

**S**OUTH CAROLINA, LIKE VIRTUALLY EVERY OTHER state in the country, has long had problems at its Department of Motor Vehicles: frustrating renewal lines, bureaucratic mix-ups and terrible employee morale. Last year, top officials finally decided enough was enough. DMV horror stories were damaging the reputation of the entire state government. The system had to change. And it did change. It got worse.

South Carolina's "Phoenix Project"—an effort to switch all vehicle owners over to a new computer-driven registration renewal program—crashed and burned last sum-

mer in spectacular fashion. It was plagued by inaccuracies in everything, starting with names and addresses of people who owned cars. In thousands of cases, drivers never even got a renewal notice. The long lines at the DMV offices got even longer.

Having taken office this year in the midst of this mess, Governor Mark Sanford is now pushing legislation to make the South Carolina DMV a stand-alone agency (for years it's been a branch of the public safety department), and to make basic changes in its function. That push includes both low-tech and high-tech initiatives. Sanford wants to

Summer 2004 | **MOVE 27**

place greeters in the state's 39 busiest offices and remove phones from the counters so clerks won't be interrupted while helping customers. More transactions will be pushed onto the Internet. The DMV, Sanford says, features "great people" working in a "flawed system."

At some point, virtually every state goes through a DMV meltdown similar to South Carolina's. New York went through one in the early 1990s. Citizens crawled along in line, waiting to register a car or renew a license, all the while trying to quell a gnawing feeling that the transaction would unravel when they reached the clerk's window. They wondered how it could have been any worse waiting in a bread line in Russia in the 1950s. Ray Martinez, now director of the New York State DMV, remembers just what it was like as an ordinary citizen trying to get a license renewed a decade or so ago at any office in the state. "I used to go to the DMV and pack a lunch," Martinez says, "because you never knew when you were going to get out of there." It wasn't much fun for the clerks at the counter, either. "It was almost a sweat-shop mentality," says Karen Pellegrino, a union rep for New York State DMV employees. "It was about following the rules and making your numbers and nobody wanted to hear suggestions about ways to improve the process."

In short, New York's DMV was approaching the peak of frustration that exists right now in South Carolina. "We all knew we had a bad reputation," says Pellegrino, "and that something had to be done about it." What New York did wasn't all that complicated. A labor-management initiative led to a host of customer-service improvements, from instituting "take-a-number" lobby management (something neighborhood bakeries had been doing since about 1910) to sprucing up the DMV offices themselves with new paint and furniture. Clerks were trained not only in customer service but also in basic problem solving, so they could actually help people rather than inform them that they'd have to come back later with more pieces of paper.

In the years since then, many states have made similar efforts in response to similar crises. "DMVs went through this extensive soul searching," says Bill Parent, a government innovation scholar at UCLA. "They did TQM [Total Quality Management] and they put plants in the offices and they expanded their hours—knowing that a visit to the DMV was a miserable experience that everyone at some point just had to go through, and wait in line, and pay money, and deal with people behind the counter who hate the universe because it has to be the worst job in the world."

## MORE THAN A SMILE

It would be a pleasure—as well as a relief to lagging states such as South Carolina—to be able to report that the customer service initiatives launched in most of the country in the past decade have proven effective at taming the DMV ogre once and for all. Unfortunately, that hasn't happened. New York and other states quickly discovered that ficus trees and cheerful clerks alone could not create smooth-running, effective motor vehicle departments. That's partly because the sheer volume of transactions that DMVs are responsible for has continued to grow at a staggering pace. And it's partly because DMVs have been forced to take on a new role as government gatekeeper, policing everything from immigration law to child support enforcement, and monitoring the fidelity and sanctity of citizens' very identities.

In response to all of these challenges, and in growing recognition that improving customer service by itself could not solve the problem, DMVs have begun a new round of changes, based much more on technology than on human relations. They have begun adapting information systems not only to smooth out internal functions but also to roll back the number of transactions that require a trip to a DMV office. The more advanced states now allow most routine transactions to be handled over the Internet or at least by mail. This has taken people out of lines and all but eliminated the terrifying prospect of a half a day squandered while waiting to see a surly and overworked DMV clerk.

Some of the innovations have succeeded remarkably well. Minnesota, which recently switched from a paper-driven to a computer-driven renewal system, has seen the time it takes to issue a driver's license drop from 45 days to less than a week. Vehicle titles are issued in 10 days instead of a month. Registrations now take three days to process instead of nearly two weeks. With a PIN number, citizens in Minnesota can complete even high-security transactions, such as replacement of lost licenses, online. "Our overall goal," says Pat McCormack, who until recently was the state DMV's acting director, "is to get 25 percent of all transactions to be self-service." The state is about halfway there, McCormack believes.

Iowa has focused its IT innovations on making the job of the employees easier, in the belief that this is the best way to help citizens in the long run. At Iowa DMV offices, individual workstations now have direct connections to

the central record-keeping center in Des Moines. Satellite offices no longer have to wait days for paper to pass back and forth; they can exchange documents and information immediately by keyboard.

These are logical improvements long overdue. But they are not necessarily easy ones to implement successfully, as officials in South Carolina and a few other places have learned, much to their embarrassment. The District of Columbia DMV, an infamous bureaucracy long synonymous to local residents with maddening inefficiency, hoped to leap into the 21st century last summer by launching its "Destiny" computer system, aimed at moving virtually every transaction in the department away from paper dependence and onto computers. The goal was not merely to make the process less painful for citizens but also to ensure that anyone renewing a license or auto registration had "clean hands" when it came to unpaid fines or other outstanding legal obligations. Destiny's launch was a disaster. Scores of residents trying to renew their driver's licenses and car registrations discovered they were being interrogated about incidents involving child support, bad checks and parking tickets, some of which were listed accurately—but had long since been resolved—and some of which had never occurred at all.

The uproar caused by Destiny forced the city council to grant hundreds of clemencies and to rewrite the rules when it came to how far back the DMV could go in checking for dirt under residents' fingernails. The system has been largely straightened out: Citizens are no longer getting dinged for ancient parking tickets, and the District actually offers a pretty impressive menu of online DMV transactions. "Obviously the first time you get a driver's license or register a car you have to come in," says Anne Witt, the interim DMV director, "but once you've been identified by our system you can do everything from renewing your registration to paying tickets to changing your address online."

Meanwhile, however, the agency continues to struggle with the classic personal service problems. Witt acknowledges that customer service remains inconsistent among the approximately 350 people who work for the department. She says one of her priorities is to refine policies so that they are as clear and simple as possible for clerk and customer alike, cutting down on the chances for misunderstandings and miscommunication. "I want to come up with the simplest, legal way to say 'yes' to customers," she says. At the same time, she plans to focus more resources

on staff training and morale. "I'm coming into an organization that has seen significant investment in systems and facilities," says Witt. "It's now time to make that same investment in our employees."

## TOO MUCH TO DO

Once motor vehicle agencies around the country complete both phases of the revolution—once they improve their customer service and get their online systems working adequately—is it possible they could finally shed their long-standing image as the monsters of government bureaucracy? Well, maybe—if we weren't continuing to pile more and more responsibilities on to a branch of government that still hasn't mastered the old ones.

Take, for example, the seemingly simple matter of a driver's license. Originally, licenses were meant to do just one thing, says Jason King, of the American Association of Motor Vehicle Administrators: document that somebody was old enough and fit enough to operate an automobile. "It was never meant to be anything more than that—a license to drive," says King. "But it has evolved into being what our society considers to be the primary, secure credential." This was quite a load to bear before 9/11. Now, the load is that much heavier. A driver's license is the first document a citizen is asked for upon entering a secure public building and the last one he is forced to show before boarding an airplane.

But it isn't just homeland security that's been placed—at least partially—on the shoulders of DMVs. In many places, they have been deputized to handle a frontline enforcement role in a host of other local, state and federal policy and program areas: tithing deadbeat dads, clearing up arrest warrants, policing citizenship laws and apprehending federal drug offenders. Add to these the ever-growing list of more directly auto-related responsibilities that DMVs have no choice but to take on: licensing commercial drivers, issuing vehicle titles, making sure cars are road-worthy and insured, collecting sales taxes and other fees, and even, in some states, policing driving schools.

"It's been subtle and has crept in over the last 10 years," says Mark Wandro, director of the Iowa Department of Transportation. "We're now dealing with things like voter registration and organ donation and child support. Pretty soon it will be conscientious objectors." That isn't a joke. Wandro believes his state's DMV will soon be asked to keep track

of whether or not kids in Iowa have registered for the Selective Service. No Selective Service card, no driver's license.

## DEALING WITH EVERYONE

In other words, while accepting their reformist mandate to be friendly and responsive as they handle hundreds of transactions a day, DMV employees are being pressed harder than ever to ensure that drivers are in compliance with a host of local, state and federal laws. Every day, in every state in the country, DMVs are dealing with state and local courts, the U.S. Immigration and Naturalization Service and the federal departments of Transportation, Justice and Defense. While his agency stresses customer service as a high priority, says Terry Dillinger, at the Iowa Office of Driver Services, "it's not uncommon for someone to be taken out of one of our facilities in handcuffs due to outstanding arrest warrants. We've had employees who have been hit by customers. It's a very, very small percentage, but there are always those people who've dug themselves into a hole as far as getting their driver's license and of course none of it is 'their fault' and they want it all resolved immediately."

So it is a constant dilemma for DMVs just how customer-friendly they can actually afford to be. Iowa has made it easier for those with black marks on their record to get things straightened out quickly, says Wandrow. It's a policy that doesn't compromise the DMV's role as frontline enforcer but helps ease conflicts between citizen and government.

Some states, though, have paid a high price for going overboard in the customer-friendliness department. In Virginia, for example, former Governor Jim Gilmore took office in 1998 determined to prove he could transform a churlish bureaucracy into a model of customer service. He transformed it so thoroughly that the state became notorious as a license mill for anyone who wanted to establish an identity, legitimate or otherwise. Among its satisfied customers were several illegal applicants with ties to the terrorists who crashed into the World Trade Center on September 11, 2001.

As they struggle to overcome the stigma of their inefficient past, the task for DMVs will not be merely to become technologically sophisticated or as customer-friendly as practicable—it will be to do both those things while at the same time figuring how to handle their rapidly growing

and evolving role as frontline enforcer and identity gatekeeper.

One agency that seems to understand the complexities of its multiple tasks is the DMV in Washington State. After an information technology debacle of its own—the state poured tens of millions of dollars down the drain in a failed effort to impose a technological solution for the 10 million separate transactions it must handle each year—Governor Gary Locke appointed his own deputy chief of staff, Fred Stephens, to take over the state's Department of Licensing in 1999. Stephens, who had extensive experience both in government and in the private sector's high-tech world, launched a New York-style joint labor-management approach. The result has been a sweeping overhaul that has moved on both fronts at once: a restructured organizational chart and beefed up technological capacity. "Our computer system had been frozen in time," Stephens admits.

As a first step, middle management was cut in half, and many of the positions moved back to the counters. Greeters began intercepting applicants at the door and steering them to one line or another, depending on the complexity of the transaction at hand. Frontline workers were trained and encouraged in the art of solving problems rather than processing paper. Meanwhile, a successful technology overhaul was improving life on the front line by making office transactions smoother and faster and eliminating some lines entirely. Wait times at DOL offices statewide have plummeted from what used to be hours at the busiest offices to mere minutes in most cases. "Now," Stephens boasts, "citizens can do things in a period of minutes any-time day or night, with a credit card, that used to require a trip to the DOL office. To ensure the system's integrity, computer experts are regularly invited to try to hack in."

The investments in time and money that are taking place in Washington and Iowa and are being launched in South Carolina are ultimately based on a pretty simple premise, says New York's Ray Martinez: State DMVs are the one bureaucracy that virtually every constituent must deal with at some point. Why not try to make the experience as positive as possible. "We consider ourselves to be the face of state government," says Martinez. For quite a few citizens in an increasing number of states, it's a face that's becoming a little less frightening to behold. ■

Prepared by Jonathan Walters, Freelancer, Valatie, New York. This article first appeared in *Governing Magazine*, July 2003.