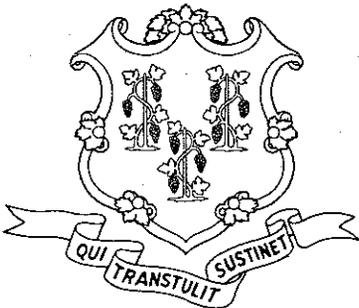


Department of Motor Vehicles Title Operations

Connecticut

General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

January 1986

CONNECTICUT GENERAL ASSEMBLY

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The Legislative Program Review and Investigations Committee is a joint, bipartisan, statutory committee of the Connecticut General Assembly. It was established in 1972 as the Legislative Program Review Committee to evaluate the efficiency and effectiveness of selected state programs and to recommend improvements where indicated. In 1975 the General Assembly expanded the committee's function to include investigations and changed its name to the Legislative Program Review and Investigations Committee. During the 1977 session, the committee's mandate was again expanded by the Executive Reorganization Act to include "Sunset" performance reviews of nearly 100 agencies, boards, and commissions, commencing on January 1, 1979. Review of the original schedule of sunset entities was completed in 1984. Review of the list will begin again in 1988.

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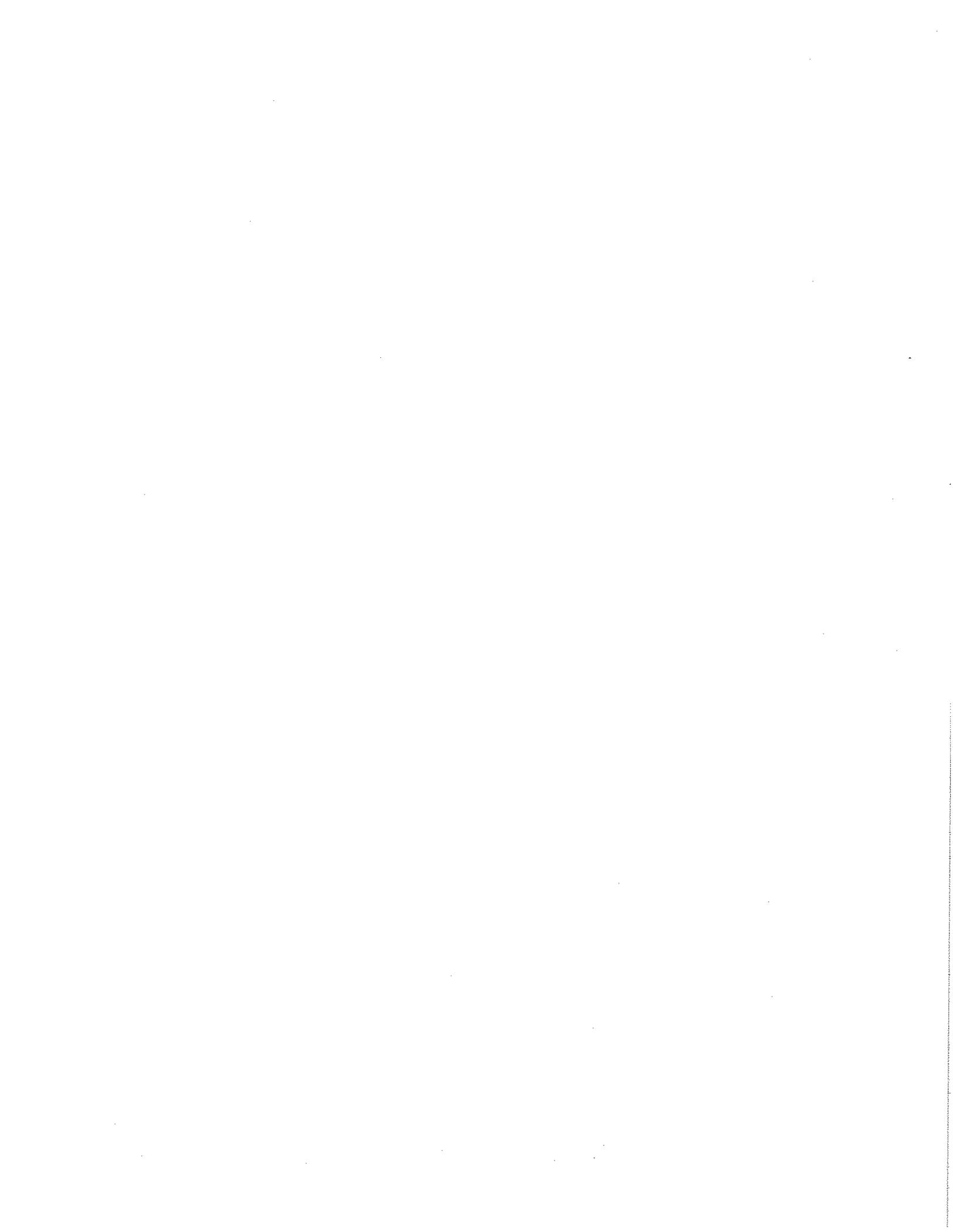
TITLE OPERATIONS

PERFORMANCE AUDIT

LEGISLATIVE PROGRAM REVIEW AND

INVESTIGATIONS COMMITTEE

JANUARY 1986



TITLE OPERATIONS
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TITLE OPERATIONS

SUMMARY

The Legislative Program Review and Investigations Committee conducted a ten-month performance audit of the Department of Motor Vehicles (DMV) with the goal of improving the department's customer service, operational efficiency, and management. The committee audit resulted in four separate reports: 1) Agency Management and Central Operations; 2) Branch Office Operations; 3) Title Operations; and 4) the Dealers and Repairers Division. These reports contain descriptive information, analysis, findings, and recommendations concerning department operations.

Throughout the program review committee's performance audit of the Department of Motor Vehicles, the department's title section had a large backlog of applications and was mailing certificates of title up to six months after the date of application. The program review committee found that such long delays in processing time adversely affect title applicants, branch office operations, and the productivity of the title section.

RECOMMENDATIONS

In order to reduce these backlogs, utilize staff time more efficiently, and improve customer service, the program review committee believes that the title process should be automated, public phone lines should be removed from the title section, and staff resources should be increased. The committee made the following recommendations to achieve these goals.

1. A central phone unit, with access to computerized title files, should be responsible for answering customer inquiries concerning titles. Only those questions that the phone unit cannot answer should be transferred to the title section.
2. The on-line title data base should be expanded and accessible to branch office and title section personnel by January 1987. Information available should include: vehicle identification number; title number; owner's name and address; lienholders' names and addresses; type of title request (i.e., original or duplicate); previous ownership status (i.e., previously registered in Connecticut, out-of-state, or new); identification of dealership selling the vehicle, if applicable; odometer reading; date the title was sold; and the clock number that processed the application.
3. As part of a point-of-transaction data entry system, information from title applications should be entered on the computer when the customer submits an application at the branch

office. The accuracy of the vehicle identification number should be checked by computer at the time of input.

4. To reduce the backlog, the title section should hire four additional permanent full-time title examiners and five temporary full-time examiners for a period of six months. These employees should be hired by October 1986.

5. To improve planning and performance monitoring the Department of Motor Vehicles should:

- compile statistics on the number of titles sold and processed by type (e.g., new, previously registered in Connecticut, previously registered out-of-state, duplicate, transfer-without-title);
- collect statistics on other activities performed (e.g., number of abandoned vehicle reports processed, number of odometer readings researched, etc.);
- keep records on how title staff hours are allocated (e.g., hours spent examining titles, doing research, answering customer inquiries, abandoned vehicle reports etc.); and
- establish minimum performance standards for the major tasks performed by the title section.

These data should be used to: plan for staffing needs; justify budget requests; identify areas where jobs should be re-designed or automated; evaluate productivity; and allocate work. A system to collect these data should be established by the planning and operations research section by July 1, 1987.

6. The Department of Motor Vehicles should designate and train title examiners to specialize in reviewing title applications for vehicles previously titled out-of-state.

7. The Connecticut General Statutes should be amended to require that:

- odometer readings be documented on Department of Motor Vehicle forms whenever a vehicle transfer occurs; and
- the odometer reading be recorded on the certificate of title.

CHAPTER I

INTRODUCTION

Title operations is one of four areas examined during the Program Review and Investigation Committee's ten-month performance audit of the Department of Motor Vehicles. The other areas reviewed, agency management and central operations, branch operations, and the Dealers and Repairers Division, are analyzed in separate reports. Many of the committee's findings and recommendations in the title and central operations reports are interrelated, and a list of recommendations for central operations is included in Appendix A of this report. Some of the recommendations require additional resources or staff while others can be achieved through a reallocation of the department's resources. A fiscal statement outlining the cost for all recommendations is contained in Appendix B.

The performance audit of Department of Motor Vehicles title operations focused on ways to improve customer service, increase productivity, and more effectively plan for future needs. To formulate its recommendations for improving title operations, the program review committee examined the title section's structure, staffing requirements, and titling procedures.

Methodology. Title operations were analyzed on the basis of information collected from a variety of sources. Program review committee staff interviewed and sent questionnaires to department employees regarding titling procedures. (See Appendix C.) Motor vehicle agencies in other states were contacted for information on their title operations. In addition, both state and federal law enforcement officials were interviewed concerning anti-theft measures incorporated in the title process. Program review staff also examined department documents including Issues and Receipts Statements for accounting information, and title section records for information on processing times and work allocation. The program review committee also held five public hearings on department operations including the title process.

The Title Operations Performance Audit Report is divided into three chapters. The first chapter is an introduction including a description of the scope and methodology of the report. The second chapter provides background information on the purpose of title requirements and the operations of the title section. The third chapter contains the program review committee's findings and recommendations for improvements in title operations.

CHAPTER II
DESCRIPTION AND ANALYSIS

Purpose

The purpose of a motor vehicle title is to provide proof of a vehicle's ownership by legally documenting that a particular individual owns a specific vehicle. Motor vehicle titles are nationally recognized as proof of ownership and titles are required by all 50 states to register motor vehicles. In Connecticut titles have been required for the registration of motor vehicles since 1959.

Under Connecticut law, a title is prima facie evidence of the vehicle's ownership and any lienholders' claims against the vehicle. Thus, when a title is presented as evidence in court, the information on the face of the title is assumed to be accurate unless proven false.

The title has also become an important document in law enforcement efforts to identify stolen vehicles and to locate their owners. While procedures vary, many states including Connecticut have developed a system to check for stolen vehicles when an application for title is filed. A title or application for title may also be required before insurance companies settle claims on stolen vehicles, lending institutions authorize car loans, or police return impounded stolen cars to their owners.

States also use title documents to generate revenue. In FY 85, Connecticut received approximately \$5 million in title fees. These fees are regulated by statute and charges vary according to the type of title transaction. In 1984, the General Assembly enacted P.A. 84-254 which requires increases of up to 250 percent in title fees over the ten year period from FY 85 to FY 94. Table II-1 shows selected title fees in FY 86 and the scheduled costs for FY 94.

Table II-1. Connecticut Title Transaction Fees

Type of Transaction	Cost in FY 86	Cost in FY 94
Title/no lien	\$11.00	\$25.00
Each lien specified	\$3.00	\$ 7.00
Duplicate title	\$4.50	\$10.75

Source: C.G.S. Sec. 14-192(a).

Powers and Duties

The Commissioner of the Department of Motor Vehicles is responsible by statute for administering the state's titling requirements. The primary purposes of a motor vehicle title are: to document vehicle ownership and any security interests against a vehicle; and to identify stolen vehicles.

A Connecticut certificate of title is required for most vehicles manufactured after 1969 when the vehicle is sold and requires a change of registration (C.G.S. Sec. 14-169). Certain vehicles are exempted by statute from this requirement, including those owned and offered for sale by manufacturers or dealers and vehicles owned by federal, state, and local governments. (See C.G.S. Sec. 14-166 for a complete listing of exemptions.) New state residents who register their cars in Connecticut must also apply for a Connecticut certificate of title at the time of registration.

To issue a certificate of title, the Department of Motor Vehicles must receive an application that includes the following information:

- the names, addresses, and signatures of the vehicle's buyer and seller;
- a description of the vehicle including the make, model, and vehicle identification number assigned by the manufacturer; and
- the names and addresses of any lienholders.

Supporting documents must accompany the title application to show where the car was purchased and that it was legally acquired. Title applications for new cars must be accompanied by a manufacturer's certificate of origin that identifies the vehicle to be titled through descriptive information (e.g., make, model, body style, etc.) and the vehicle identification number. When a used car previously registered in Connecticut is sold, the new title application must be accompanied by the previous Connecticut title. If a used car from another state is brought into Connecticut to be titled, the previous out-of-state title must be attached to the application. A bill of sale must accompany any title application resulting from the sale of a vehicle.

In an effort to prevent the titling of stolen vehicles, state statute requires DMV to maintain files of the vehicle identification numbers of stolen, totaled, and junked vehicles. Before issuing a certificate of title, the department must check the vehicle identification number on the title application against these files. State statute also requires that the vehicle identification number on an out-of-state vehicle be inspected before a Connecticut title is issued. While not required by statute, the vehicle identification numbers on all vehicles more than nine years old are also checked during safety inspections.

The motor vehicles department is the agency responsible for recording liens against vehicles and state statute requires that all lienholders be recorded on the title application and the certificate of title. Under Connecticut law, if a lienholder exists, the certificate of title must be mailed to the first lienholder listed on the title application rather than to the vehicle owner. Any changes in the security interests in a motor vehicle (i. e., either the cancellation of an existing lien or the addition of a new lien) must be reported by the vehicle owner to the Department of Motor Vehicles.

In addition to issuing certificates of title, the department is authorized to issue duplicate titles if an original is lost, stolen, or mutilated. As with an original title, if a lienholder exists, the duplicate title must be mailed to the lienholder rather than the vehicle owner.

The department is further required by statute to keep records of all certificates of title by title number, vehicle identification number, and name of the vehicle owner. Title records are kept on all vehicles currently titled in Connecticut. Records on titles cancelled due to the sale of a vehicle are kept for at least five years after the date of cancellation.

The motor vehicles commissioner has the authority to suspend or revoke a title. A title may be suspended or revoked if it was erroneously issued, based upon fraudulent documentation, or issued for a vehicle that has been scrapped or destroyed.

Organization and Resources

In 1959, the Department of Motor Vehicles established a division to administer the title process. In 1973, this division became a section within the Registry and Title Division. The title section is under the supervision of an assistant division chief and consists of seven units: four title teams; micro-reproduction; coding and re-entry; and data entry. (See Figure II-1.)

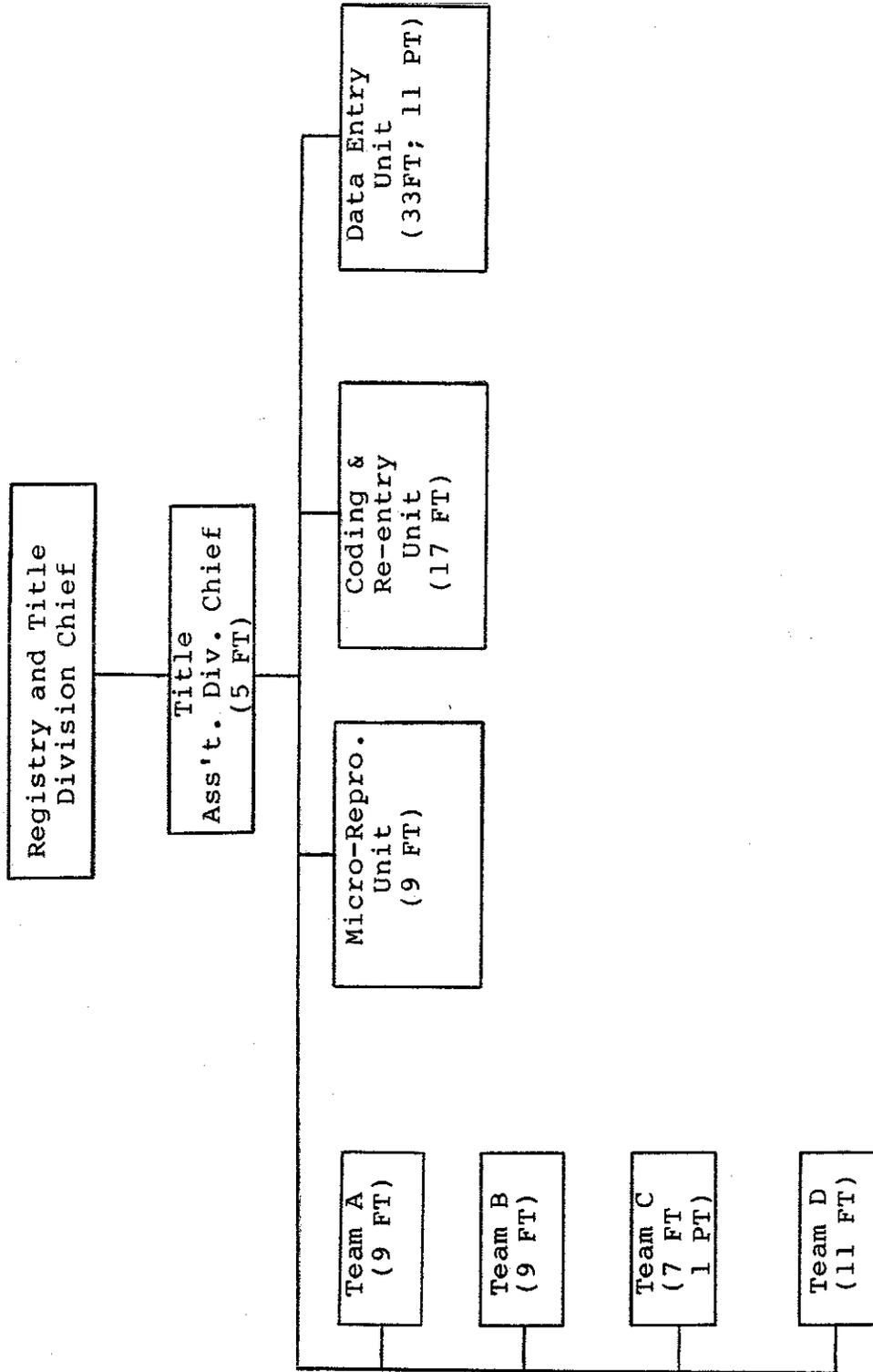
The title teams are comprised of title examiners and clerical staff. These teams have primary responsibility for processing titles and their duties include: examining and approving title and duplicate title applications; answering public and branch office inquiries concerning titles; responding to requests for title searches; processing reports on abandoned vehicles; and doing research on odometer turnbacks. The title teams also approve transfer-without-title requests if a vehicle is resold before the initial application is processed.

The micro-reproduction unit microfilms all title applications and supporting documents for DMV files and produces certificates of title. The data entry and coding and re-entry units, while included in the title section, are primarily responsible for preparing licensing and registration information for computer processing; they do not play a major role in processing titles.

At the end of FY 85, the title section had a permanent staff of 100 full-time and 12 part-time employees. If data entry and coding and re-entry employees are excluded from this total, the section had a permanent staff of only 49 full-time employees and 1 part-time employee directly involved in processing titles.

In addition to permanent staff the title teams also included the following supplemental staff: 10 temporary staff members from private employment agencies; 2 workfare employees each working approximately 14 hours a week; and 5 summer workers hired to work full-time from July through August. Throughout FY 85 the title section also retained a private vendor to keypunch title information for computer processing.

Figure II-1. Title Section: Organization.



Note: numbers in parentheses are filled full-time (FT) and part-time (PT) positions as of June 30, 1985

Source: Department of Motor Vehicles; Revised by LPR&IC Staff.

Title Examination Process

The title section has established an examination process to comply with statutory requirements for issuing certificates of title. As Figure II-2 illustrates, personnel in the branch offices as well as central office staff are involved in most title transactions. One of the primary purposes of the title system is to prevent the issuance of a Connecticut title for a stolen vehicle. As a result, the title examination process described below includes a number of checks for fraudulent documentation of ownership and for altered or misrepresented vehicle identification numbers.

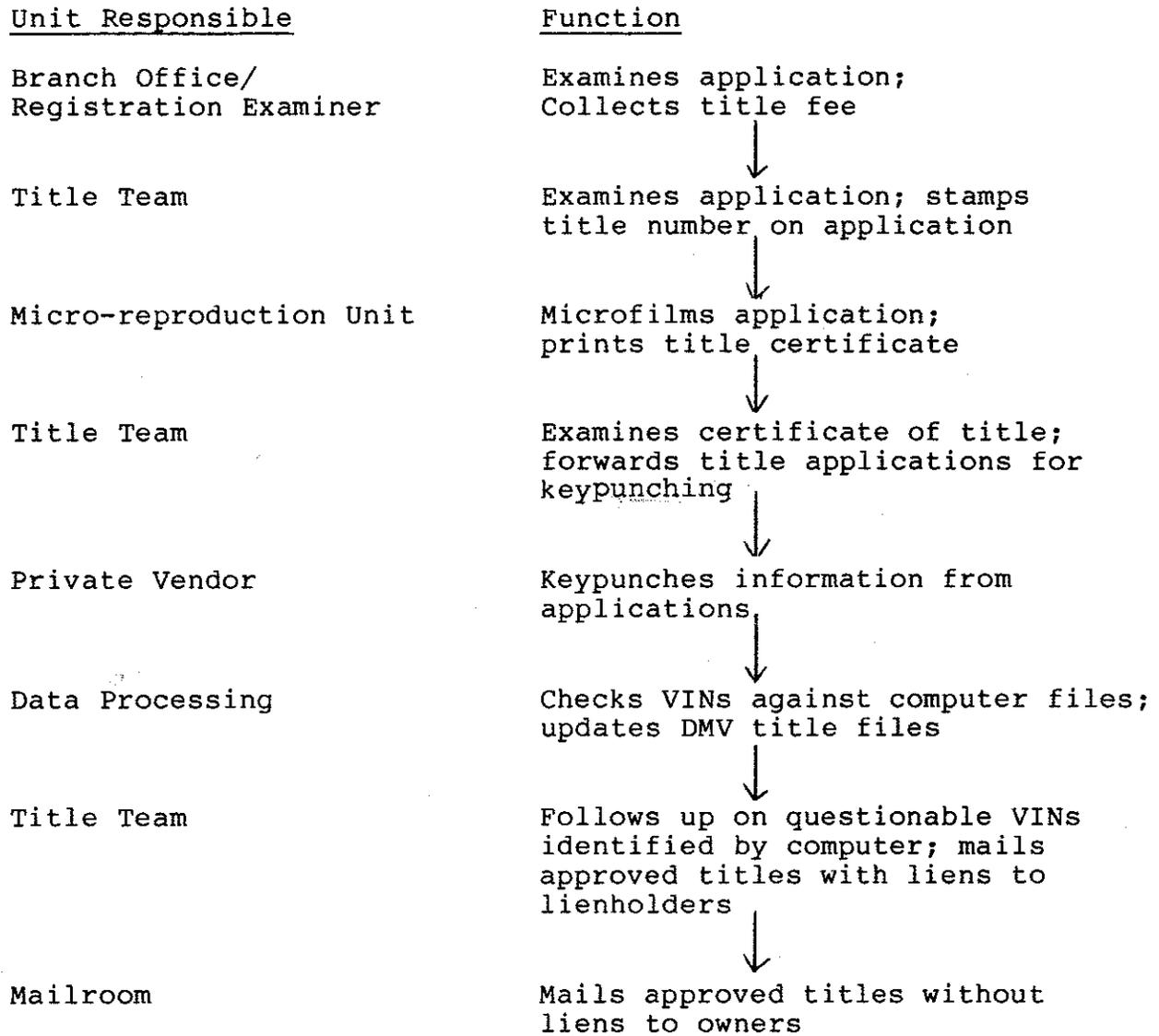
Branch offices. Most title applications are initially submitted to registration examiners at the branch offices who review them to ensure that the application form is properly completed and all necessary supporting documents are attached. Examiners must also check all applications for vehicles previously titled out-of-state to ensure that the vehicle identification number has been verified by a DMV inspector. This requirement is aimed at detecting stolen vehicles that have been titled under a false vehicle identification number in a state with less stringent anti-theft measures.

Supporting documents such as the previous title or manufacturer's certificate of origin are examined for counterfeiting or forgery. To make counterfeiting more difficult and alterations more easily recognizable, Connecticut and several other New England states print their titles on identical paper with special security features. In addition, Connecticut requires a standard format for all manufacturers' certificates of origin. However, title formats vary from state to state making fraudulent titles from other states more difficult to detect. To assist them in detecting counterfeit titles, examiners are provided with a reference book of title formats for all 50 states.

If a title application is approved by the branch office registration examiner, the required fee is collected. However, the certificate of title is not issued in the branch offices. A number of additional checks must be completed by the central office in Wethersfield before a title can be issued. Thus, the application form and its supporting documents are sent to the title section in Wethersfield.

Title section. The teams in the title section again review the applications for any errors, omissions, forgeries, or counterfeit documentation. When additional information is required to complete the application, a letter of inquiry is sent to the appropriate party and further action on the application is suspended until the required information is received. In FY 85,

Figure II-2. Title Examination Process.



Source: LPR&IC staff.

the title section suspended approximately 5150 title applications (less than one percent of all applications processed) while additional information was gathered.

Once a title team determines that an application meets DMV requirements, it is manually stamped with a title number and sent with its supporting documents to the micro-reproduction unit to be copied for department files. The unit produces the certificate of title by copying the title application form onto safety paper.

Both title applications and certificates of title are then returned from the micro-reproduction unit to the title teams. Each certificate of title is inspected and illegible certificates are recopied. While the certificates of title are ready for mailing at this point, the documents are not sent to customers until title information is keypunched, a number of computerized checks have been completed, and the application receives final approval from the title teams.

After microfilming, information from title application forms is keypunched in preparation for computer processing. This keypunching may be done by the department's data entry unit or by an outside vendor depending on the department's workload. For the past fiscal year, an outside vendor has done most of the title section's keypunching due to backlogs in the data entry unit.

Computer checks. Keypunched title information is processed by department computers to identify inaccuracies in the data entered, to identify stolen vehicles, and to update the department's title records.

A number of computerized stolen vehicle checks are conducted by the department. To prevent the use of false vehicle identification numbers on title applications, the department uses a computer program to test the accuracy of the vehicle identification number (VIN) on each title application. Each VIN is actually a code containing descriptive information about the vehicle. The computer program is capable of decoding the vehicle identification number to provide information including the identity of a car's manufacturer, its date and place of origin, and a description of its appearance (e.g., make, model, color, etc.). Using a mathematical formula, the program also checks the digits of the VIN for accuracy.

The vehicle identification number on each title application is checked by computer against DMV files of vehicles that have been sold to junkyards or declared as total losses by insurance companies. This effort is aimed at preventing car thieves from using the VINs of junked or totaled cars to title stolen vehicles.

Vehicle identification numbers on title applications are also compared to the VINs listed in computerized files of stolen vehicles. However, the type of check varies depending on the origin of the vehicle. If a used vehicle is brought into Connecticut from another state, it is checked against two files of stolen vehicles: the department's listing of stolen vehicles registered in Connecticut; and a national listing of stolen vehicles. If a vehicle is new (regardless of whether it is brought in from another state) or was previously registered in Connecticut, it is checked against the file of stolen vehicles registered in Connecticut but not against the national file of stolen vehicles.

While the Department of Motor Vehicles uses its own computer system to maintain files of Connecticut stolen vehicles, the Department of Public Safety is the agency with primary access to the National Crime Information Center (NCIC) files of stolen vehicles. To check used cars previously titled out-of-state against NCIC files, the vehicle identification numbers on title applications must be forwarded to the Department of Public Safety for processing on its computers. After comparing the VINs listed on title applications with NCIC files, the Department of Public Safety sends DMV a list of any matching numbers.

Once title application VINs have been checked against DMV files, a list of any matching vehicle identification numbers is sent back to the title teams. The title teams check all of the vehicle identification numbers that matched NCIC and/or DMV computer files to determine if the VIN is incorrect due to human error (e.g., incorrectly copied on the title application or a mistake in data entry). If the VIN has been correctly copied and it appears that the vehicle is stolen, the case is turned over to the department's anti-theft unit for further investigation.

Title section. The computer prints, by title number, a list of the title applications processed. This title journal, or mailbook, is given to the title teams and used to record the status of each title application processed by the computer. The mailbook notes any further research required before the application can be approved and notes the date that the certificate of title was mailed.

Once approved by the department, titles are mailed to customers by either the title teams or the mailroom. The title teams are responsible for batching all titles with outstanding liens in envelopes according to lending institution, and mailing them to the appropriate lienholders. Titles without liens require less clerical work and are sent directly to the vehicle owner by the DMV mailroom staff.

Workload Analysis

Methodology. The program review committee found that the department collected only a limited number of statistics on title operations. Accurate information was unavailable on: the number of title applications submitted and processed by category (e.g., applications for used and new cars, in-state and out-of-state cars, and duplicate title requests); title application processing times; title team workload; the allocation of title team staff time; and staff productivity.

As a result, program review staff randomly sampled 116 title applications processed by the DMV computer system between July 1984 and May 1985 to calculate average processing time. In addition, questionnaires were sent to all 40 permanent staff members of the title teams and the assistant division chief's office asking how staff time was spent and what changes should be made in the title process. Due to a low response rate to the questionnaire (75 percent of the surveys were not completed), 21 employees from the title teams were individually interviewed to determine how their work time was allocated.

Certain statistics are collected by the department for accounting purposes and to identify the status of individual title applications. The department records the number of titles sold in its monthly Issues and Receipts Statements and these statements were used by program review staff to measure the demand for titles (i.e., number of titles sold). While this statement does not distinguish between types of title transactions (e.g., original or duplicate titles applications) it is the best available indicator of demand for title section services.

Data from the mailbook was used to analyze the title section's output (i.e., number of applications examined). The Issues and Receipts Statement is not a good indicator of the title section's output because of the time lapse between the date a title is sold to the customer and the date it is actually mailed. The mailbook lists the date that certificates of title processed by the computer are mailed, and is the best available measure of the section's output. However, requests for duplicate titles, which may number up to 1000 a month according to department estimates, are not documented in the mailbook.

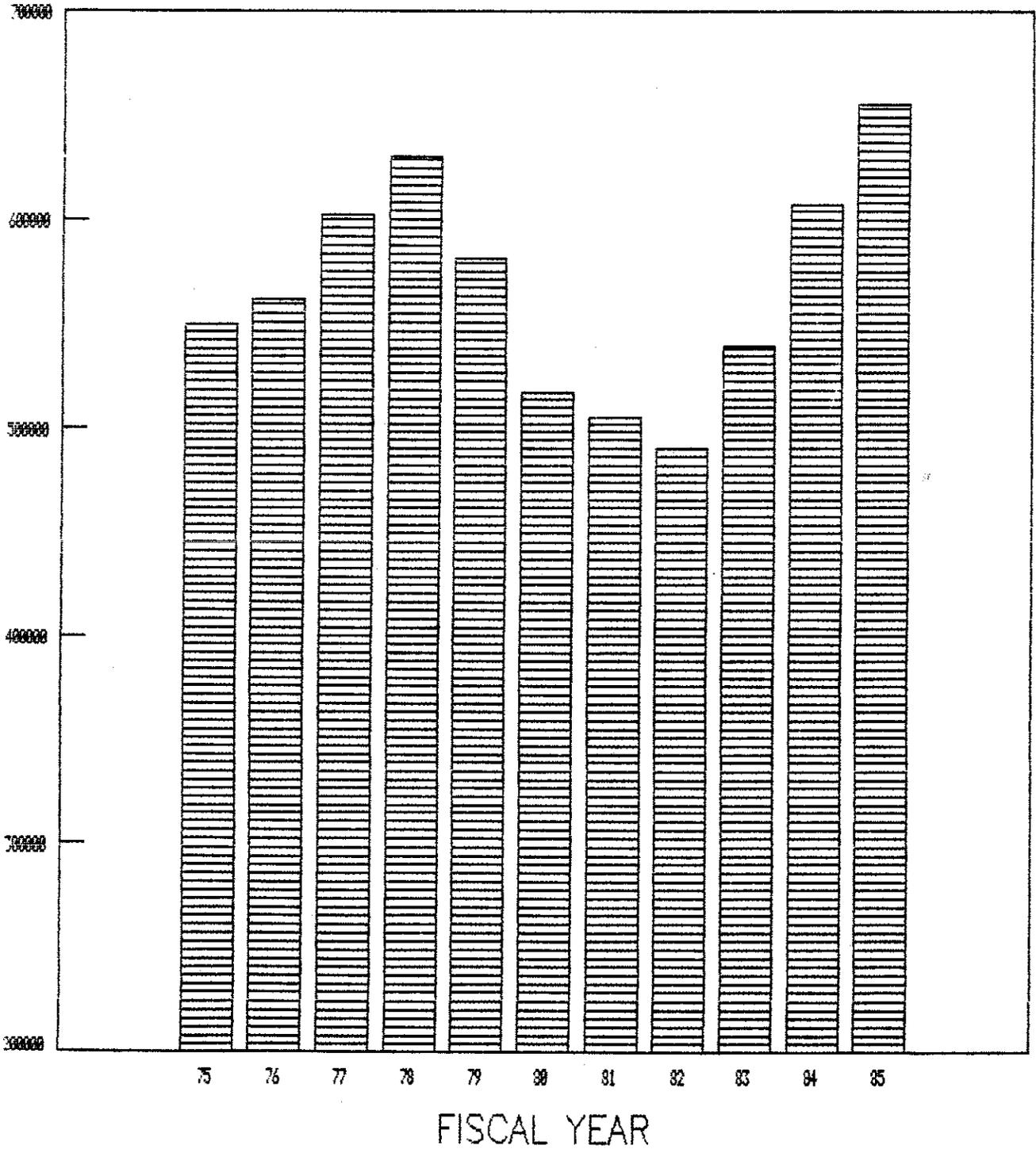
Yearly output. As shown in Figure II-3, the demand for title documents has fluctuated over the past 11 years but the general trend has been toward an increase in the number of titles sold since 1975. A comparison of the number of titles

Figure II-3.

DEPARTMENT OF MOTOR VEHICLES

TITLES SOLD: FY 75 TO FY 85

TITLES SOLD



sold to the number of full-time title section employees (excluding coding and re-entry and data entry staff members) shows that the demand for services per employee increased by 30 percent from FY 75 to FY 85.

The number of applications examined by the title section has also increased over the past four fiscal years. As shown in Table II-2, the title section examined 699,399 titles in FY 85, a 43 percent increase over the number of titles examined in FY 82.

In three of the past four years, the number of title applications examined was larger than the number of titles sold. (See Table II-2.) The larger number of title examinations in these three years results from title backlogs accumulated from the previous year. To reduce backlogs, the title section must examine applications from both current and previous years. These figures actually understate the difference in the number of titles sold and examined because title sales include duplicate title requests while the number of title examinations does not include duplicate title applications.

Table II-2. Comparison of Titles Sold and Examined.

State Fiscal Year	Number of Titles Sold	Number of Titles Examined	Permanent Staff*
1982	490,316	491,500	50
1983	539,863	559,599	48
1984	607,657	571,099	46.5
1985	655,840	699,399	49.5

* Includes title teams, director's office, and micro-reproduction.

Source: LPR&IC Staff Analysis of DMV Documents.

Because the department keeps only limited statistics on title operations, it is difficult to determine the reasons for these annual increases in the number of titles processed. In some cases, increases in the number of applications examined may be caused by the addition of staff to the title

section. For example, in FY 85 the title section examined 128,300 more title applications than in FY 84. This increase may result, at least in part, from the addition of 10 full-time temporary employees to the title section's staff in October, 1984. While the temporary employees did not generally examine titles they did provide clerical support services to the title section.

Changes in examination procedures may also contribute to variations in the number of applications annually examined. In order to increase the number of applications processed, it is the title section's policy to scan rather than fully examine title applications when the backlog is large. When title applications are scanned, the examiner glances at the face of the application to see if it looks complete but does not thoroughly check the vehicle identification number or compare it with the VIN on supporting documents.

The effects of scanning on the title section's output cannot be measured because there are no records of how frequently applications are scanned. However, all respondents to the written survey stated that they had scanned applications during FY 85, and department officials estimate that scanning has been done a considerable amount of the time over the past year.

Changes in the productivity of title section staff may also be a factor in the yearly variations in the number of titles processed. However, the title section does not monitor its productivity nor does it keep statistics necessary to estimate output per working hour. In addition, the title section has not developed standards for measuring the performance of its title examiners.

This lack of productivity monitoring may adversely affect the title section in planning its staffing needs and in justifying requests for additional personnel. For example, in its FY 86 budget request, the department asked for five more title examiners to decrease the backlog. While the department did present statistics on the size of the title backlog at the time of the request, no information was available on how many applications the five examiners were expected to process or how much their input could be expected to decrease the backlog.

Program review staff surveyed motor vehicle agencies in other states and asked if their title sections had developed performance standards. The states surveyed include Kentucky, Maine, Maryland, New York, Vermont, Wisconsin, North Carolina, South Carolina, Massachusetts, New Hampshire, and

New Jersey. Eight of the eleven state agencies responding stated that they had developed performance standards for title examiners. However, the expected output per examiner varied greatly depending on the level of automation, the information examined, and the examiner's job responsibilities.

Analysis of title backlog. During the second half of FY 85 the title section had a large backlog of applications and was mailing certificates of title up to six months after they were sold. To determine where delays in processing documents occurred, program review staff analyzed a random sample of 116 title applications. The sample was drawn from title applications examined between July 1984 and May 1985. The processing time was divided into three intervals: 1) the interval from the date the customer paid for the title until it was examined by the title section (date sold to date examined); 2) the interval from examination until the title number was stamped on the application (date examined to date stamped); and 3) the interval from stamping until the date the title was mailed (date stamped to date mailed).

As shown in Table II-3, the average time from the date the customer paid for the title until the date it was mailed

Table II-3. Average Title Processing Time in Days.

	Date Sold to Date Examined	Date Examined to Date Stamped	Date Stamped to Date Mailed	Total Time (Date Sold to Date Mailed)
Team A	66.5	2.7	27.4	97.4
Team B	95.1	1.1	26.6	122.8
Team C	26.6	4.5	33.4	63.9
Team D	41.9	8.2	30.7	83.9
Overall	63.3	3.7	28.8	96.3

Source: LPR&IC Staff Analysis.

was just over three months. The most time-consuming step in the title process, accounting for 66 percent of the total processing

time, was the delay from the time a title was sold until the title teams initially examined the application. On average, the title teams did not examine applications for two months after customers paid the title fees.

Program review staff computed each title team's average processing time and found substantial variation in the time required by title teams to mail certificates of title. As shown in Table II-3, average total processing times ranged from a high of just over four months for Team B to a low of approximately two months for Team C. For three of the four title teams the longest delay occurred between the time the title was sold and the time the title was initially examined.

This delay in processing time appears to be related to the title teams' workload. Each team is assigned four or five branch offices and required to process the title transactions and answer any inquiries from the assigned offices. As shown in Table II-4, the number of transactions assigned to each title team varied and the workload per team work hour was not evenly allocated. As the number of titles sold per work hour increased, the team's processing time also increased.

The variation in processing time by title team means that the level of service provided to customers varied according to the branch office where the title application was filed. For example, it could have taken title applicants at the Hamden office up to twice as long to receive their titles as it took customers at the Wethersfield office.

In addition, the long processing times adversely affected title applicants who resold their vehicles before receiving initial certificates of title. These applicants had to contact DMV, file requests for transfers-without-title, and wait for approval of those requests.

Transfer-without-title requests also created additional work for the branch offices and title section, and result in increased title backlogs. In many cases, transfer-without-title requests were initially submitted to registration examiners in the branch offices. These employees explained the transfer-without-title process to the applicant, called the necessary information into the title section in Wethersfield for approval, and advised the applicant when the transfer request was approved. Thus, transfer-without-title requests increased waiting times in the branch offices by bringing more customers into the branches and decreasing the staff time available to process new registration, license, and title applications.

Table II-4. Title Team Workload.

Title Team	Avg. # of Employees (FY 85)	Branches Assigned	Titles Sold by Branches (FY 85)	Titles Sold per Team Work Hour	Avg. Total Processing Time (Days)
A	9	Bridgeport Norwalk Stamford Northwestern	170,835	10.9	97.4
B	8	Enfield Hamden Norwich Putnam	162,600	11.7	122.8
C	8.3	New London Wethersfield-Window Wethersfield-Mail Willimantic	129,954	9.0	63.9
D	10.2	Danbury Middletown New Britain Old Saybrook Waterbury	192,451	10.8	83.9

Source: LPR&IC Staff Analysis.

The title section's workload and backlog also increased due to transfer-without-title requests. Because the customer's car sale may depend on getting approval of the transfer application quickly, the department assigns a high priority to these requests. The title section's goal is to process each transfer-without-title application within 48 hours. As a result, during the sample time period, when transfer-without-title requests were sent to the title section, staff members processing backlogged title applications had to stop examining titles to process the transfer request.

The scope of this problem is difficult to assess. During interviews with program review staff, both title section and branch office employees cited transfer-without-title requests as a significant drain on staff time. Department officials also stated that, as title processing time lengthens, the number of transfer-without-title requests increases. As a result, a cyclical

problem is created--longer processing times lead to more transfer-without-title requests which in turn increase title processing times.

However, the department has not attempted to quantify the relationship between the size of the backlog and the number of transfer-without-title requests generated. The title section does not keep statistics on the number of transfer-without-title requests it receives nor the staff time required to process these requests.

Allocation of staff time. Program review staff interviewed 21 title team members in an effort to determine how staff time was allocated within the title section. Title team staff were asked to estimate the percentage of their time spent during the previous year in performing 14 different tasks.

On the average, less than one-quarter of the title teams' work hours were spent in examining title applications. (See Table II-5.) Approximately 21 percent of the staff time was spent answering phone calls either from the general public (16.3 percent) or from branch office personnel (4.5 percent). Fifteen percent of the title teams' work time was devoted to other activities, usually typing or waiting on customers at the title section's public information desk. Processing duplicate title requests accounted for nearly 12 percent of the teams' time while transfer-without-title requests required just over 2 percent of the staff time.

Searching through files for title documents required almost five percent of the title staff time last year. Most title information is not accessible to the title section by computer terminal. It is estimated that there are approximately 7.5 million title records on file at DMV and most inquiries concerning these records have to be manually processed by the title section. Title information is generally accessed through microfilmed records.

If an original document is required, title staff must locate it in the section's paper files. Locating these paper files can be difficult. Due to lack of space, most documents are not stored at the Wethersfield office. Documents that are stored in the title section can be difficult to find--file boxes are stacked four to five feet high in the title section and it is sometimes necessary to move furniture to reach documents that are filed on shelves.

To make title information more accessible, the department has begun to computerize title records. As of April 1985, DMV personnel, primarily in the branch offices and the title section, have been able to access records of titles and VIN numbers by computer. However, this is only the first step in computerizing title files. The department plans to include additional information in these files, such as the name of the vehicle owner, to reduce the

need to refer to paper or microfilm files. Other proposed changes include on-line data entry of title information and computer printing of title certificates.

Table II-5. Allocation of Title Team Staff Time.

Average Percentage of Staff Time	Activity
22.6	Examining title applications
20.8	Answering telephone inquiries
15.3	Other activities
13.7	Processing duplicate title and transfer-without-title applications
5.5	Following-up on VIN computer checks
4.9	Searching through DMV files for paperwork
4.8	Mailing title documents
3.9	Seeking additional information for incomplete title applications
3.9	Processing abandoned vehicle reports
1.9	Filing title paperwork
1.1	Examining title certificates printed by micro-reproduction
1.1	Processing salvage vehicle title work

Source: LPR&IC Survey of 21 Title Team Employees.

CHAPTER III

FINDINGS AND RECOMMENDATIONS

Introduction

As discussed in the previous chapter, the Department of Motor Vehicles has had backlogs of up to six months in processing title applications. These long waiting times are inconvenient for the general public and actually increase the department's workload as the processing time lengthens.

The goal of the following committee recommendations is to improve customer service and department efficiency by reducing the title backlog. These recommendations would reduce the backlog by providing for:

- more staff time to examine title applications;
- more efficient use of existing staff time; and
- more effective planning for future needs.

Phone System

One of the title section's duties is to answer phone calls from the general public regarding title procedures. However, this duty diverts staff time from processing backlogged titles. In addition, because of the heavy workload in the title section, staff members have not always been able to answer these phone calls in a timely manner.

The title section has one telephone number listed in the Hartford phone book under Department of Motor Vehicles. The incoming calls are taken on three lines answered by title team staff. Department officials estimated that it requires three staff members a day to answer the incoming phone calls from the general public. Through observation and interviews with title section employees, program review staff learned that the majority of these calls concern titling procedures and requirements, requests for duplicate titles, and the status of title applications already submitted to the department.

Answering these phone calls undermines the title section's efforts to decrease the backlog. Ringing phones are a frequent interruption of staff work and result in lower productivity and a likely increase in the number of errors made by title section staff.

Program review staff observation of title employees answering public access phones was limited to a few hours. However, many of the questions received could have been handled by phone operators

with access to computerized title files and trained to answer basic questions about titling procedures. The title section chief estimated that approximately one-third of the phone calls received could be handled by a centralized phone unit.

1. In order to direct more of the title section's resources toward reducing the title backlog, the Legislative Program Review and Investigations Committee recommends that a central phone unit, with access to computerized title files, be responsible for answering customer inquiries concerning titles. Only those questions that the phone unit cannot answer should be transferred to the title section.

While the removal of public access lines from the title section will increase its capacity to examine titles, the exact level of increase cannot be predicted. Because the title section does not keep records of how its staff time it allocated, the number of incoming phone calls and the staff hours actually required to answer those calls can only be estimated. Assuming that title section estimates of staff hours allocated toward answering phones are correct, one additional staff member would be available to process titles if a central phone unit were established. If an average employee examines 15,000 titles per year, a central phone system would enable the title section to annually process an additional 15,000 with existing staff.

As noted in the central office phone center recommendation, it will take three years for the department to establish a phone center capable of handling title section calls. (See report on central administration for more detail.) Thus, the capacity to process additional titles with existing staff will not be available until FY 89.

On-line Title Files

Most title information is not accessible by computer terminal and must be manually recovered from microfilm, microfiche, or paper documents. Analysis of a program review survey of title section employees indicates that approximately 5 percent of all available staff hours, or the equivalent of 1.8 full-time employees, are spent in searching through files for title documents.

Until early this year, branch office personnel had no computer access to title information. As a result, any questions regarding specific title documents had to be phoned in to the title section, researched by section staff, and transmitted back to the branch office. This caused delays and inconvenience for customers, branch office personnel, and title section staff.

To make title information more accessible, the department has begun to computerize title records. As of April 1985, DMV personnel in the branch offices and title section have been able to access

records of title and vehicle identification numbers by computer. However, because the information in this on-line system is limited, it is frequently necessary to refer to microfilm and paper files.

To reduce the need to manually access information, the department had planned to expand the data in computer files to include information such as the name and address of the vehicle owner. Originally, this automation was scheduled for completion by January 1986. However, during the summer of 1985 the department began to reassess the structure and kind of data which should be available on-line. A final decision in this area has not yet been made and the department now hopes to complete the project sometime before the end of 1986.

2. The Legislative Program Review and Investigations Committee recommends that the on-line title data base be expanded and accessible to branch office and title section personnel by January 1987. Information available by computer should include: vehicle identification number; title number; owner's name and address; lienholders' names and addresses; type of title request (i.e., original or duplicate); previous ownership status (i.e., previously registered in CT, out-of-state, or new); identification of dealership selling the vehicle, if applicable; odometer reading; date the title was sold; and the clock number that processed the application.

The recommended expansion of the title data base would enable department personnel to research most title questions by computer. This would save staff time and enable department personnel to quickly answer customer inquiries. In addition, the data base would provide some of the performance monitoring data that the department currently lacks, and could be used to analyze the types of documents sold and processed by the department.

Point-of-Transaction Data Entry.

While the proposed automation of title files will reduce staff time required to access title information, additional automation is necessary to eliminate out-of-date title files and inefficient title examination procedures.

As discussed in the previous chapter, data from title applications is not entered on department computers until the application has been processed by the branch offices, examined by the title section, and keypunched by a private vendor. As a result of large backlogs in the title section, title information may not be entered on the computer for up to six months after the date of application. Thus, even if on-line access to title files is provided, its use will be limited by the fact that some of the information in these files is up to six months out-of-date.

While title applications are initially screened in the branch offices, applications with incorrect or incomplete information are sometimes mistakenly approved and forwarded to the title section for further processing. During FY 84, title section examiners identified approximately 5000 applications, or .7 percent of all applications processed, as requiring additional information before processing could be completed.

When additional data are required to complete an application, title section staff must send a letter of inquiry to the appropriate party and further action on the application is suspended until the required information is received. A program review survey of title section employees indicated that staff members spend approximately 3.9 percent of their time seeking additional information for incomplete applications. Thus, on an annual basis, the 36 full-time title team employees spend approximately 2000 hours (or the equivalent of 1.4 full-time employees each working 1485 hours/year) correcting incomplete title applications.

Title team staff members also review incorrect vehicle identification numbers (VIN) listed in title applications. When title staff initially examine the application, the VIN is compared to the identification numbers listed in supporting documents. Later in the process, a computer program tests the VIN on each application and provides the title section with a list of all numbers requiring further research. Title team staff estimate they spend approximately 5.5 percent of their time, or the equivalent of 2 full-time employees, researching incorrect vehicle identification numbers.

If information were entered on computer files when the title application was submitted to the registration examiner at the branch office (i.e., at the point of transaction), title files would always be current. Furthermore, errors in title applications could be identified and corrected more quickly.

3. The Legislative Program Review and Investigations Committee recommends that, as part of a point-of-transaction data entry system, information from title applications be entered on the computer when the customer submits an application at the branch office. The accuracy of the vehicle identification number should be checked by computer at the time of input.

A point-of-transaction data entry system would improve customer service and productivity throughout the department. (For a discussion of the department-wide benefits of this system, see the point-of-transaction data entry findings and recommendation in the central office report.) The title section would benefit from this system in several ways.

First, most inaccurate or incomplete data would be discovered during data entry at the branch office. With the customer present to answer questions, most errors or omissions in an application could be quickly corrected. Under the current system, it may be months before the title section examines the application and the incorrect information is discovered. A further delay occurs while the title section sends letters requesting additional information or does further research to correct the application.

A second advantage to the point-of-transaction data entry system is that it eliminates some of the redundancies in the current title process. The vehicle identification number is now examined at three stages in the title process; once by the registration examiner, again by the title examiner, and finally by the computer. Under the proposed system the VIN would be thoroughly examined and tested by computer once in the branch office.

Finally, immediate up-dating of title information in DMV computer files would improve customer service provided by the branch offices, the title section, and the proposed phone center. If up-to-date title data are available on-line, customer inquiries can be answered quickly and accurately by all three units.

Additional Staffing

While automation and a centralized phone system will enable the title section to process more applications with existing staff levels, these systems will not be in place for 3-5 years. Thus, the additional staff hours provided by these systems will not be immediately available to reduce the title backlog.

During FY 85, the title section attempted to reduce its backlog by hiring 10 temporary employees to provide the title section with clerical support. These employees worked from October 1984 to September 1985. In September, the number of temporary employees was reduced to five; it is expected that after mid-January 1986 there will be no temporary employees assigned to the title section.

To determine the number of permanent title section employees needed to eliminate the backlog, program review staff analyzed the number of applications annually examined by the title section during the past four state fiscal years. As shown in Table III-1, the number of applications examined and the output per permanent staff person increased each year from 1982 to 1985.

However, the 1985 output per staff person is not comparable to previous years due to the assistance of temporary staff. The temporary employees were primarily assigned clerical tasks rather than application examination, and some section employees felt that the quality and volume of their work was not comparable to that of

permanent staff members. In addition, title section staff scanned rather than fully examined a significant number of title documents during FY 85.

Table III-1. Title Section Workload.

State Fiscal Year	Number of Titles Sold	Number of Titles Examined	Permanent Staff*	Titles Examined/Employee
1982	490,316	491,500	40	12,288
1983	539,863	559,599	39	14,349
1984	607,657	571,099	38.5	14,834
1985	655,840	699,399	41.5	16,853

* Includes only title teams and director's office.

Source: LPR&IC Staff Analysis of DMV Documents.

If FY 85 is excluded, the largest output per employee occurred in FY 84 with an average of 14,834 applications examined per employee. It should be noted that because the Department of Motor Vehicles does not keep track of how many duplicate titles or transfer-without-title requests it processes, these output figures include only initial title applications. However, department officials estimate that approximately 12,000 duplicate title and transfer-without-title requests were processed in FY 85. If this figure is added to the number of new title applications processed during FY 84, the output per staff person increases to 15,145.

To compute how many title examiners would be necessary to eliminate the backlog and examine all titles sold during FY 87, the following assumptions are made:

- there will be a backlog of 36,000 title applications at the beginning of FY 87; and
- 697,000 titles will be sold during FY 87.

The first assumption is based on program review staff's projection that the title backlog will remain at its current level of approximately 36,000 applications. The second assumption is based on a calculation of the average increase in the number of

titles sold over the past five years. Sales for FY 86 were estimated by comparing the number of titles sold from July 1984 through October 1984 to title sales for the same months in 1985. Title sales were nearly equivalent during these time periods and thus title sales for FY 86 are estimated at the same level as FY 85 sales--approximately 656,000.

To project the change in sales from FY 86 to FY 87, program review staff calculated the average annual increase in title sales from FY 82 through FY 86. This calculation shows that each year applications have increased by an average of 41,000. If this figure is added to the 656,000 sales estimated for FY 86, the level of FY 87 sales is predicted to be 697,000.

Staff calculated the number of employees necessary to process all titles sold during FY 87, by dividing estimated sales for that year by the average output per employee. This calculation indicates that 46 employees, or 4.5 additional staff members, are required to process all title applications as they are received.

However, it is not desirable to issue title certificates immediately. The delay in processing applications caused by a small backlog is helpful in detecting stolen vehicles. This time lag enables law enforcement officials to record auto thefts before stolen vehicle files are checked by the title section. Thus, 4 rather than 4.5 additional full-time title examiners would be sufficient for timely processing of current title applications. Based on an average salary of \$17,500, it is estimated that the addition of 4 examiners to the title section's staff would cost approximately \$70,000.

While four new title examiners would allow the title section to process current title applications in a timely manner, additional staff time is required to reduce the title backlog. Program review staff estimates that it would take 5 temporary title examiners 6 months to eliminate the existing title backlog of 36,000 titles. This represents a one-time expenditure of \$43,750.

4. Therefore, to eliminate the backlog and reduce transfer-without-title requests, the Legislative Program Review and Investigations Committee recommends that the title section hire four additional permanent full-time title examiners and five temporary full-time examiners for a period of six months. These employees should be hired by October 1986.

Performance Monitoring

The statistics used by program review staff to calculate the title section's staffing needs are, at best, approximations. The records necessary to accurately assess staffing needs are not kept by the title section. The department's accounting records document

title sales rather than the number of applications processed by the section. In addition, accounting records do not distinguish between different types of title transactions. While the title section keeps approximate records of the number of new title applications processed, there is no compilation of the number of duplicate title applications, transfer-without-title requests, abandoned vehicle reports, and odometer research requests completed.

Even if better output statistics were available, the productivity per employee work hour could not be accurately computed. Data on the staff resources used to complete title section tasks are unavailable. To compute the number of staff hours actually worked, individual employee payroll cards would have to be manually reviewed.

If the number of hours worked were calculated, the allocation of those work hours between tasks would still be unavailable. Most employees perform a variety of tasks, and records are not kept of the time devoted to major activities such as processing title applications. In addition, there are no records of how frequently title applications are scanned rather than fully examined. Thus, there is no way to determine the average time required to complete the major tasks assigned to the title section. Nor has the title section established any minimum performance standard against which to measure its productivity. Without minimum performance standards, the title section cannot determine whether its output is at an acceptable level.

This lack of workload statistics adversely affects the department's ability to oversee the title section, manage its staff, and thus, improve customer service. The lack of statistics makes it virtually impossible for the title section to measure and compare the productivity of individuals and title teams. Nor can changes in productivity over time be monitored by the department.

Without these statistics, it is difficult for the title section to accurately assess its staffing needs and to justify its budget requests for additional employees. This has led to large title backlogs, and a great deal of inconvenience for DMV customers who become concerned about title processing delays and contact the department for information, or for those customers who sell their vehicle before receiving the initial title and are forced to submit transfer-without-title requests.

5. In order to improve customer service and more effectively manage title operations, the Legislative Program Review and Investigations Committee recommends that the Department of Motor Vehicles:

- compile statistics on the number of titles sold and processed by type (e.g., new, previously registered in CT, previously registered out-of-state, duplicate, transfer-without-title);

- collect statistics on other activities performed (e.g., number of abandoned vehicle reports processed, number of odometer readings researched, etc.);
- keep records of how title staff hours are allocated (e.g., hours spent examining titles, doing research, answering customer inquiries, abandoned vehicle reports etc.); and
- establish minimum performance standards for the major tasks performed by the title section.

These data should be used to: plan for staffing needs; justify budget requests; identify areas where jobs should be redesigned or automated; evaluate productivity; and allocate work. A system to collect these data should be established by the planning and operations research section by July 1, 1987.

The statistics recommended by the committee would enable the department to measure the demand for title section services, the length of time it takes the title section to provide those services, and the number of employees necessary to maintain any given level of customer service. With this information the department could, for the first time, accurately determine the optimal size of the title backlog (based on processing time and its effect on the number of accompanying transfer-without-titles), and the number of employees necessary to maintain the desired level of customer service. In addition, these data would enable the department to justify its budget requests to the General Assembly.

The establishment of achievable performance levels for title section tasks would provide a standard against which to evaluate the output of individual employees and the title section as a whole. Low output levels could be used to identify individuals in need of additional supervision and training.

These data would also assist the General Assembly in evaluating legislative proposals to change the title section's duties. Currently, there is no accurate way to determine how proposed legislation would affect either document processing times or the number of employees necessary to process those documents. These measures would enable the department to quantify the effects of procedural changes on the title section's backlog and staffing needs.

Specialization

As discussed in the preceding chapter, the department examines title applications for vehicles which are classified as new, previously registered in Connecticut, and previously registered

out-of-state. The complexity of the examination process varies depending on the type of title reviewed. However, the department has not designated and specially trained examiners to review the most complex applications.

Applications for vehicles previously registered out-of-state are the most difficult to examine. The examiner must compare data presented on the title application with information on the prior title. Because title formats vary from state to state, it is more time consuming to locate this information on out-of-state titles. This variation also makes fraudulent out-of-state titles more difficult to detect. While examiners are provided with a book of title formats for all 50 states, referring to this book reduces examining speed.

Because title section examiners do not specialize in the type of title forms reviewed, applications for vehicles previously registered out-of-state may be distributed to any of the examiners. Thus, all title examiners must familiarize themselves with the format of all out-of-state titles.

The program review committee believes that it would be more efficient to train a few title examiners to specialize in reviewing out-of-state titles. Specially trained examiners would become familiar with the format of titles from other states, and thus, examine the titles more quickly, and be more likely to detect incorrect information. In addition, specialists in examining out-of-state titles would be more likely to detect counterfeit titles.

6. The Legislative Program Review and Investigations Committee recommends that the Department of Motor Vehicles designate and train title examiners to specialize in reviewing title applications for vehicles previously titled out-of-state.

Odometer Turnbacks

In recent years, law enforcement officials have become increasingly concerned over the practice of illegally reducing the number of miles shown on vehicle odometers. Turned-back odometers inflate the cost of used vehicles and misrepresent the vehicle's condition to the new buyer.

To detect odometer turnbacks, mileage readings are recorded on a variety of documents at the time of a vehicle's sale. (See Table III-2.) Federal law requires a disclosure statement (odometer disclosure form) showing the odometer reading whenever a vehicle is transferred. Dealerships must keep this form as part of their business records for four years.

Table III-2. Documents Recording Vehicle Mileage Readings.

Type of Vehicle Transfer	DMV Documents Recording Mileage Reading at the Time of Transfer	Private Business Documents Recording Mileage Reading at the Time of Transfer
Transfer between dealers	Order & invoice forms Title or supplemental title form	Odometer disclosure form
Retail sale/buyer registers vehicle	Registration (not on registration once it is renewed) Title (optional)	Odometer disclosure form
Retail sale/buyer does not register vehicle	Mileage reading not recorded	Odometer disclosure form

Source: LPR&IC Staff Analysis.

Department of Motor Vehicles regulations require that the order and invoice forms for any car sold by a Connecticut dealership report the mileage reading at the time that the dealership received the car. Connecticut car dealerships must also keep records of mileage readings when vehicles are transferred even if the vehicles are not registered at the time of transfer. When vehicles are sold, these mileage readings are reported to the Department of Motor Vehicles as part of the title application.

During its 1985 session, the General Assembly expanded mileage reporting requirements when it enacted P.A. 85-388. This public act requires that each registration application include the vehicle's current odometer reading. However, if a retail car buyer (i.e., a buyer other than a dealership) does not register the vehicle, no odometer reading is recorded in DMV records.

While these requirements establish record-keeping procedures for odometer readings, they are confusing for the general public. The mileage reading may be recorded on any number of documents

depending on the type of vehicle transfer. As a result, car buyers may not know where to look for mileage information. In some cases, consumers may not be familiar with documents that provide information on the odometer reading. For example, the public may be unaware of the federal requirement to complete an odometer disclosure form each time a vehicle is transferred. Further, car buyers may not know that more familiar documents, such as order and invoice forms, will provide them with information on the vehicle's mileage reading.

In some cases mileage information is not available to the consumer unless Department of Motor Vehicle files are accessed. Renewed registrations do not include odometer readings. Thus, when a vehicle with a renewed registration is sold by a private owner, the registration form will not provide the car buyer with a mileage reading.

The document generally available to the consumer is the vehicle's current title at the time of sale. Connecticut titles now include odometer readings because the certificate of title is a copy of the registration application. However, the department plans to print titles by computer next year, and there is no requirement that these computer-printed documents include odometer readings.

In addition, under the present recording requirements, the department cannot document mileage readings for all vehicle transactions. If a car buyer, other than a dealership, purchases a vehicle without registering it, no odometer reading is recorded in DMV records. This car buyer can then turn back the odometer and resell the vehicle without ever recording the mileage reading on the title or in department records.

7. In order to more closely monitor odometer readings, the Legislative Program Review and Investigations Committee recommends that the statutes be amended to require that:

- odometer readings be documented on Department of Motor Vehicle forms whenever a vehicle transfer occurs; and
- the odometer reading be recorded on the certificate of title.

These requirements would benefit both consumers and law enforcement officials. The certificate of title is an accessible and well-recognized document for car buyers to reference. Thus, any motor vehicle buyer could easily compare the mileage shown on the odometer with the reading listed on the title. Because Connecticut titles are printed on special tamper-proof paper, recorded odometer reading would be difficult to alter.

Law enforcement officials would have more complete records of mileage readings to assist them in determining the source of odometer turnbacks. Mileage readings for all vehicles transferred within Connecticut would be available in Department of Motor Vehicles files. Officials could then research odometer readings through department records rather than relying on the odometer disclosure forms kept by the individual or business suspected of turning back odometers. As a result, more accurate and easily accessible records of odometer readings would be available to law enforcement officials.



APPENDICES



APPENDIX A

AGENCY MANAGEMENT AND CENTRAL OPERATIONS

SUMMARY

The Legislative Program Review and Investigations Committee conducted a ten-month performance audit of the Department of Motor Vehicles (DMV) with the goal of improving the department's customer service, operational efficiency, and management. The committee audit resulted in four separate reports: 1) Agency Management and Central Operations; 2) Branch Office Operations; 3) Title Operations; and 4) the Dealers and Repairers Division. These reports contain descriptive information, analysis, findings, and recommendations concerning department operations.

During its review of the department's management and central operations the Legislative Program Review and Investigations Committee found a lack of systematic planning, performance monitoring, staff evaluation, and training. These management problems were compounded by the organizational structure of the department. The program review committee also found that productivity and customer service needed improvement through the centralization and automation of the department's phone system and document processing functions. The need to computerize existing data files and enter information more quickly in the department's computer records was also cited.

RECOMMENDATIONS

To address these problems the Legislative Program Review and Investigations Committee recommends that:

1. The department be organized into two bureaus, programs and administration, each headed by a deputy commissioner who reports directly to the commissioner. Within the programs bureau, there should be the following divisions, each headed by a division chief:

- customer services: field operations, responsible for all public services provided at branch offices including registration, title, photo-license, driver licensing examinations and vehicle inspections;
- customer services: central operations, responsible for all centrally provided public services including operating a telephone information center, issuing titles, and processing of transactions not generated by walk-in customers, refunds, corrections, and requests for copies of records;

- emissions, responsible for overseeing operation of the state auto emissions program; and
- regulation and enforcement, responsible for programs to control and improve drivers, the regulation of motor vehicle businesses, and the enforcement of motor vehicle laws and agency requirements concerning such matters as public service vehicles, anti-theft measures, and no-fault insurance.

Within the Administration Bureau, there should be the following offices, each headed by a director:

- fiscal affairs, responsible for budgeting and accounting functions;
- information systems, responsible for data processing and the creation and maintenance of automated information systems;
- adjudications, responsible for operating the agency's administrative hearing process;
- public information, responsible for public relations and media liaison matters;
- policy and procedures, responsible for developing and interpreting laws, regulations, and guidelines concerning motor vehicles matters;
- human resources, responsible for personnel, payroll, and staff development matters; and
- support services, responsible for mail, stock and inventory, and property management matters.

In addition to the divisions and offices outlined above, there should be:

- a planning and operations research unit, responsible for performance monitoring and long range planning; and
- an internal audit unit, responsible for assuring the financial integrity of department activities.

The directors of the planning and operations research unit and the internal audit unit should report directly to the commissioner.

2. The Department of Motor Vehicles develop a five-year plan by January 1, 1987. The plan should encompass all department operations and address at least the following areas: customer service; data processing; facility improvement; and employee training. The plan should prioritize all programs proposed and provide implementation strategies for each proposal that include measureable objectives, time frames, and cost benefit analyses whenever possible. The plan should be annually updated and submitted to the General Assembly and the Governor in conjunction with the department's budget requests. The annual update should include an explanation of any delays in implementing proposed programs.

3. The Department of Motor Vehicles should establish a planning and operations research unit to be operational by January 1, 1987. This unit should be responsible for:

- establishing performance indicators for all units;
- assisting units in developing workload measures;
- collecting and analyzing data on department performance including trends and changes in customer service level;
- preparing monthly and annual reports of performance indicators for unit managers;
- analyzing resource needs, costs, and benefits of program proposals;
- monitoring and assisting in the implementation of planned programs; and
- providing technical planning assistance to the department.

4. The planning and operations research unit should consist of four staff members and a director. The director should report directly to the commissioner. The director should have work experience in at least two of the following areas: management information systems; statistical analysis; strategic planning; and operations research. Each staff member should have work experience in at least one of the above areas and all four areas of expertise should be represented on the unit's staff. In addition, the current management analysis unit should be incorporated within the planning

and operations research unit under the supervision of the planning and operations research director.

5. The Department of Motor Vehicles should develop a system to annually evaluate the performance of all staff members. Pay increases for managers should be based on the manager's effectiveness in implementing projects outlined in the department's budget and long-term plans. Job-specific goals should be established for all department employees and annual evaluations and pay increases should be based on the achievement of these goals.

6. The Department of Motor Vehicles should establish a program for initial and continuing in-service training and career development opportunities for all levels of staff throughout the agency.

6a. A director of training and staff development responsible for developing and implementing this program should be hired by July 1986.

6b. The director should develop and implement by December 1986 a program for training part-time branch office employees.

6c. The training director, with the assistance of the planning and operations research unit, should develop an annual plan that:

- assesses training needs;
- prioritizes training needs;
- outlines programs to meet those needs; and
- evaluates the effectiveness of previous training efforts.

6d. The first training plan should be submitted to the commissioner on July 1, 1987, and should include a description of the activities designed to prepare branch office staff for point-of-transaction data entry.

7. In view of the problems the current phone system creates, the Department of Motor Vehicles should establish a centralized phone center that will provide statewide toll-free access to a single department number. Within two years, all direct outside phone lines to the central office should be eliminated and calls should be answered at the centralized phone center. Also within two years, the department should set up a pilot program whereby a separate toll-free number would be available 24 hours per day to deliver recorded messages concerning general information.

Within three years, the department should eliminate all direct outside phone lines to the branch offices and those calls should

also be answered at the central phone center. Personnel staffing the phone center should have access to all computerized information systems.

8. The Department of Motor Vehicles should create a centralized documents processing unit to process all transactions not generated by walk-in customers. By October 1, 1986, the unit should be fully automated to process all mail-in registration renewals. This unit should process all transactions not generated by walk-in customers by October 1, 1987. In addition, by the same date, the department should pilot its "point-of-transactions" data entry registration system in this unit.

9. The Department of Motor Vehicles should implement a point-of-transaction data entry system in the branch offices by January 1991. A consultant should be hired to study the type of system needed by the department, provide an implementation plan, and estimate its cost. A report of the consultant's study and recommendations should be submitted to the General Assembly and the governor by July 1987.

10. The Department of Motor Vehicles should automate the following functions by July 1987:

- delinquent property tax;
- suspended registrations;
- driver license examination appointments;
- vanity plates;
- payroll;
- personnel records;
- inventory; and
- waiting time data.

APPENDIX B

LPR&IC Staff Cost Analysis of Recommendations

Many of the Legislative Program Review and Investigations Committee recommendations resulting from the performance audit of the Department of Motor Vehicles can be achieved without any additional cost by improving department procedures and reallocating existing staff. However, some of the recommendations require new staff and equipment for implementation. Cost estimates for these are calculated below. Expenditures already outlined in department plans are not included in the following calculations.

One-time costs for equipment and temporary staff recommended in all four performance audit reports are estimated to total approximately \$3.25 million and would be expended over a five-year period. With these expenditures, the motor vehicles department could: reduce the title backlog; automate and upgrade the mail processing function; automate branch office reporting; purchase a state-of-the-art phone system; and initiate a point-of-transaction data entry system.

Total recurring costs, primarily salaries, associated with Legislative Program Review and Investigations Committee recommendations from all four DMV audit reports range between \$1.3 and \$1.5 million. This level of new funding would provide the department with about 70 to 90 additional staff. Funding of these new positions would permit: faster title service; reduced branch office waiting times; more convenient services through expanded office hours; and development of internal training programs. In addition, the expanded staff would allow for the establishment of a planning and performance monitoring unit, more efficient central documents processing, and operation of a state-of-the-art phone system.

The cost of recommended improvements should be evaluated in light of the department's limited expenditures in recent years. In constant dollars, the Department of Motor Vehicle's budget increased by only 2.9 percent from FY 76 to FY 83. The department's overall budget increase from FY 76 to FY 85 lagged behind the average for all state agencies. During this 10-year period, the department's budget increased by 19.1 percent while the state average was 26.2 percent. In addition, the department has not spent all of its appropriated funds; since 1976, the Department of Motor Vehicles has lapsed approximately \$7.5 million of its appropriated budget.

Costs to improve customer service should also be considered in light of the increases in motor vehicle fees scheduled over the next six years. Increases in registration, operator license and

other motor vehicle fees are summarized in Table B-1. Revenues from these fees, which are projected to total more than \$220 million in 1993, are also shown in the table.

Cost Estimates: Agency Management and Central Office Operations

Planning and Performance Monitoring

Additional Staff Required: 5

1 Director @ \$50,000

4 Analysts @ \$40,000

Total Recurring Cost: \$210,000 annual salaries

Training Program

Additional Staff Required: 1

1 Training Director @ \$36,000

Total Recurring Cost: \$36,000 annual salary

Phone Center

Additional Staff Required: 33.5

(Assumes that central office staff currently dedicated to answering phones are transferred to the phone center.)

32.5 Customer Service Operators @ \$14,500

1 Phone Center Supervisor @ \$28,000

Equipment Required:

Hardware \$250,000

Terminals \$ 48,000

Software \$100,000

Other Requirements:

"800" line annual service charge @ \$48,000

Total Recurring Cost: \$547,250 annual salaries and service charge

Total One-Time Cost: \$398,000 (equipment)

Central Documents Processing

Additional Staff Required: 10 (maximum)
10 Reg. Exam I @ \$15,500

Equipment Required:
2 Remittance Processors @ \$100,000

Total Recurring Costs: \$155,000

Total One-Time Cost: \$72,000
(2 new processors cost of \$200,000 - current equipment appropriation of \$128,000)

Point-of-Transaction Data Entry

Additional Staff Required: Consultant
Consultant study @ \$100,000
(Expended during 1986)

Systems Requirements: \$2.5 million
Includes hardware, software, personnel time including training
(Expended 1986 - 1991)

Total One-Time Cost: \$2.6 million
(Expended 1986 - 1991)

Cost Estimate: Branch Office Operations

Staffing to Raise Capacity Utilization

Additional Staff Required: 49
49 Registration Examiners @ \$15,500

Total Recurring Cost: 0
Assumes that the following existing branch staff are made available for customer service by centralizing:

● mail renewal processing	=	6
● dealer drop-off work	=	16
● phone information	=	27
Total		49

Expand Branch Office Hours

Additional Staff Required: equivalent of 15-33 FT positions
Under "Flex Time" schedule: 15 reg. exam. positions @ \$15,500
Under current staffing patterns: 33 reg. exam. positions @ \$15,500

Total Recurring Cost: \$217,500 - \$478,500 annual salaries (final cost at end of 3-year phase-in period)

Automate Branch Reporting

Equipment Required: 16 personal computers (one per office) @ \$9,600

Total One Time Cost: \$134,400 (16 computers cost of \$153,600 - current appropriation for equipment, \$19,200)

Hire Third Field Supervisor

Additional Staff: 1
1 Branch Office Supervisor @ \$32,000

Total Recurring Cost: \$32,000 annual salary

Cost Estimates: Title Operations

Title Section Staffing

Additional Staff Required: 9 (5 temporary)
4 FT title examiners @ \$17,000
5 FT title examiners @ \$17,000 for 6 months

Total Recurring Cost: \$70,000 annual salaries

Total One - Time Cost: \$43,750 (temporary salaries)

Long-run (over next 3 years) personnel savings: \$108,800
Assumes the following positions saved:

- 1 title examiner position @ \$17,000 from transferring phone calls to phone center
- 2 title examiner positions @ \$17,000 from implementation of on-line title files
- 3.4 title examiner positions @ \$17,000 from implementation of point of transaction data entry

Cost Estimates: Dealers and Repairers

Recommendations concerning Dealers and Repairers Division do not require any additional staff or equipment that is not already being planned by the department.

Table B-1. Department of Motor Vehicles Projected Revenue Increases 1985 - 1993.

	FY 85*		1992/93 Project.		1992-93 Project.	
	Fee	Revenues	Fee	Revenues	Fee & Increase	Fee & Increase
Operators License	(\$26.50)	\$16,036,817		(\$42)	\$ 31,922,226	61%
Registrations	(\$50)	\$82,556,753		(\$80)	\$135,556,753	60%
Titles	(\$11)	\$ 5,057,448		(\$25)	\$ 16,456,250	127%
Inspections	(\$11)	\$ 1,619,206		(\$25)	\$ 5,502,875	127%
Copy Records	(Varied)	\$ 3,347,903		(Varied)	\$ 8,369,757	n/a
License Exams	(\$15)	\$ 1,506,535		(\$36)	\$ 5,600,412	140%
Dealer & Repairer Licenses	(Varied)	\$ 2,088,536		(Varied)	\$ 5,283,996	n/a
Other Motor Vehicle and Transportation Fund Receipts	(Varied)	\$ 7,153,145		(Varied)	\$ 11,731,158	n/a
TOTAL	\$119,366,343		\$ 220,423,427			

Notes: Excludes issues that are dedicated to special funds, e.g., boats and emissions.

* Fees are as of July 1, 1985; revenues are those collected as of June 30, 1985.

APPENDIX C

Title Section Questionnaire

Please specify what percentage of your time during the last year was spent in each of the following activities. The percentages should add up to 100 -- skip any activity that you do not perform.

N=21

1. 16.3% Answering telephone calls from the general public.
2. 4.5 % Answering telephone calls from DMV branch office personnel.
3. 22.6 % Examining H-13 title applications
4. 2.1 % Processing transfer-without-title requests
5. 11.7 % Processing duplicate title requests
6. 3.9 % Seeking additional information for incomplete title applications
7. 5.5 % Following-up on titles identified by data processing programs or the NCIC check as in need of further research
8. 1.1 % Examining titles after they have been copied by micro-reproduction
9. 4.8 % Mailing title documents
10. 4.9 % Searching through DMV files for title paperwork
11. 1.9 % Filing title paperwork
12. 1.1 % Processing salvage vehicle title work
13. 3.9 % Processing abandoned vehicle reports
14. 15.3% Other (please explain)

What is your job title? N=20

- | | | | | | |
|-----|---------------|--------------|-----|---------------|-------------------|
| 15. | <u> </u> | Clerk | 19. | <u>12</u> | Title Examiner |
| 16. | <u>3</u> | Clerk Typist | 20. | <u> </u> | Title Team Leader |

17. _____ Office Supervisor 21. _____ Title Review Officer
 18. 5 Senior Clerk 22. _____ Other

On what basis do you work for the title unit? N=20

23. 19 Permanent full-time 24. 1 Permanent part-time
 25. _____ Temporary full-time 26. _____ Temporary part-time

27. How long have you worked in the title unit? 10.2 years
 N=20

28. If you examine title applications, on the average, how long does it take you to examine an H-13?

- a) 1.8 minutes (average of 17 replies)
 b) Not applicable or don't know (3 replies)

29. On what percentage of your title work do you use the terminals to access the computerized title and VIN number files?

- a) 47.2 percent (average of 18 replies)
 b) Not applicable or don't know (2 replies)

30. What types of title work do you use these files for? (customer questions, as part of the application examining process, etc.)

- a) Stolen car inquiries (1)
 b) Customer/branch office inquiries (17)
 c) Not applicable (2)

31. On the average, how long did this title work take you before you could access computerized VIN and title number files?

- a) 8.5 minutes (average of 17 replies)
 b) Not applicable or don't know (3)

32. How long does this work take you now that you can access information through computer files?

- a) 3.7 minutes (average of 17 replies)
 b) Not applicable or don't know (3)

APPENDIX D

Department of Motor Vehicles Response
to Legislative Program Review and Investigations
Committee Recommendations

The Department of Motor Vehicles appreciates the efforts put forth by the staff of the Program Review Committee, and concurs with many of the recommendations of the Committee's Report. Given the brief time available to respond to the voluminous Report, the following comments should not be considered exhaustive--they only represent general observations concerning some of those aspects of the Report in which we have some areas of agreement/disagreement.

Our objectives remain the same as that of the Committee. We welcome suggestions and recommendations aimed at providing better service for the motorists of Connecticut. Your recommendation that approximately \$5,000,000 be appropriated and additional personnel hired will help in achieving our joint objective of better serving the motoring public.

TITLE OPERATIONS--RECOMMENDATIONS

1. A central phone unit should be responsible for answering customer inquiries concerning titles.

COMMENT: We agree, with branches also connected to the automated, Title file.

3. Point of transaction data entry system, information from title applications should be entered on the computer.

COMMENT: We agree with the concept--feasibility remains to be explored.

5. Improve planning and performance monitoring in the Title Section.

COMMENT: Automation is already underway.

6. Designate and train title examiners to specialize in reviewing title applications for vehicles previously titled out-of-state.

COMMENT: In our opinion, all title examiners should be trained to process all types of title applications.

7. Statutes should be amended to require odometer readings on motor vehicle forms.

COMMENT: Odometer readings are already required by departmental regulations and policy.