV OPs Clerk II	2	\$45,233					2	\$45,233
MV Ops Clerk I	1	\$20,559	1	\$20,559	1	\$20,559	3	\$61,678
TOTAL	4	\$93,522	1	\$20,559	1	\$20,559	6	\$134,641
COST SAVINGS		\$114,081						
COST AVOIDANCE		\$20,559						

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MANAGEMENT OF THE MVD FACILITIES

Current Situation

The General Operations Group within the Administrative Services Division is responsible for handling part of the facilities management tasks required to build and maintain all ADOT facilities. The remaining portions of these tasks are performed by the Highways Division and the Motor Vehicle Division (MVD).

Programming activities required for the planning and oversight of new building construction for the Highways Division are performed by staff within the General Operations Group. This group works in conjunction with the Highways Division to develop prototype plans. Once these prototypes are completed and approved by both General Operations and Highways, the General Operations Group can readily plan for each new building without the requirement of significant input from Highways with respect to design criteria.

The General Operations Group does not provide programming support for the MVD. As a result, managers of the field offices spend time performing these programming activities. These managers spend time reviewing drawings for each new building in their area and meeting with architects on a regular basis. In addition, the field managers are involved with obtaining bids for building renovation projects such as counter changes. More recently, the MVD has begun to move the programming responsibilities from the field offices to the office of Management Services within the MVD.

Repair and maintenance (R & M) functions for field operations are the responsibility of the Highways Division. This function is the responsibility of the General Operations Group for the 'central campus' of ADOT facilities in Phoenix. The Highways R & M personnel are responsible for responding to requests for building repairs, but are not responsible for the overall physical state of the MVD facilities or the R & M budget for these facilities. This is the responsibility of the MVD Managers. The Highways Division and the MVD have not developed a facility preventative maintenance program.

During the capital budgeting process, the MVD Program develops capital budget requirements for new buildings and renovations, which often include cost estimates. For the renovations requests, the General Operations Group inspects the buildings after the request comes in to evaluate the need and cost estimates.

Impact

Due to the fragmented nature of the facilities management function within ADOT, the MVD field managers must spend a minimum of 10 to 20% of their time dealing with facility issues. This detracts from their ability to focus on their program, subordinates, and the public. This structure of facilities management also requires that the MVD personnel not specially trained to work on facilities construction and renovation issues handle these tasks even though personnel trained in these areas reside in the General Operations and Highways areas.

The current management structure does not promote preventative maintenance activities since the Highways R & M personnel do not have ownership of the entire repair and maintenance function and the MVD management can shift the building repair and maintenance dollars to handle other needs within their program.

Finally, the capital budget preparation process leads to redundant activities. The MVD personnel must review all of their facilities to assess new construction and renovation needs. Then the General Operations Group revisits the renovation requests to determine whether or not they are valid and to reassess the costs.

Recommendations

We recommend that all ADOT facilities management be centralized within the General Operations Group. This group has the infrastructure and expertise to maximize the Agency's cost effectiveness in this area. This group would have the following responsibilities:

- Provide all programming needs (new construction and renovation) for ADOT programs
- Provide all repair and maintenance needs for ADOT facilities and develop a preventative maintenance program
- Develop the Capitol Budget in conjunction with program personnel.

The General Operations Group should work with the MVD to develop a prototype office plan. Once this prototype office is approved by all appropriate program personnel, it becomes the basis for all new construction. Thus, when new facilities are proposed, the prototype plan can be used and a structure built

to a size that is appropriate for the projected demand. This will reduce the ongoing need for the MVD managers to deal with facility plans and meet with architects. One Management Analyst II position (Grade 18) should be moved from the Office of Management Services within the MVD to the General Operations Group to assist with this effort.

The facility repair and maintenance personnel currently under Highways should report to the Physical Plant Director in charge of building maintenance within the General Operations Group. This group would be responsible for the overall appearance and structural integrity of all ADOT facilities and would control the R & M budget. Each person in this group would have an assigned region and would be responsible for the repair and maintenance for all ADOT buildings in that region.

Standards should be set with input from program managers for each type of building so that the public is presented with a consistent and appropriate image. In addition, this R & W group should develop and publicize a set of turnaround time standards for different categories of repairs so that all customers (ADOT employees) have valid expectations and can plan accordingly.

At the time that the capital budget is prepared, the General Operations Group facility managers in each region would have the responsibility of developing the plan in conjunction with the program people in that region. Since the facility manager has ongoing review of these facilities and experience in developing facility cost estimates, this process should be much more expedient than the present process.

Benefits

The program managers in the field can concentrate on their program, subordinates, and the public for an additional 10 to 20% of their time. In addition, the facilities will be maintained in a much more consistent manner. A cost savings should result from the implementation of a preventative maintenance program and having management of all facility activities performed by one group, although the benefits are not quantifiable at this time. Finally, the capital budgeting process should take up less time from both the program and general operations side of the process.

Implementation

This recommendation can be implemented at anytime. Shifting the R & M budget may be appropriately done as of the beginning of the new fiscal year.

Additional opportunities may also be generated by moving the property management function within the Right-of-Way section of the Highways Division into the General Operations Group. This can be investigated as part of the implementation process.

TITLE AND REGISTRATION ENFORCEMENT

Current Situation

The Title and Registration (T & R) Enforcement group is located throughout the State and performs a variety of functions, many of which are also performed in other areas of the Motor Vehicle Department (MVD). In addition, this group is called on by the field offices to help out where needed. The following list describes the functions performed by this group on a regular basis and duplicative as well as similar duties performed by other groups.

- The T & R Enforcement group is used by personnel in the field offices to collect on Non-Sufficient Fund (NSF) checks. However, the Collections group within the Motor Carrier Revenue area is the only group charged with performing this function. In addition, the Recommendation, "Centralizing Title and Registration Bank Accounts" provides for an additional person to be added to the Accounting Unit to concentrate on processing NSF checks as well as refunds
- The T & R Enforcement group is responsible for auditing dealer recyclers and investigating new and used dealerships who are licensed by the Dealer Services group in the Title and Registration Program. However, a similar function, new and used car dealership audits, is performed by a group within the Title and Registration Program called Dealer Investigations
- The T & R Enforcement group performs lot inspections of dealers outside of the Phoenix metropolitan area for the Dealer Services group as part of the dealer licensing process. The Dealer Investigations group performs these inspections within the Phoenix metropolitan area
- One person within the T & R Enforcement group is responsible for notifying persons that their drivers license may be suspended because they were in an accident and did not have car insurance. However, the Driver Responsibility analysts within the Driver License Program deal with driver license suspensions and revocations
- The T & R Enforcement group inspects cars as part of the vehicle registration process. Two types of inspections can be performed. The first inspection, called a Level I

inspection, is the first inspection which is performed. If the person conducting a Level I inspection detects that the Vehicle Identification Number (VIN) has been tampered with or detects anything suspicious, he will require that a Level II inspection be performed. A Level II inspection is much more involved and requires a person who has been appropriately certified. The T & R Enforcement Officers are certified to perform Level II inspections

Clerks in the T & R Offices throughout the State are trained and expected to perform the Level I inspections (time for these inspections was built into the staffing analysis performed for the Recommendation entitled "Vehicle Registration Renewal Process"). However, the T & R Enforcement group performs both Level I inspections and Level II inspections for the registration process

- The T & R Enforcement group also inspects abandoned vehicles before they are auctioned
- The T & R Enforcement group issues permits for commercial carriers who travel within Arizona but do not pass through the port system. However, the T & R Offices have taken on this function. If T & R Office clerks have to write a complicated oversize permit, they can call the Central Permitting Unit in Phoenix for help. Units staff can fan the permit information to the field office
- T & R Enforcement personnel respond to complaints from the people who see cars with expired registrations or out-of-state plates. The T & R group investigates these complaints and may respond with warnings or citations. Motor vehicle related investigations are also performed by the Office of Special Investigations in the Support Services Program
- The T & R Enforcement group works in conjunction with other jurisdictions to conduct traffic stops of commercial carriers to check for permit and weight compliance. However, the Recommendation entitled "Weight Enforcement" states that this function should be performed by the DPS group which is responsible for motor carrier weight and safety inspections.

Impact

The T & R Enforcement group does not have a compelling mission. It does perform motor vehicle enforcement activities, but it provides many other services that are either duplicated by other groups or much more aligned with functions of other groups within the MVD.

Recommendations

Where the activities of this group duplicate duties of other groups, the FTE for these activities should be eliminated. In situations where the duties are similar to duties of other groups, the FTE associated with these duties should be moved. The result would be the elimination of the T & R Enforcement group.

The following activities should be moved to other areas of the MVD to improve mission alignment (see Exhibit 79, Title and Registration Enforcement, Remaining Positions to be Moved):

- One officer should be placed in the Dealer Investigations group to perform dealer recycler audits
- The same officer mentioned above can also handle dealer lot inspections within the Dealer Investigations group
- An Administrative Secretary should be moved from T & R Enforcement into the Driver Responsibility group to handle notifications of potential suspensions of driver licenses
- Inspections of vehicles should be performed as part of the registration process under the supervision of the Title and Registration Field Office Management. Level I inspections should be performed by clerks. Certified inspectors should perform Level II inspections. These certified inspectors should also perform inspections of abandoned vehicles prior to auction. Currently, certified inspectors performing Level II inspections report to Title and Registration Field Office Management in some parts of the State. Twenty-one officers should be placed in the field offices not already staffed with Level II certified inspectors
- Responses to public complaints should be performed by the Office of Special Investigations. One officer should be moved into this group to handle these complaints

Benefit

Of the fifty permanent positions in the T & R Enforcement group, twenty-four positions will be moved to other areas in the organization. The remaining positions can be eliminated resulting in a savings of 26 FTE and \$761,343 dollars (see Exhibit 80, Title and Registration Enforcement, Summary of Savings). In addition, this recommendation improves the alignment of missions within the Motor Vehicle Division.

Title & Registration Enforcement

Remaining Positions to be Moved
(Based on 1991 statistics)

Task	Number per year	min. per task	Total time
Field Offices DL/T&R:			
T&R Office Inspections			
Level II (only)	10,867	45	489,015
Abandoned Vehicles Inspections			
Level I*	33,140	20	662,800
Level II*	9,942	45	447,390
Total			1,599,205
Hours			26,653
FTE			21 (Allows for 1/3 of
Round up			21 time for travel)
Salary Grade 14			21,664
Salary + ERE			27,730
Total Cost			582,328
Dealer Investigations:			
Recycler Audits			
15 unlicensed	20	90	1,800
5 licensed	5	240	1,200
Lot inspections	118	90	10,620
Total			13,620
Hours			227
FTE			1 (Allows for 3/4 of
Round up			1 time for travel)
Salary			21,664
Salary + ERE			27,730
Total Cost			27,730
Office of Special Investigations:			
Response to public complaints over expired plates and out-of-state plates (Warnings issued) (Citations issued) (Out-of-State complaints)	3,496	3	10,488
Hours			175
FTE			0 (Allows for 1/3 of
Round up			1 time for travel)
Salary			21,664
Salary + ERE			27,730
Total Cost			27,730
Driver Responsibility:			
Financial			
Responsibility 1 FTE G11			1
Salary			17,669
Salary + ERE			22,616
Total Cost			22,616

*Extrapolated based on four months of 1991/92 stats

Title & Registration Enforcement
Summary of Savings

Current Cost of Unit	FTE	Salary	ERE	Total
MV Field Officer G14	37	21,664	27,730	1,026,007
MV Field OIC G15	4	22,974	29,407	117,627
Area Supervisor G17	3	26,993	34,551	103,653
ASO II G21	1	38,804	49,669	49,669
LP Tech G12	2	18,950	24,256	48,512
AAII G15	1	22,974	29,407	29,407
Dispatcher G12	1	18,950	24,256	24,256
Secretary G11	1	17,669	22,616	22,616
Total	50			1,421,747
Positions to be Moved	FTE	Salary	ERE	Total
MV Field Officer G14	23	21,664	27,730	637,788
Secretary G11	1	17,669	22,616	22,616
Total	24			660,404
Savings	26			761,343

ALIGNMENT OF ADMINISTRATIVE MISSIONS

Current Situation

The Motor Vehicle Division's (MVD) Management Services Office consists of personnel performing budget and strategic planning oversight, contract oversight, vendor troubleshooting, QC of procurement and personnel documents, personnel, cash handling audit, building and facilities oversight, telecommunications, warehousing and forms, training, procedure writing and clerical support.

The majority of these functions exist in the central service offices within Administrative Services Division and the Director's Office. The necessity for placement of these positions within the MVD is driven by several factors:

- Historically, the administrative support functions have remained within the MVD despite the Division being integrated into the Department of Transportation. The MVD culture remains as a stand-alone agency
- The MVD allocates their appropriated and non-appropriated funds to a detailed level. The Legislative appropriation lumps all operating expenses within one figure. From that appropriation, the MVD designates funds for each type of operating expense by Unit. Though this provides appropriate control over expenditures, it also necessitates additional effort in managing each expense type's cash (allocation) and expenditures to avoid cost overrun. Although other divisions within ADOT have appropriate control over expenditures, they do not currently allocate at this level
- The ADOT accounting system (TRACS), when first implemented, could not be relied upon for accurate information. The MVD Management Services Office, in response, developed its own internal tracking system to ensure that cost overruns did not occur. The problems with the TRACS System have been resolved to the point that the MVD has recently discontinued their internal tracking system. TRACS also provides for ad hoc reporting on a daily basis
- The MVD maintains numerous facilities throughout the State, relying on budgeted funds for routine repairs. Administrative Services Division, General Operations Group, provides

for centralized facility planning for the Highways Division; however, no staff are designated for the MVD. The Recommendation entitled "Management of the MVD Facilities" addresses the centralization of facilities planning and repair within the Administrative Services Division, General Operations Group

- ADOT maintains a warehouse for control forms and supplies. The MVD also maintains its own warehouse for control "forms," such as license plates, vehicle registration tabs and pre-numbered forms. Plans exist to physically move the MVD warehouse from the basement of the MVD building to a building near the existing ADOT warehouse. Space is not available to physically consolidate warehouses; however centralization of the function should be considered
- ADOT's centralized training office, Employee Development provides for generic training of all ADOT employees on such topics as agency policy, sexual harassment and management. A centralized training tracking system is also maintained by Employee Development. Each division, however, is responsible for their job-specific training
- The MVD Management Services includes two FTE who are responsible for the quality control and tracking of procurement requisitions and personnel actions. Though Administrative staff exist at the program level for oversight, all documents must also flow into Management Services. The purpose of this oversight is to capture budgetary information and to ensure that position vacancy savings are monitored
- ADOT has an Office of Personnel Management whose responsibility is to handle all employee-related actions, employment, job classification and supervisory assistance. The MVD maintains a position within Management Services that also provides personnel assistance to supervisors. This position is maintained in the MVD due to the location of the Personnel Management Office in another building and to ensure full time service in personnel matters. This employee must receive guidance from the Personnel Management Office, despite placement in the MVD.

The MVD also is charged with the responsibility for receipt, accounting and collection of Highway User Revenue Fund (HURF) revenues. The Administrative Services Division, Strategic Management Group is responsible for forecasting HURF revenues. Though the MVD performs the initial accounting functions, the final approval and disbursement of HURF falls under the responsibility of the Administrative Service

Division, Finance Group. Reconciliation between the MVD and Finance Group's accounting systems occurs monthly prior to distribution of funds. It is not uncommon that discrepancies are found in the reconciliation process.

Within the MVD Office of Special Investigations, approximately two FTE are utilized to investigate allegations concerning employee behavior. These investigations reach beyond the MVD and are initiated primarily by a Division Director or the Director's Office. Findings are provided to the appropriate office.

Impact

Once Management Services has created a detailed budget by unit with specific costs, considerable resources are spent reviewing expenditures and adjusting allocations, rather than letting the Unit Managers commit expenses within appropriate latitudes. The Finance Group is also impacted by the tight allocation restrictions.

Management Services, in many cases, acts as a "middle-man" for the MVD Program staff and the central support staff in Administrative Services Division and the Director's Office. This creates a delay in processing documentation as well as additional coordination effort.

Centralizing these staff functions within Management Services duplicates supervisory layers which already exist in the Administrative Services Division.

HURF revenues are the primary funding source for not only the MVD but also the entire ADOT organization, including highway construction. HURF revenues also are distributed by statutory formula to cities and counties for local construction projects. While the MVD's focus is collection of HURF revenues, the Administrative Services Division maintains the Finance Group, headed by the Department's Comptroller and staffed with a large skill base directly related to Accounting functions. With two separate accounting-related functions and two supervisory chains of command, duplication of mission exists. Redundancy is also visible in the operation of two warehousing functions; one by the MVD and the other in the Administrative Services Division Procurement Group.

Employee investigations are being performed by the MVD staff regardless of where the allegation exists within the Department. These sensitive cases are handled three levels below the Director's Office.

Recommendations

We recommend that positions with similar missions be aligned as follows:

- The Program Compliance Audit position within Management Services should be transferred to the Finance Group to provide for cash handling audits throughout the Department
- The Fiscal Specialist IV responsible for vendor troubleshooting, should be transferred to the Finance Group, Accounts Payable Unit
- The Accounting Technician II responsible for QC of requisitions should be transferred to the Procurement Group
- The Management Analyst II or equivalent position responsible for facilities and two Drivers should be transferred to the Procurement Group
- The AA III (forms), Warehouse Worker, and Supplies Clerk should be transferred to Procurement within a consolidated warehousing and forms function
- The AA III, responsible for Personnel guidance, should be transferred to the Personnel Management Office
- The Personnel Assistant I, should be transferred to the Finance Group, Payroll Office
- The Training/Procedures function should be evaluated when the statewide training program is adopted
- The Telecommunications position and a staff of three FTE for Planning and Budget Oversight should be retained within the MVD
- Two Investigators should be transferred to the newly formed Human Resources Office within the Director's Office (see Recommendation entitled "Special Support Reorganization")

- Collections (7 FTE), Revenue Audit (34 FTE), Receipt Control (5 FTE), Accounting/UST (13 FTE) and Error Resolution (5 FTE) should be moved to the Finance Group and assimilated within the organization.

Exhibit 4, The MVD Present FTE by Functions, and Exhibit 6, the MVD Proposed FTE By Function, within the Executive Summary, shows the impact of these recommendations.

Benefits

Through consolidation, a cost savings from the elimination of duplicative overhead amounting to three FTE in Management Services and two FTE in Revenue Accounting is realized. The salary and ERE for these five positions amounts to \$172,911. In addition, one vacant ASO II is eliminated, for an avoided cost of \$49,669. While saving overhead, like programs will be united within the Department. This should increase efficiency by removing an additional stop for many documents while joining employees with similar skill bases.

Implementation

The implementation can occur immediately.

Workload analysis and performance measurements must be developed within Administrative Services Division and the Personnel Management Office as these functions are shifted, to ensure that cycle times and service quality delivered to the MVD is maintained or improved.

THE MVD REORGANIZATION

Current Situation

The Motor Vehicle Division is currently organized in four programs as follows:

Revenue/Motor Carrier focuses on the Motor Carrier industry, including registration, collection of taxes and enforcement of Motor Carrier laws. The majority of enforcement and registration is handled at the Ports of Entry, located on major highway systems entering the State. The program is also responsible for the accounting of all revenues flowing into the Division, regardless of source.

Driver Licensing is responsible for determination and issuance of driver licenses and development of traffic safety policy and education programs. Offices are located statewide for the public to obtain a driver's license.

Title and Registration handles the registration and titling of vehicles for 12 of the 15 counties within the State. Maricopa, Santa Cruz and Gila Counties operate their own Vehicle Registration and Title Offices. In addition, dealers and recyclers are licensed under this program.

Support Services represents the administrative arm of the MVD, including special vehicle investigations, administrative hearings, special title services, and administrative functions.

Though the programs appear to have clear distinction in services provided, many similar functions cross program lines (see Exhibit 81, The MVD Program vs. Function Orientation).

- Three programs operate field offices for driver licensing, title and registration, and Port of Entry stations. In the Recommendation entitled "Title and Registration and Driver License Field Operations," we recommended that field offices be combined due to common clientele, similarity of functions and the ability to provide better service through cross-functional service windows. Though the Port of Entry System focuses on the Motor Carrier industry, the administration of a field function is duplicative with that of the vehicle title and the driver license functions
- Records processing, retrieval and response for requests for title and registration and driver records are currently being handled in three separate programs. As reflected in the

Recommendation entitled "Records Request and Retrieval," it was noted that this decentralization of records necessitates a coordination office to gather documents from various programs to satisfy requests. In addition, microfilm and optical scanning operations are duplicated, with each program utilizing its own equipment for processing

- Public service and internal technical support functions also cross program lines, though the common mission is to provide service to both the MVD staff and the public. As an example, four separate units are responsible for handling information calls and correspondence from the public. Within the Driver Licensing Program alone, three separate units, Renewal By Mail, Communications and Mandatory Insurance, handle phone inquiries
- Licensing functions also cross program lines, with motor carrier licensing appearing in two separate program units, Licensing and Traffic Safety-Cargo Tanker. The Recommendation entitled "Cargo Tanker" combines these functions.

In addition to the functions that cross program lines within the MVD, several areas duplicate administrative functions being performed in the Department's support service areas. In the Recommendation entitled "Alignment of Administrative Missions," these administrative functions were moved to join staff with common skill bases and expertise as well as to eliminate duplicative processing and supervisory oversight.

The current organizational structure also appears to have multiple levels of supervision and what appear to be arbitrarily created small spans of control at certain levels. Exhibit 82, The MVD Present and Proposed Spans of Control and Layering, reflects the current status of these organizational components.

Impact

As a result of the current organizational structure, employees performing similar duties with similar equipment are not working within the same unit. Thus, duplication of equipment and supervision is present.

Similar functions are being performed by employees with different job classifications, depending on the program.

By having service functions and processing functions scattered throughout the Division's programs, program-level emphasis is not present to focus on one of the MVD's primary missions, which is customer service.

Recommendations

We recommend that the Division be reorganized into the functional programs of Field Services, Central Processing and Customer Service. Field Services combines program oversight for all Title and Registration, Driver License and Motor Carrier public field services.

Central Processing provides for co-location of all processing, licensing and records functions. Within this program, procedures can be standardized and technology leveraged through common mission.

Customer Service focuses on both internal and external customer service and creates a synergism of policy, procedures, training and assistance. Through this combination of resources, a continuous improvement and monitoring program can be developed and maintained for the Division.

We recommend that spans of control be appropriate for the type of task, geographic dispersion and potential serious ramifications from not being able to readily access a supervisor for guidance. Layering was developed based on span of control analysis.

A detailed breakdown of the movement of FTE is reflected in Exhibit 7, Summary of Position Changes, within the Executive Summary.

Benefits

Through reorganization, a cost savings from the elimination of duplicative overhead amounts to a net savings of 22 FTE and \$640,787. In addition, four vacant positions are eliminated for an avoided cost of \$148,503. Exhibit 83, ADOT Reorganization-FTE Saved and Established, identifies all affected positions.

It is anticipated that the quality of service will improve due to the co-location of employees with a like skill base, centralization of like functions and equipment, and elevation of key division missions to the program status.

Implementation

Implementation must be carefully planned and executed to ensure that a major reorganization such as this succeeds. This plan needs to address physical location, employee movement, continuation of uninterrupted service to the public and development of workload analysis and performance measurements as functions are shifted.

Due to the multiple fund sources of the programs affected, budgetary approvals may be needed from the Joint Legislative Budget Committee and Office of Strategic Planning and Budget.

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MOTOR VEHICLE DIVISION					
Function	Assistant Director Office	Support Services	Revenue Motor Carrier	Driver License	Title & Registration
Administrative	Asst Dir Ofc Enterprise	Supt Svcs Admin User Support Budget Oversight	Prog Adm Ofc	Prog Adm Ofc	Prog Adm Ofc
Field Services			Northern Zone Southern Zone Central Permits	Northern Zone Southern Zone Central Zone CDL	Northern Zone Southern Zone Enforcement
Records		Records Svc Film Retrieval (In OSI)		Records Files Data Entry Admin Per Se	Records Response Document Prep
Processing				Mandatory Insur IVI Renewal By Mail QC/Issuance	Renewal By Mail Title Production
Licensing			Licensing	Cargo Tanker	Dealer Services Dealer Investigation Abandoned Vehicle
Administrative Review		Special Invest. Exec Hearings		Medical Review Driver Responsibility	Enforcement (Complaints)
Internal Support		Training Procedures		Traffic Safety (Policy) CDL Help Desk	County Help Desk
Public Service		Telecommunications Communications Data Base Purchase Front Counter Svcs		Communications Renewal Phones Traffic Safety (Education)	
Admin Svcs Division Finance Group		Payroll QC Vendor Troubleshoot. Cash Audit	Accounting Receipt Control Error Resolution Collections Audit		
Procurement Group		Warehousing/Forms Procurement QC			
General Operations		Facilities			
Director's Office		Personnel Employee Invest.			

MVD - PRESENT AND PROPOSED SPANS OF CONTROL AND LAYERING

SUPV LEVEL	LINE	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	1:10	1:11	1:12	1:13	1:14	1:15	TOTAL	% to TOTAL	
PRESENT ORGANIZATION:																			
1 (ADOT DIR)																			
2 (MVD AD)								1										1	0.4%
3	0	0							1		1	3						5	2.2%
4	5	2	4	3	3	6	2	1	2		2	1	1					27	12.0%
5	15	8	10	4	7	8	7	7	5	3	2		3					64	28.4%
6	62	10	16	21	19	10	7	3	1	2	2	2	5	2	1	1		102	45.3%
7	101	4	2	2	4	8		2	1	1	1			1				26	11.6%
8	26																	0	0.0%
TOTAL:	209	24	32	30	33	32	16	14	10	6	8	6	9	3	1	1		225	
% to TOTAL:		10.7%	14.2%	13.3%	14.7%	14.2%	7.1%	6.2%	4.4%	2.7%	3.6%	2.7%	4.0%	1.3%	0.4%	0.4%			
PROPOSED ORGANIZATION:																			
1 (ADOT DIR)																			
2 (MVD AD)									1									1	0.9%
3								2			1							3	2.7%
4		1		1	1	2	5	1	4	1								16	14.3%
5	3	2	2	8	4	3	13	7	9	4	10	3	4	3				72	64.3%
6	74			1	7	5	1		1	1	2		1	1				20	17.9%
7	21 *																	0	0.0%
8																		0	0.0%
TOTAL:	98	3	2	10	12	10	19	10	15	6	13	3	5	4				112	
		2.7%	1.8%	8.9%	10.7%	8.9%	17.0%	8.9%	13.4%	5.4%	11.6%	2.7%	4.5%	3.6%					

NOTE: Proposed Organization Spans 1:1 - 1:3 includes 5 Units not evaluated and 10 Units at Ports due to Safety Issues.

* Included is Mandatory Insurance/DL Central which were not evaluated.

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Program	Unit	Position Description	FTE	Grade	Salary	Total
FTE Saved Through MVD Reorganization:						
Support Svcs	Admin	MVD Program Admin.	1	23	46471	46471
		AAIII	1	17	26993	26993
		Admin Sec II	1	13	20278	20278
Public Service Admin		ASO II	1	21	38804	38804
		PP Spec I	1	18	29203	29203
		Admin Sec. I	1	12	18950	18950
		Admin Sup. II	1	16	25004	25004
		RMC Prog Admin	1	24	50937	50937
Rev Motor Carrier	Admin	Admin Ass III	1	17	26993	26993
		PP Spec II	1	19	31647	31647
		Ad Sec. I	1	12	18950	18950
		Ad. Sec II	1	13	20278	20278
		Typist I	1	8	15165	15165
		Typist II	1	9	16062	16062
		DL Prog. Admin	1	24	50937	50937
		PP Spec I	2	18	29203	58406
		AA III	1	17	26993	26993
		PP Spec II	1	19	31647	31647
Driver License	Admin	Fiscal Spec IV	1	18	29203	29203
		Acct Tech	2	11	17669	35338
		Admin Sec II	1	13	20278	20278
		Clerk Typist II	1	9	16062	16062
		Deputy Prog Admin	1	24	50937	50937
		AAII	1	15	22974	22974
		Admin Sec. I	1	12	18950	18950
		ASO II	1	21	38804	38804
		Admin Sup I	1	14	21664	21664
		Admin Sec. I	1	12	18950	18950
Central Zone		Typist I	1	8	15165	15165
		Spec II	1	19	31647	31647
		Driver Respon An.	1	18	25004	25004
		AA III	1	17	26993	26993
		Prog/Prj Spec	1	18	29203	29203
		T&R Prog. Admin	1	23	46471	46471
		Deputy T&R Prog. Admin	1	22	42398	42398
		Ad Sec II	1	13	20278	20278
		Ad Sec I	1	12	18950	18950
		AA III	2	17	26993	53986
Resp/Records/MI Admin		PP Spec II	1	19	31647	31647
		Fiscal Sup	1	19	31647	31647
		ASO I	1	19	31647	31647
		Admin Sec. I	1	12	18950	18950
		Exam Tech	1	12	18950	18950
Phoenix Program Admin	Admin	ASO I	1	19	31647	31647
		Sec	1	11	17669	17669
		Dispatcher	1	12	18950	18950
Title Support Admin		MV Ops Clerk II	1	11	17669	17669
Total Savings:			50			1,355,749

FTE Proposed In Reorganization:

Program	Unit	Position Description	FTE	Grade	Salary	Total	
Central Processing	Program Admin	ASO III	1	22	42398	42398	
		AAIII	1	17	26993	26993	
		Admin Sec I	1	12	18950	18950	
		Typist W/pool person	1	11	17669	17669	
		Records Manager	Admin Supv	1	16	25004	25004
		Processing Manager	Admin Bupv	1	16	25004	25004
		QC/IVI Supv	Exam Tech I	1	12	18950	18950
		Licensing Manager	ASO II	1	21	38804	38804
		MC Licensing Supv	ASO I	1	19	31647	31647
		Customer Service	Program Admin	ASO V	1	24	50937
AAIII	1			17	26993	26993	
Admin. Sec.	1			12	18950	18950	
Internal Support Mgr	ASO III			1	22	42398	42398
Policy Analysts	Reclass (2)					3900	3900
Policy Analyst	Project Spec. I			1	18	29203	29203
Training	Trainers-reclass (2)					13200	13200
Scheduling/Monitoring	Typist			1	9	16062	16062
Help Desk	CDL reclass(2)					12000	12000
MVD Investigations	Manager reclass					6900	6900
Field Services	Program Admin	Investigators reclass(3)			2300	2300	
		Public Svc Manager	ASO II	1	21	38804	38804
		Communications Supv	Supervisor	1	18	29203	29203
		Front Counter Mgr	Admin Supervisor	1	18	25004	25004
		ASO V	ASO V	1	24	50937	50937
		AAIII	AAIII	1	17	26993	26993
		Project Spec II	Project Spec II	1	19	31647	31647
		Admin Sec. I	Admin Sec. I	1	12	18950	18950
		DL/TR Phoenix Mgr	Regional Manager	1	19	31647	31647
		Secretary	Secretary	1	11	17669	17669
Savings:			50			1,355,749	
Net Savings:			26			616,833	
ERE (28%)						769,290	

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SPECIAL SUPPORT REORGANIZATION

Current Situation

The Special Support Group within the Arizona Department of Transportation (ADOT) reports to the Deputy Director of the Department. The Group consists of eleven separate areas with a total of 399 FTE (see Exhibit 84, Current Organizational Chart -- Director's Office). Our review of Special Support focused on alternative organizational alignments based on the mission and general functions of each area.

The following provides a general description of each area:

- Affirmative Action ensures that the Department is in compliance with Federally mandated affirmative action and equal employment opportunity requirements concerning employees and contractors. There are seven FTE assigned to this program, as well as approximately fifty Affirmative Action Liaisons throughout the Department
- Personnel Management Office delivers professional personnel services and technical assistance in personnel matters in response to ADOT management and employee needs. Managed by a staff member from the Department of Administration, the Office addresses such personnel issues as recruitment, classification, promotion, retirement, insurance, records, and employee grievances. Staffing consists of sixteen FTE, four of which are DOA employees. Each Division has assigned at least one staff member to serve as a Personnel liaison
- Employee Development reports informally to the Director's Executive Staff Assistant. The program is responsible for development and maintenance of a training program/system to improve employee effectiveness in meeting Department goals and objectives. Career development assistance is also offered to employees through this program. Employee Development staff provide generic training and certify technical trainers within Divisions/ Program areas. There are seven FTE assigned to this program and 120 certified trainers throughout the Department
- Employee Assistance Program staff assist employees who have job performance problems as a result of personal and/or work related problems. Services available to employees and

their families include assessment, problem identification, up to three counseling sessions, referral, and follow-up. Staff also provide training/groups in such topics as Alcohol/Drug Education, Interacting with Employees, Parenting, and Family Violence. There are four FTE assigned to the program

- Occupational Safety Office also informally reports to the Executive Staff Assistant . Through this program, ADOT ensures a safe work environment for staff by providing professional safety service and technical support to all employees and managers. Safety staff respond to hazardous materials spills on State routes and highways, inspect work sites, and handle workmen's compensation claims. In addition, staff follow-up on work site accidents and are involved in fire marshal inspections. There are six FTE formally assigned to the Occupational Safety Office and thirty-eight staff members from other Divisions assigned as safety representatives throughout the State. There are plans to add an Industrial Hygienist to the staff as of July 1992
- Arizona Highways Magazine originated in 1925 under the Highways Department. It was originally intended to publicize the work being done by the Arizona Highway Department. In the intervening years, the focus of the magazine has changed; it is now published "for the purpose of encouraging tourist travel to and through the state. . . ." In addition to the magazine itself, related gift items are also available through catalog orders and gift shops. There are 70 FTE and six contract staff employed by the magazine staff
- Community Relations Office responds to media inquiries and questions from the public relating to Department activities. Staff are responsible for promoting Department programs and keeping the public informed about planned freeway construction projects, as well as publishing a monthly Department newsletter that focuses on ADOT and employee activities. Four FTE are assigned to this program
- Legal Services represents the legal counsel assigned to the Department through the Attorney General's office. There are twenty-eight legal and support staff assigned to ADOT
- Management Consulting Office (MCO), previously known as the Productivity Resource Management System (PRMS), is in a period of transition with the advent of Total Quality Management in the Department. Historically, PRMS conducted management studies and promoted improvement through recommendations including corrective action,

measurement, staffing, methods, and organizational structures. Although the details of their new role have not been finalized, MCO staff will serve as facilitators in the TQM implementation. Consistent with their new role, responsibility for the employee suggestion program also resides with MCO. Ten FTE are assigned to the MCO. There is also a group of six staff from the Divisions who serve as the Suggestion Committee

- Office of Audit and Analysis staff also anticipate some shift in their activities as a result of TQM. Their current mission is to conduct studies to assess efficiency and effectiveness of operations, the adequacy of and compliance with operating controls, and the appropriateness of costs billed to the Department under costs-plus-fixed-fee type contracts. Audit staff are organized by the following areas of expertise: EDP, construction, performance, internal control, and costs-plus-fixed-fee. Staff predict, however, that their activities may become more focused on process analysis in the future. Twenty-three FTE are assigned to the Office of Audit and Analysis
- Equipment Services staff work to fulfill a multifaceted mission: providing and maintaining the equipment fleet for ADOT users; collecting revenue to finance capital replacement and operational expenses; providing management and financial information through an equipment management system; implementing a statewide replacement/upgrade program to meet Federal E.P.A. regulations; and maintaining the Ports of Entry scales in operational condition. Previously assigned to the Highways Division, this area was elevated to the Deputy Director level in 1987 to resolve management problems

The 224 FTE and twenty-five other staff (temporary, seasonal, part-time, and student aides) assigned to Equipment Services are located in seventeen offices throughout the State. The majority of field offices are combined with Highways Division Field Offices, as 99 percent of Equipment Services work is directly related to Highways functions.

Two other offices/programs have recently been added to the Director's Office. While they report to the Director and are not part of the Special Support Group, we reviewed them briefly in order to understand the Director's Office as a whole.

- Life Cycle Program Management is staffed with two FTE and a staff member from the Clerical Pool. The office was created in October 1991 in response to findings from a legislatively mandated audit concerning the Maricopa Association of Governments (MAG)

freeway system. The office monitors the implementation of the audit recommendations and serves as the coordination and contact point for all information related to MAG freeway system revenue, planning, and construction

- Alternative Funding Sources Office has two functions. The first is implementation of the law allowing four privatization demonstration projects. The second is to find alternative funding for those sections of the MAG freeway system that cannot be funded through the transportation excise tax. There are two staff assigned to this office. Plans are to locate Life Cycle Program Management and Alternative Funding Sources together so that they can share clerical support.

Impact

Under the current organizational structure, the Deputy Director has a formal span of control of eleven FTE and direct or indirect supervision of 399 FTE. Based on estimates provided by the Deputy Director, oversight of these areas and staff accounts for approximately thirty percent of his time (see Exhibit 85, Special Support Group – Current Organizational Structure).

Recommendations

Based on our review, Community Relations and the Office of Audit and Analysis should remain under the supervision of the Deputy Director. We have the following recommendations for transfer and consolidation of areas currently assigned to the Special Support Group (see Exhibit 86, Proposed Organizational Chart – Director's Office).

- Show Legal Services as a dotted unit on the ADOT organizational chart and, without complete study, recommend that a core group be resident at ADOT
- Responsibility for Arizona Highways Magazine should be transferred to the Office of Tourism and we believe that a thorough review would support significant improvement opportunities

- Equipment Services can be returned to the Highways Division where the majority of its customer base resides
- Transfer the Occupational Safety Office to the Risk Management Office within Administrative Services Division
- Place MCO under the Office of Audit and Analysis
- Group Personnel, Employee Assistance, Employee Development, and Affirmative Action into one Human Resources Group, the manager of which should report to the Deputy Director.

We further recommend that the Life Cycle Program Management and Alternative Funding Offices be assigned to the Director's Office only until those projects are operating successfully and no longer require day to day oversight and visibility at the Director's level. At such time, we recommend:

- The Life Cycle Program Management function be transferred to the Transportation Planning Division
- The Alternative Funding function be reassigned to the Administrative Services Division.

Finally, in the Recommendation entitled "Alignment of Administrative Missions," two FTE from the Office of Special Investigations within the MVD were recommended for transfer to the Director's Office and placement under the Human Resources Manager to conduct employee investigations.

Benefits

Implementation of these recommendations will result in a reduction in the Deputy Director's span of control from eleven to three and will decrease his direct and indirect supervisory responsibility from 399 to 74. Time spent in management of these areas will be reduced to approximately thirteen percent, not including Legal Services (see Exhibit 87, Special Support Group – Proposed Organizational Structure). The following additional benefits can be realized through implementation of the recommendations:

- There is no organizational reporting relationship between Legal Services and ADOT. The relationship is one of attorney/client. Formal placement of this area on the agency organizational chart is unnecessary and inaccurate
- Improved service by the Office of Tourism through single management of gift shops and publications
- Whether the customer is the public, a contractor, or an employee, Risk Management and Occupational Safety deal with the price ADOT or the State has to pay through litigation, workman's compensation, disability compensation, or sick leave when an injury or death occurs. Combination of these groups would provide the Department with comprehensive review, enhanced data analysis and automation capability, and coordinated understanding of risk and safety issues and would allow ADOT to prioritize high risk areas and address them through prevention
- Combining the Audit and Analysis and the MCO means:
 - Audit and Analysis or MCO staff can conduct an initial analytical review of a given area or process. As a combined group, they will have a wide range of staff expertise from which to draw EDP, construction, contracts, performance, internal control, and finance
 - Results will then be used as the basis for the internal consulting work to be done by the MCO group. They will work as a team with management in improving their areas and advising them on the TQM tools for continuous monitoring and improvement
 - A pool of staff within the office will be cross-trained to perform both functions
 - Audit activities can feed into the TQM implementation, based on audit findings
 - Activity schedules can be established to conduct systematic review and implementation, perhaps based on the Office of Audit and Analysis Risk Assessment model

- **Combining Employee Assistance, Employee Development, Personnel, and Affirmative Action under a Human Resources Manager serves several purposes:**
 - **Reduces direct reports to the Deputy Director from four to one**
 - **Groups related employee services in a single unit**
 - **Retains access to the Director's Office when dealing with sensitive, confidential issues**
 - **Avoids conflict of interest issues by keeping these functions outside a Division chain of command**
- **Relocating the Life Cycle Program Management and Alternative Funding Offices once the need for oversight and high visibility decreases will ensure that the Director's staff is not permanently inflated and allows the Director the flexibility of moving other/new high profile projects temporarily under his supervision**
- **Assigning employee investigations staff to the Human Resources Group eliminates any conflicts of interest that arise from their organizational placement within a Division and provides them with access to the Director's Office concerning sensitive, confidential issues.**

Implementation

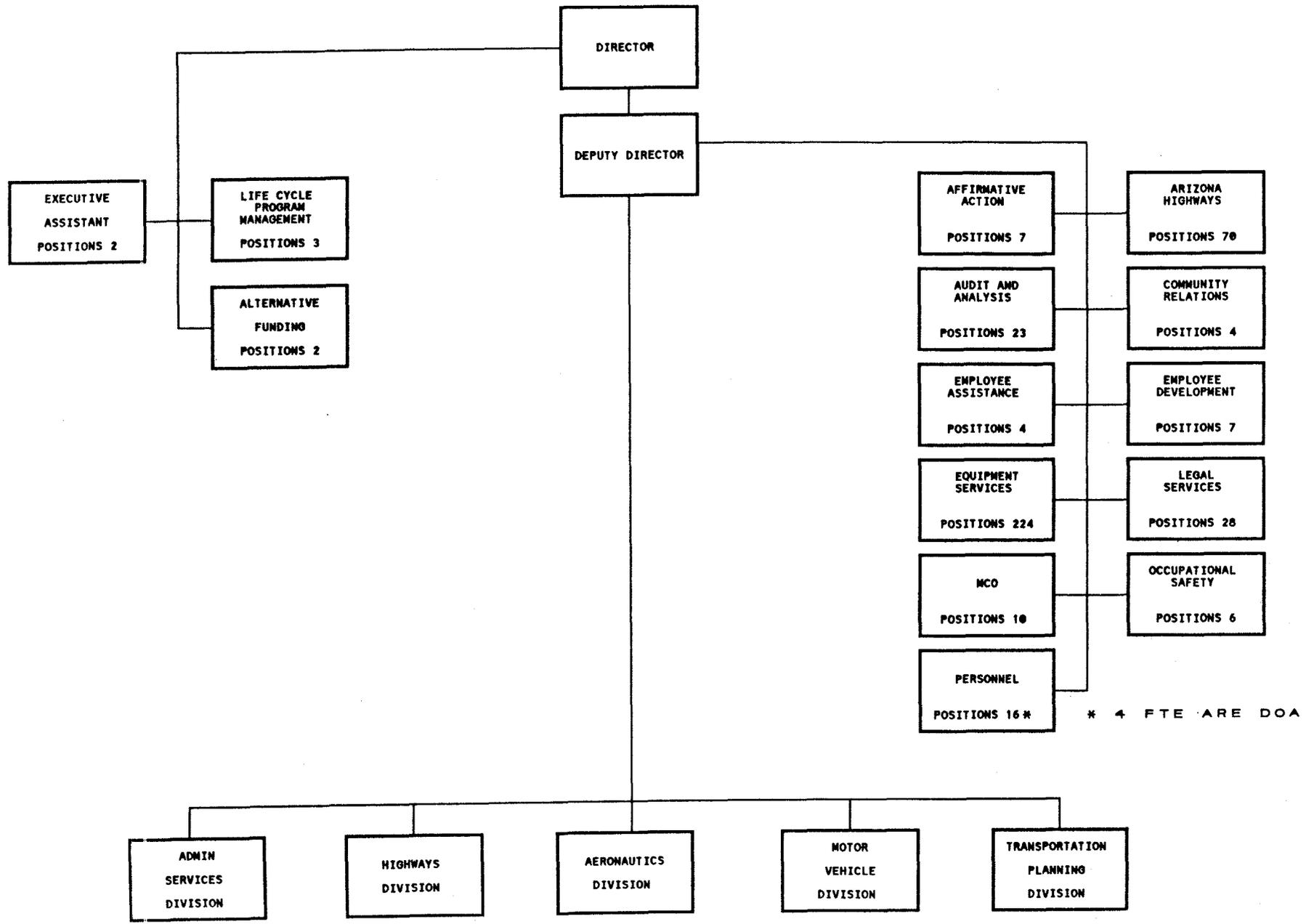
Implementation of these recommendations will require:

- **Revision of A.R.S. 28-1881 to transfer authority over Arizona Highways Magazine to the Office of Tourism**
- **Identification of the level and classification of the position to supervise the Risk Management/Occupational Safety Office. Some reclassification may be necessary, as Risk Management is managed by an Administrative Service Officer II (SG 21) and Occupational Safety is managed by an Occupational Safety Administrator (SG 23)**

- **Identification of the level and classification of the position to manage the Human Resources Group**
- **Review and redistribution of all workloads and supervisory positions as the changes are made.**

**CURRENT ORGANIZATIONAL CHART
DIRECTOR'S OFFICE**

Exhibit 84



DOT - 269

**SPECIAL SUPPORT GROUP -
CURRENT ORGANIZATIONAL STRUCTURE**

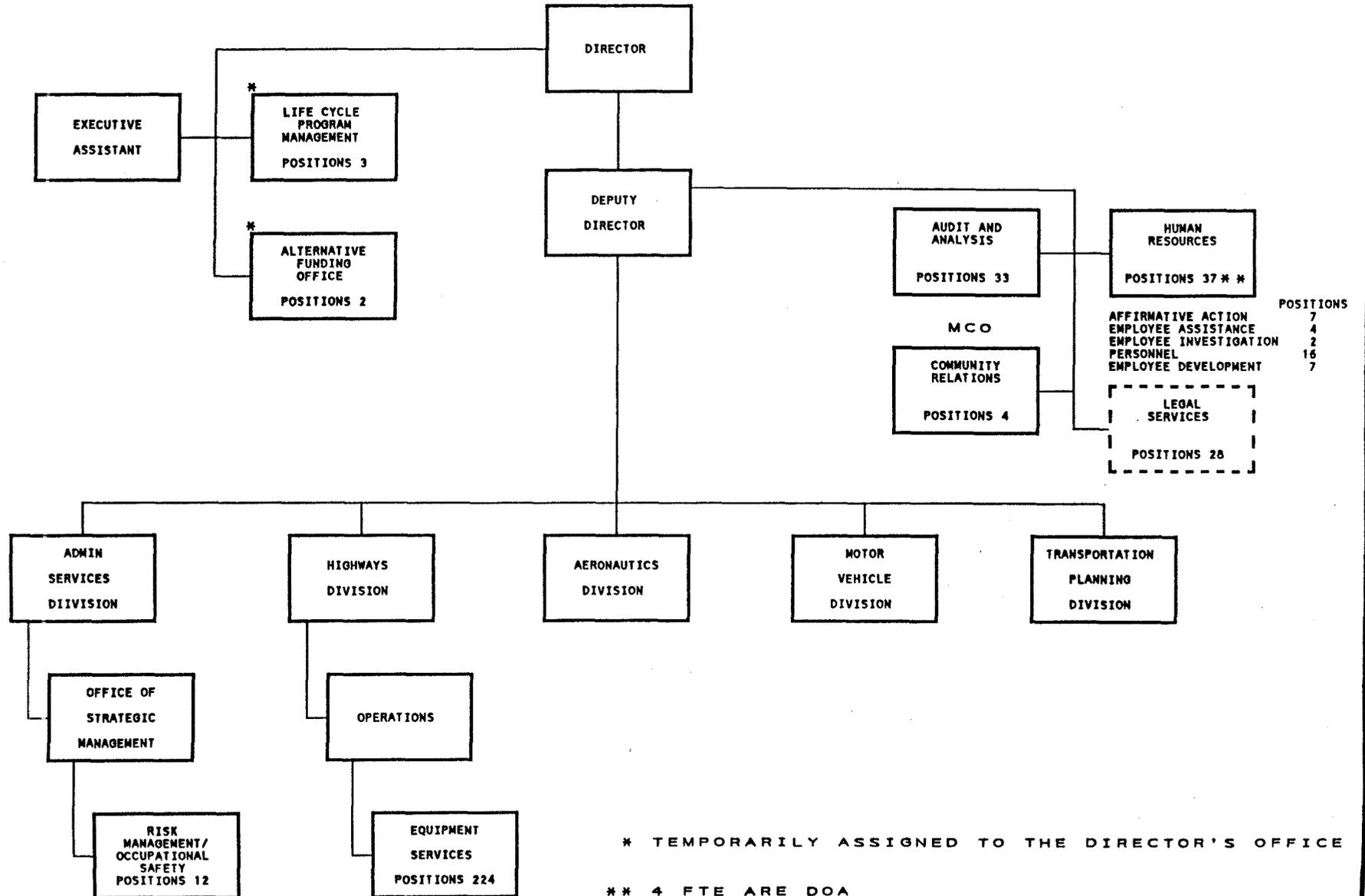
<u>Area</u>	<u>Staff</u>	<u>Annual Hours**</u>
Affirmative Action	7	58.5
Employee Development	7	40
Personnel Management*	16	104
Employee Assistance	4	26
Occupational Safety	6	13
MCO	10	52
Audit and Analysis	23	78
Community Relations	4	52
Legal Services	28	26
AZ Highways	70	52
Equipment Services	224	52
TOTAL	399	553.5

CURRENT PERCENTAGE OF TIME 30.8%

*4 FTE are DOA staff.

**Hours spend managing/supervising these areas based on estimates provided by the Deputy Director

PROPOSED ORGANIZATIONAL CHART
DIRECTOR'S OFFICE



* TEMPORARILY ASSIGNED TO THE DIRECTOR'S OFFICE
** 4 FTE ARE DOA

DOT - 271

SPECIAL SUPPORT GROUP -
PROPOSED ORGANIZATIONAL STRUCTURE

<u>Area</u>	<u>Staff</u>	<u>Annual Hours</u>
Human Resources Group*	37	57
Audit and Analysis	33	91
Community Relations	4	52
Legal Services**	28	26
TOTAL	102	226

PROPOSED PERCENTAGE OF TIME 12.6%

*4 FTE are DOA staff.

**No longer on Org Chart, but still requires same level of access and contact.

Hours for Human Resources Group and Audit and Analysis were based on the assumption that managers of each group will address 75% of the issues that had previously been taken to the Deputy Director.

VEHICLE TITLE AND REGISTRATION IN THE STATE OF ARIZONA

Current Situation

The State of Arizona and three counties (Maricopa, Gila, and Santa Cruz) provide titling and vehicle registration functions within Arizona. At one time the State of Arizona performed all titling and vehicle registration functions. At a later date the counties were allowed to become agents of the State. In more recent years the State has taken back this function for all but three counties.

The jurisdiction providing these services receives one dollar for every transaction to cover all of the expenses required to operate this type of function. Although the Maricopa, Gila, and Santa Cruz counties retain a full dollar for every transaction processed, they also obtain significant resources from the State. These resources include:

- All forms relating to the titling and registration process
- License plates and tabs
- Title and Registration database maintenance and support
- Printing of registration renewal forms generated by the database
- Printing of all titles and lien releases
- Records retrieval services
- Level II vehicle inspections provided by certified inspectors.

The remaining counter functions and renewal by mail processing provided by these counties is manual and similar to the process currently used by the State. Yet we were told by State employees that Maricopa County experiences a positive cash flow based on its processing costs and one dollar retention per transaction.

In the Recommendation entitled "Vehicle Registration Renewal Process," we recommended that the State process renewal registrations centrally using optical character reader technology. This will save the State 58 FTE. This represents 23% reduction in staff and a savings of \$1,615,899 annually. This money can be placed in the Highway User Revenue Fund (HURF) to support highway construction projects.

Impact

Because the Counties are subsidized by the State with respect to many of their operating requirements, Maricopa County, in particular, is experiencing a positive cash flow which, if reverted to HURF, could provide additional highway and road construction which would benefit both the State and counties.

This additional contribution to the HURF would be increased significantly if the Maricopa County registration renewal process underwent process changes similar to those proposed in our Recommendation entitled "Vehicle Registration Renewal Process."

Recommendations

We recommend that the savings from the Recommendation, "Vehicle Registration Renewal Process" be monitored carefully and reviewed relative to potential opportunities which be gained from repeating this method for the three counties. Gains from this change as well as the current excess cash flow realized by Maricopa County can be reverted to the HURF. This could be achieved in one of two ways:

- Move the remaining three counties back under the administration of the State and automate the registration renewals. The additional cash flow from Maricopa County and gains from automation could be reverted to the HURF
- Keep the Maricopa, Gila, and Santa Cruz titling and registration activities under county control, but create a charge-back process by which the counties would pay the state for the services listed above. The revenue from this charge-back mechanism would then be reverted back to the HURF. The drawback to this option is that the HURF would not necessarily be supplemented by gains from changing the registration renewal process.

Benefits

The benefits from the proposed changes would increase HURF revenues which revert to counties and the highway fund for purposes which will improve the overall State infrastructure. The actual dollars involved with such a recommendation will be determined as implementation proceeds within the Motor Vehicle Department.

MVOC II : T&R Transaction Processing (based on 1991 stats)

Apache Co.

Total Savings

FTE (Rounded up)	1	Fractional FTE	
Annual \$	22,616	added back to the process	1.32

Kayenta

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (360 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	28.84
Bond	0.67	0.0046	1.11
Proof of Non-ownership (citation)	0.17	0.0077	0.46
Duplicate of Title	0.33	0.0077	0.92
Affidavit of Fixture	0.33	0.0001	0.01
Out-of-State	0.17	0.0077	0.46
Upset Customer	0.33	0.0077	0.92
Back-to-Back Salvage	0.25	0.0031	0.28

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - Level 1	0.33	91.000	30.33
Renewal in person (22%)	0.05	373.560	18.678

Total			82.02	Required					
	FTE		0.05	Rounded - up	Current		Savings		
	cash		0.09	One day per week					
	Total FTE		0.13	Total FTE	0.2	FTE	0.2	FTE	0
	Salary	17,669.00		Salary	17,669.00	Salary	17,669.00		
	ERE	0.28		ERE	0.28	ERE	0.28		
	Annual \$	2,990.60		Annual \$	4,523.26	Annual \$	4,523.26	Annual \$	0

St Johns

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3361 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	269.29
Bond	0.67	0.0046	10.34
Proof of Non-ownership (citation)	0.17	0.0077	4.31
Duplicate of Title	0.33	0.0077	8.62
Affidavit of Fixture	0.33	0.0001	0.07
Out-of-State	0.17	0.0077	4.31
Upset Customer	0.33	0.0077	8.62
Back-to-Back Salvage	0.25	0.0031	2.59

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	192.000	64.00
Renewal in person (22%)	0.05	1746.360	87.318

Total 459.47

FTE	0.26	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.34	Total FTE	1.00 FTE	2 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	7,733.09	Annual \$	22,616.32	Annual \$
			Annual \$	45,232.64
			Annual \$	22,616.32

Chinle

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (2172 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	174.03
Bond	0.67	0.0046	6.68
Proof of Non-ownership (citation)	0.17	0.0077	2.78
Duplicate of Title	0.33	0.0077	5.57
Affidavit of Fixture	0.33	0.0001	0.05
Out-of-State	0.17	0.0077	2.78
Upset Customer	0.33	0.0077	5.57
Back-to-Back Salvage	0.25	0.0031	1.67

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	859.000	286.33
Renewal in person (22%)	0.05	1916.860	95.843

Total 581.31

	FTE	0.32	Round to whole FTE 4	Current	Savings		
cash	0.09	(4 days/wk)					
Total FTE	0.41	Total FTE	0.80	FTE	0.8	FTE	0
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00		
ERE	0.28	ERE	0.28	ERE	0.28		
Annual \$	9,264.05	Annual \$	18,093.06	Annual \$	18,093.06	Annual \$	0.00

MVOC II : T&R Transaction Processing (based on 1991 stats)

Cochise Co.

Total Savings

FTE (Rounded up) 7 Fractional FTE
 Annual \$ 158,314 added back to the process 3

Sierra Vista

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (11,322 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	907.15
Bond	0.67	0.0046	34.84
Proof of Non-ownership (citation)	0.17	0.0077	14.52
Duplicate of Title	0.33	0.0077	29.03
Affidavit of Fixture	0.33	0.0001	0.25
Out-of-State	0.17	0.0077	14.52
Upset Customer	0.33	0.0077	29.03
Back-to-Back Salvage	0.25	0.0031	8.71

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - Level 1	0.33	2438.00	812.67
Renewals in person (22%)	0.05	3729.66	186.483
Total			2,037.19

FTE	1.13	Round to whole FTE	Current	Savings
cash	0.17			
Total FTE	1.31	Total FTE	2.00	FTE 4 FTE 2
Salary	17,669.00	Salary	17,669.00	Salary 17669
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	29,516.66	Annual \$	45,232.64	Annual \$ 90,465.28 Annual \$ 45,232.64

Douglas

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (6342 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	508.14
Bond	0.67	0.0046	19.51
Proof of Non-ownership (citation)	0.17	0.0077	8.13
Duplicate of Title	0.33	0.0077	16.26
Affidavit of Fixture	0.33	0.0001	0.14
Out-of-State	0.17	0.0077	8.13
Upset Customer	0.33	0.0077	16.26
Back-to-Back Salvage	0.25	0.0031	4.88

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	591.00	197.00
Renewal in person (22%)	0.05	3244.78	162.239
Total			940.69

FTE	0.52	Round to whole FTE	Current	Savings
cash	0.09			
total FTE	0.61	FTE	1.00 FTE	2 FTE
Salary	17,776.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	13,863.00	Annual \$	22,616.32	Annual \$
				45,232.64
				Annual \$
				22,616.32

Fort Huachuca

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (5839 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	467.84
Bond	0.67	0.0046	17.97
Proof of Non-ownership (citation)	0.17	0.0077	7.49
Duplicate of Title	0.33	0.0077	14.97
Affidavit of Fixture	0.33	0.0001	0.13
Out-of-State	0.17	0.0077	7.49
Upset Customer	0.33	0.0077	14.97
Back-to-Back Salvage	0.25	0.0031	4.49

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	1,718.00	572.67
Renewal in person (22%)	0.05	2352.02	117.601

Total 1,225.61

FTE	cash	Total FTE	Salary	ERE	Annual \$	Round to whole FTE	Current FTE	Salary	ERE	Annual \$	Savings
0.68	0.09	0.77	17,776.00	0.28	17,464.49	1.00	17,669.00	0.28	22,616.32	67,848.96	45,232.64
							3 FTE	17669	0.28	67,848.96	2

Benson

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3937 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	315.44
Bond	0.67	0.0046	12.11
Proof of Non-ownership (citation)	0.17	0.0077	5.05
Duplicate of Title	0.33	0.0077	10.09
Affidavit of Fixture	0.33	0.0001	0.09
Out-of-State	0.17	0.0077	5.05
Upset Customer	0.33	0.0077	10.09
Back-to-Back Salvage	0.25	0.0031	3.03

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	528.00	176.00
Renewal in person (22%)	0.05	1415.7	70.785
Total			607.74

FTE	0.34	Round to whole FTE	Current	Savings		
Cash	0.09					
Total FTE	0.42	FTE	1.00	FTE	2 FTE	1
Salary	17,776.00	Salary	17,669.00	Salary	17669	
ERE	0.28	ERE	0.28	ERE	0.28	
Annual \$	9,654.24	Annual \$	22,616.32	Annual \$	45,232.64	Annual \$ 22,616.32

Willcox

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3328 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	266.65
Bond	0.67	0.0046	10.24
Proof of Non-ownership (citation)	0.17	0.0077	4.27
Duplicate of Title	0.33	0.0077	8.53
Affidavit of Fixture	0.33	0.0001	0.07
Out-of-State	0.17	0.0077	4.27
Upset Customer	0.33	0.0077	8.53
Back-to-Back Salvage	0.25	0.0031	2.56

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	503.00	167.67
Renewal in person (22%)	0.05	1329.24	66.462
Total			539.25

FTE	0.30	Round to whole FTE	Current		Savings	
Cash	0.09					
Total FTE	0.39	FTE	1.00	FTE	2	FTE 1
Salary	17,776.00	Salary	17,669.00	Salary	17669	
ERE	0.28	ERE	0.28	ERE	0.28	
Annual \$	8,788.46	Annual \$	22,616.32	Annual \$	45,232.64	Annual \$ 22,616.32

Fredonia

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (470 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	37.66
Bond	0.67	0.0046	1.45
Proof of Non-ownership (citation)	0.17	0.0077	0.60
Duplicate of Title	0.33	0.0077	1.21
Affidavit of Fixture	0.33	0.0001	0.01
Out-of-State	0.17	0.0077	0.60
Upset Customer	0.33	0.0077	1.21
Back-to-Back Salvage	0.25	0.0031	0.36

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	276.00	92.00
Renew in person (22%)	0.05	225.94	11.297

Total 146.39

FTE	0.08	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.17	Total FTE	0.5 FTE	0.5 FTE
Salary	17,669.00	Salary	17,669.00	Salary 17,669.00
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	3,799.39	Annual \$	11,308.16	Annual \$ 11,308.16

0

0

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (2401 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	192.37
Bond	0.67	0.0046	7.39
Proof of Non-ownership (citation)	0.17	0.0077	3.08
Duplicate of Title	0.33	0.0077	6.16
Affidavit of Fixture	0.33	0.0001	0.05
Out-of-State	0.17	0.0077	3.08
Upset Customer	0.33	0.0077	6.16
Back-to-Back Salvage	0.25	0.0031	1.85

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	984.00	328.00
Renew in person (22%)	0.05	1233.1	61.655

Total 609.79

FTE	0.34	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.43	FTE	1 FTE	2 FTE 1
Salary	17,669.00	Salary	17,669.00	Salary 17,669.00
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	9,621.82	Annual \$	22,616.32	Annual \$ 45,232.64 Annual \$ 22,616.32

Tuba City

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (560 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	44.87
Bond	0.67	0.0046	1.72
Proof of Non-ownership (citation)	0.17	0.0077	0.72
Duplicate of Title	0.33	0.0077	1.44
Affidavit of Fixture	0.33	0.0001	0.01
Out-of-State	0.17	0.0077	0.72
Upset Customer	0.33	0.0077	1.44
Back-to-Back Salvage	0.25	0.0031	0.43

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
------------------------	--------------	---------------	------------

Inspections - Level 1	0.33	372.00	124.00
Renew in person (22%)	0.05	736.56	36.828

Total 212.17

FTE	0.12	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.20	FTE	1 FTE	1 FTE 0
Salary	17,669.00	Salary	17,669.00	Salary 17,669.00
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	4,625.93	Annual \$	22,616.32	Annual \$ 22,616.32 Annual \$ 0

Williams

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (1001 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	80.20
Bond	0.67	0.0046	3.08
Proof of Non-ownership (citation)	0.17	0.0077	1.28
Duplicate of Title	0.33	0.0077	2.57
Affidavit of Fixture	0.33	0.0001	0.02
Out-of-State	0.17	0.0077	1.28
Upset Customer	0.33	0.0077	2.57
Back-to-Back Salvage	0.25	0.0031	0.77

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	209.00	69.67
Renew in person (22%)	0.05	405.24	20.262

Total 181.70

FTE	0.10	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.19	FTE	0.5 FTE	0.5 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	4,243.12	Annual \$	11,308.16	Annual \$

0

0

MVOC II : T&R Transaction Processing (based on 1991 stats-Safford in full operation)

Graham Co.

Total Savings

FTE (Rounded up)	1	Fractional FTE	
Annual \$	22,616	added back to the process	0.23

Safford

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (7,929 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	635.29
Bond	0.67	0.0046	24.40
Proof of Non-ownership (citation)	0.17	0.0077	10.17
Duplicate of Title	0.33	0.0077	20.33
Affidavit of Fixture	0.33	0.0001	0.18
Out-of-State	0.17	0.0077	10.17
Upset Customer	0.33	0.0077	20.33
Back-to-Back Salvage	0.25	0.0031	6.10
Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - level 1	0.33	948.00	316.00
Renew in person (22%)	0.05	3585.78	179.289
Total			1,222.25

FTE	0.68	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.77	FTE	1 FTE	2 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	17,317.14	Annual \$	22,616.32	Annual \$
				Annual \$
				22,616.32

MVOC II : T&R Transaction Processing (based on 1991 stats-Safford in full operation)

Greenlee Co.

Total Savings

FTE (Rounded up)	1	Fractional FTE	
Annual \$	22,616	added back to the process	0.66

York

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (2,731 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	218.81
Bond	0.67	0.0046	8.40
Proof of Non-ownership (citation)	0.17	0.0077	3.50
Duplicate of Title	0.33	0.0077	7.00
Affidavit of Fixture	0.33	0.0001	0.06
Out-of-State	0.17	0.0077	3.50
Upset Customer	0.33	0.0077	7.00
Back-to-Back Salvage	0.25	0.0031	2.10

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - Level 1	0.33	364.00	121.33
Renewal in person (22%)	0.05	1679.48	83.974

Total 455.69

FTE	0.25	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.34	FTE	1 FTE	2 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	7,685.71	Annual \$	22,616.32	Annual \$

Annual \$ 45,232.64 Annual \$ 22,616.32

MVOC II : T&R Transaction Processing (based on 1991 stats)

La Paz Co.

Total Savings

FTE (Rounded up)	0	Fractional FTE	
Annual \$	0	added back to the process	0.96

Parker

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (7,348 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	588.74
Bond	0.67	0.0046	22.61
Proof of Non-ownership (citation)	0.17	0.0077	9.42
Duplicate of Title	0.33	0.0077	18.84
Affidavit of Fixture	0.33	0.0001	0.16
Out-of-State	0.17	0.0077	9.42
Upset Customer	0.33	0.0077	18.84
Back-to-Back Salvage	0.25	0.0031	5.65
Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspection - level 1	0.33	2,330.00	776.67
Renewal in person (22%)	0.05	2239.6	111.98
Total			1,562.34

FTE	0.87	Round to whole FTE	Current	Savings	
Cash	0.17				
Total FTE	1.04	FTE	2 FTE	2 FTE	0
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	23,550.32	Annual \$	45,232.64	Annual \$	45,232.64
				Annual \$	0.00

MVOC II : T&R Transaction Processing (based on 1991 stats)

Mohave Co.

Total Savings

FTE (Rounded up)	3	Fractional FTE	
Annual \$	67,848	added back to the process	1.79

Kingman

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (17,649 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	1,414.08
Bond	0.67	0.0046	54.30
Proof of Non-ownership (citation)	0.17	0.0077	22.63
Duplicate of Title	0.33	0.0077	45.25
Affidavit of Fixture	0.33	0.0001	0.39
Out-of-State	0.17	0.0077	22.63
Upset Customer	0.33	0.0077	45.25
Back-to-Back Salvage	0.25	0.0031	13.58
Renewals - (Personnel dedicated to inspections at this office)	Time (hours)	No. of Trans.	Hrs. Reqd.
Renew in person (22%)	0.05	5,604.94	280.25
Total			1,898.37

FTE	1.05	Round to whole FTE	Current	Savings
Cash	0.17			
Total FTE	1.23	FTE	2 FTE	3 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	27,772.41	Annual \$	45,232.64	Annual \$
			Annual \$	22,616.32

Bullhead City

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (17,621 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	1,411.84
Bond	0.67	0.0046	54.22
Proof of Non-ownership (citation)	0.17	0.0077	22.59
Duplicate of Title	0.33	0.0077	45.18
Affidavit of Fixture	0.33	0.0001	0.39
Out-of-State	0.17	0.0077	22.59
Upset Customer	0.33	0.0077	45.18
Back-to-Back Salvage	0.25	0.0031	13.55

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	7,640.00	2,546.67
Renewal in person (22%)	0.05	4231.48	211.574

Total 4,373.79

FTE	2.43	Round to whole	FTE	Current	Savings
Cash	0.17				
Total FTE	2.60	FTE	3	FTE	5 FTE 2
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	58,875.21	Annual \$	67,848.96	Annual \$	113,081.60 Annual \$ 45,232.64

Lake Havasu City

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (16,761 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	1,342.94
Bond	0.67	0.0046	51.57
Proof of Non-ownership (citation)	0.17	0.0077	21.49
Duplicate of Title	0.33	0.0077	42.98
Affidavit of Fixture	0.33	0.0001	0.37
Out-of-State	0.17	0.0077	21.49
Upset Customer	0.33	0.0077	42.98
Back-to-Back Salvage	0.25	0.0031	12.89

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	5,771.00	1,923.67
Renew in person (22%)	0.05	4434.1	221.705

Total 3,682.08

FTE	2.05	Round to whole FTE	Current	Savings
Cash	0.17			
Total FTE	2.22	FTE	2.5 FTE	2.5 FTE
Salary	17,669.00	Salary	17,669.00	Salary 17,669.00
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	50,184.05	Annual \$	56,540.80	Annual \$ 56,540.80

0

0.00

MVOC II : T&R Transaction Processing (based on 1991 stats)

Navajo Co.

Total Savings

FTE (Rounded up)	3	Fractional FTE	
Annual \$	67,848	added back to the process	1.2

Holbrook

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (4,415 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	353.74
Bond	0.67	0.0046	13.58
Proof of Non-ownership (citation)	0.17	0.0077	5.66
Duplicate of Title	0.33	0.0077	11.32
Affidavit of Fixture	0.33	0.0001	0.10
Out-of-State	0.17	0.0077	5.66
Upset Customer	0.33	0.0077	11.32
Back-to-Back Salvage	0.25	0.0031	3.40
Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - Level 1	0.33	2,023.00	674.33
Renew in person (22%)	0.05	2566.96	128.348
Total			1,207.46

FTE	0.67	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.76	FTE	1 FTE	3 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	17,131.40	Annual \$	22,616.32	Annual \$
		Annual \$	67,848.96	Annual \$
				45,232.64

Show Low

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (7,689 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	616.06
Bond	0.67	0.0046	23.66
Proof of Non-ownership (citation)	0.17	0.0077	9.86
Duplicate of Title	0.33	0.0077	19.72
Affidavit of Fixture	0.33	0.0001	0.17
Out-of-State	0.17	0.0077	9.86
Upset Customer	0.33	0.0077	19.72
Back-to-Back Salvage	0.25	0.0031	5.91

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	616.00	205.33
Renew in person (22%)	0.05	3337.84	166.892

Total 1,077.18

FTE	Cash	Total FTE	Salary	ERE	Annual \$	Round to whole FTE	Current	Salary	ERE	Annual \$	Savings
0.60	0.09	0.69	17,669.00	0.28	15,494.42	1	17,669.00	0.28	22,616.32	45,232.64	22,616.32
						2	17,669.00	0.28	22,616.32	45,232.64	22,616.32

Winslow

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3,226 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	258.48
Bond	0.67	0.0046	9.93
Proof of Non-ownership (citation)	0.17	0.0077	4.14
Duplicate of Title	0.33	0.0077	8.27
Affidavit of Fixture	0.33	0.0001	0.07
Out-of-State	0.17	0.0077	4.14
Upset Customer	0.33	0.0077	8.27
Back-to-Back Salvage	0.25	0.0031	2.48

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	559.00	186.33
Renew in person (22%)	0.05	1962.84	98.142

Total 580.25

FTE	0.32	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.41	FTE	1 FTE	1 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	9,250.65	Annual \$	22,616.32	Annual \$
				0.00

MVOC II : T&R Transaction Processing (based on 1991 stats)

Pima Co.

Total Savings

FTE (Rounded up) 21 Fractional FTE
 Annual \$ 474,942 added back to the process 1.85

Regional Headquarters

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (77,170 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	6,183.07
Bond	0.67	0.0046	237.45
Proof of Non-ownership (citation)	0.17	0.0077	98.94
Duplicate of Title	0.33	0.0077	197.87
Affidavit of Fixture	0.33	0.0001	1.71
Out-of-State	0.17	0.0077	98.94
Upset Customer	0.33	0.0077	197.87
Back-to-Back Salvage	0.25	0.0031	59.36
Renewals - (Personnel dedicated to Inspections)	Time (hours)	No. of Trans.	Hrs. Reqd.
Renew in person (22%)	0.05	22,497.20	1,124.86
Total			8,200.06

FTE	4.56	Round to Whole FTE	Current	Savings
Cash	0.43			
Total FTE	4.99	FTE	5 FTE	15 FTE
Salary	17,669.00	Salary	17669	Salary 17669
ERE	0.28	ERE	0.28	ERE 1.28
Annual \$	112,831.06	Annual \$	113,081.60	Annual \$ 339,244.80
				Annual \$ 226,413.74

D.M.A.F.B.

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (9,976 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	799.30
Bond	0.67	0.0046	30.70
Proof of Non-ownership (citation)	0.17	0.0077	12.79
Duplicate of Title	0.33	0.0077	25.58
Affidavit of Fixture	0.33	0.0001	0.22
Out-of-State	0.17	0.0077	12.79
Upset Customer	0.33	0.0077	25.58
Back-to-Back Salvage	0.25	0.0031	7.67

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Req'd.
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Inspections - Level 1	0.33	994.00	331.33
Renew In person (22%)	0.05	1374.12	68.706
			1,314.67

FTE	0.73	Round to whole FTE	Current	Savings
cash	0.09			
Total FTE	0.82	FTE	1 FTE	3 FTE
Salary	17,669.00	Salary	17669	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	18,478.44	Annual \$	22,616.32	Annual \$
				67,848.96
				Annual \$
				45,232.64

Green Valley

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (5,399 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	432.58
Bond	0.67	0.0046	16.61
Proof of Non-ownership (citation)	0.17	0.0077	6.92
Duplicate of Title	0.33	0.0077	13.84
Affidavit of Fixture	0.33	0.0001	0.12
Out-of-State	0.17	0.0077	6.92
Upset Customer	0.33	0.0077	13.84
Back-to-Back Salvage	0.25	0.0031	4.15

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	1,330.00	443.33
Renew in person (22%)	0.05	2047.98	102.399

Total 1,040.73

FTE	Cash	Total FTE	Salary	ERE	Annual \$	Round to whole FTE	Current	Salary	ERE	Annual \$	Savings		
0.58	0.09	0.66	17,669.00	0.28	15,036.47	1	1 FTE	17669	0.28	22,616.32	2 FTE	1	
											45,232.64	Annual \$	22,616.32

Tucson East

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (43,739 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	3,504.49
Bond	0.67	0.0046	134.58
Proof of Non-ownership (citation)	0.17	0.0077	56.08
Duplicate of Title	0.33	0.0077	112.15
Affidavit of Fixture	0.33	0.0001	0.97
Out-of-State	0.17	0.0077	56.08
Upset Customer	0.33	0.0077	112.15
Back-to-Back Salvage	0.25	0.0031	33.65

Renewals - (Personnel dedicated to inspections)	Time (hours)	No. of Trans.	Hrs. Req'd.
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Renew in person (22%)	0.05	9,991.96	499.60
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Total			4,509.73
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FTE	2.51	Round to whole FTE	Current	Savings
Cash	0.26			
Total FTE	2.77	FTE	3 FTE	6 FTE
Salary	17,669.00	Salary	17669	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	62,543.34	Annual \$	67,848.96	Annual \$
				3
				17669
				0.28
				135,697.92
				67,848.96

Tucson North

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (41,800 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	3,349.13
Bond	0.67	0.0046	128.62
Proof of Non-ownership (citation)	0.17	0.0077	53.59
Duplicate of Title	0.33	0.0077	107.18
Affidavit of Fixture	0.33	0.0001	0.93
Out-of-State	0.17	0.0077	53.59
Upset Customer	0.33	0.0077	107.18
Back-to-Back Salvage	0.25	0.0031	32.15

Renewals - (Personnel dedicated to inspections)	Time (hours)	No. of Trans.	Hrs. Req'd.
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Renew In person (22%)	0.05	13,406.14	670.31 4,502.67
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FTE	2.50	Round to whole FTE	Current	Savings
Cash	0.26			
Total FTE	2.76	FTE	3 FTE	8 FTE
Salary	17,669.00	Salary	17669	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	62,454.58	Annual \$	67,848.96	Annual \$
			Annual \$	180,930.56
				Annual \$
				113,081.60

Ajo

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (1,098 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	87.97
Bond	0.67	0.0046	3.38
Proof of Non-ownership (citation)	0.17	0.0077	1.41
Duplicate of Title	0.33	0.0077	2.82
Affidavit of Fixture	0.33	0.0001	0.02
Out-of-State	0.17	0.0077	1.41
Upset Customer	0.33	0.0077	2.82
Back-to-Back Salvage	0.25	0.0031	0.84

Total 100.67

FTE	0.06	Round to whole FTE	Current	Savings	
Cash	0.09				
Total FTE	0.14	FTE	1 FTE	1 FTE	0
Salary	17,669.00	Salary	17669	Salary	17669
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	1,264.86	Annual \$	22,616.32	Annual \$	22,616.32
				Annual \$	0

MVOC II : T&R Transaction Processing (based on 1991 stats)

Pinal Co.

Total Savings

FTE (Rounded up)	7	Fractional FTE	
Annual \$	165,099	added back to the process	4.23

Florence

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3898 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	312.32
Bond	0.67	0.0046	11.99
Proof of Non-ownership (citation)	0.17	0.0077	5.00
Duplicate of Title	0.33	0.0077	9.99
Affidavit of Fixture	0.33	0.0001	0.09
Out-of-State	0.17	0.0077	5.00
Upset Customer	0.33	0.0077	9.99
Back-to-Back Salvage	0.25	0.0031	3.00

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections	0.33	537.00	179.00
Renew in person (22%)	0.05	1975.82	98.791
Total			635.17

FTE	0.35	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.44	FTE	1 FTE	3 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	9,940.78	Annual \$	22,616.32	Annual \$
				67,848.96
				Annual \$
				45,232.64

Casa Grande

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (13,299 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	1,065.55
Bond	0.67	0.0046	40.92
Proof of Non-ownership (citation)	0.17	0.0077	17.05
Duplicate of Title	0.33	0.0077	34.10
Affidavit of Fixture	0.33	0.0001	0.29
Out-of-State	0.17	0.0077	17.05
Upset Customer	0.33	0.0077	34.10
Back-to-Back Salvage	0.25	0.0031	10.23

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - level 1	0.33	2,694.00	898.00
Renew in person (22%)	0.05	6310.04	315.502
Total			2,432.80

FTE	1.35	Round to whole FTE	Current	Savings
Cash	0.17			
Total FTE	1.52	FTE	2 FTE	3 FTE 1
Salary	17,669.00	Salary	17,669.00	Salary 17,669.00
ERE	0.28	ERE	0.28	ERE 0.28
Annual \$	34,487.35	Annual \$	45,232.64	Annual \$ 67,848.96 Annual \$ 22,616.32

Apache Junction

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (17,730 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	1,420.57
Bond	0.67	0.0046	54.55
Proof of Non-ownership (citation)	0.17	0.0077	22.73
Duplicate of Title	0.33	0.0077	45.46
Affidavit of Fixture	0.33	0.0001	0.39
Out-of-State	0.17	0.0077	22.73
Upset Customer	0.33	0.0077	45.46
Back-to-Back Salvage	0.25	0.0031	13.64

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	3,082.00	1,027.33
Renew in person (22%)	0.05	4612.52	230.626
Total			2,883.50

		FTE	1.60	Round to whole FTE	Current	Savings	
Cash		0.17					
Total FTE		1.78	FTE	2	FTE	4	FTE 2
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00		
ERE	0.28	ERE	0.28	ERE	0.28		
Annual \$	40,150.30	Annual \$	45,232.64	Annual \$	90,465.28	Annual \$	45,232.64

Superior

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (716 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	57.37
Bond	0.67	0.0046	2.20
Proof of Non-ownership (citation)	0.17	0.0077	0.92
Duplicate of Title	0.33	0.0077	1.84
Affidavit of Fixture	0.33	0.0001	0.02
Out-of-State	0.17	0.0077	0.92
Upset Customer	0.33	0.0077	1.84
Back-to-Back Salvage	0.25	0.0031	0.55

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	85.00	28.33
Renew in person (22%)	0.05	569.8	28.49
Total			122.47

FTE	0.07	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.15	FTE	1 FTE	1 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	3,498.85	Annual \$	22,616.32	Annual \$
				0.00

Kearney

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (948 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	75.96
Bond	0.67	0.0046	2.92
Proof of Non-ownership (citation)	0.17	0.0077	1.22
Duplicate of Title	0.33	0.0077	2.43
Affidavit of Fixture	0.33	0.0001	0.02
Out-of-State	0.17	0.0077	1.22
Upset Customer	0.33	0.0077	2.43
Back-to-Back Salvage	0.25	0.0031	0.73

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	122.00	40.67
Renew in person (22%)	0.05	528.88	26.444
Total			154.03

	FTE	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.17	1	1 FTE	0
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	3,895.36	Annual \$	22,616.32	Annual \$
				0.00

San Manuel

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (3,544 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	283.95
Bond	0.67	0.0046	10.90
Proof of Non-ownership (citation)	0.17	0.0077	4.54
Duplicate of Title	0.33	0.0077	9.09
Affidavit of Fixture	0.33	0.0001	0.08
Out-of-State	0.17	0.0077	4.54
Upset Customer	0.33	0.0077	9.09
Back-to-Back Salvage	0.25	0.0031	2.73

Inpsections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inpsections - Level 1	0.33	243.00	81.00
Renew in person (22%)	0.05	1841.84	92.092
Total			498.02

FTE	0.28	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.36	FTE	1 FTE	2 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	8,217.48	Annual \$	22,616.32	Annual \$
		Annual \$	45,232.64	Annual \$
				22,616.32

Coolidge

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (2,740 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	216.65
Bond	0.67	0.0046	8.32
Proof of Non-ownership (Citation)	0.17	0.0077	3.47
Duplicate of Title	0.33	0.0077	6.93
Affidavit of Fixture	0.33	0.0001	0.06
Out-of-State	0.17	0.0077	3.47
Upset Customer	0.33	0.0077	6.93
Back-to-Back Salvage	0.25	0.0031	2.08

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspections - Level 1	0.33	475.00	158.33
Renew in person (22%)	0.05	879.56	43.978
Total			450.22

FTE	0.25	Round to whole FTE	Current	Savings
Cash	0.09			
Total FTE	0.34	FTE	1 FTE	2 FTE
Salary	17,669.00	Salary	17,669.00	Salary
ERE	0.28	ERE	0.28	ERE
Annual \$	7,616.96	Annual \$	22,616.32	Annual \$
		Annual \$	45,232.64	Annual \$
				22,616.32

MVOC II : T&R Transaction Processing (based on 1991 stats)

Yavapai Co.

Total Savings

FTE (Rounded up)	4	Fractional FTE	
Annual \$	90,465	added back to the process	1.7

Prescott

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (20,553 trans./yr.)
Standard Transaction for Titles:	0.08	0.9615	1,646.76
Bond	0.67	0.0046	63.24
Proof of Non-ownership (citation)	0.17	0.0077	26.35
Duplicate of Title	0.33	0.0077	52.70
Affidavit of Fixture	0.33	0.0001	0.46
Out-of-State	0.17	0.0077	26.35
Upset Customer	0.33	0.0077	52.70
Back-to-Back Salvage	0.25	0.0031	15.81

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
Inspections - level 1	0.33	5,336.00	1,778.67
Renew in person (22%)	0.05	12126.84	606.342
Total			4,269.38

FTE	2.37	Round to whole FTE	Current	Savings	
Cash	0.26				
Total FTE	2.63	FTE	3 FTE	6 FTE	3
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	59,523.33	Annual \$	67,848.96	Annual \$	135,697.92
				Annual \$	67,848.96

Clarkdale

Type of Transaction

Titles/Public Service Counter	Time (hours)	Percent of Total	Hours/yr Required (8705 trans./yr.)
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Standard Transaction for Titles:	0.08	0.9615	697.47
Bond	0.67	0.0046	26.78
Proof of Non-ownership (citation)	0.17	0.0077	11.16
Duplicate of Title	0.33	0.0077	22.32
Affidavit of Fixture	0.33	0.0001	0.19
Out-of-State	0.17	0.0077	11.16
Upset Customer	0.33	0.0077	22.32
Back-to-Back Salvage	0.25	0.0031	6.70

Inspections & Renewals	Time (hours)	No. of Trans.	Hrs. Reqd.
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Inspection - level 1	0.33	2,082.00	694.00
Renew in person (22%)	0.05	4032.6	201.63
			1,693.73

FTE	0.94	Round to whole FTE	Current	Savings	
Cash	0.17				
Total FTE	1.11	FTE	2 FTE	2 FTE	0
Salary	17,669.00	Salary	17,669.00	Salary	17,669.00
ERE	0.28	ERE	0.28	ERE	0.28
Annual \$	25,201.28	Annual \$	45,232.64	Annual \$	45,232.64
				Annual \$	0.00

