



Department of the Secretary of State Bureau of Motor Vehicles

Shenna Bellows
Secretary of State

Catherine Curtis
Deputy Secretary of State

JOINT STANDING COMMITTEE ON TRANSPORTATION

L.D. 275, An Act Making Unified Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025

Shenna Bellows, Secretary of State

Department of the Secretary of State, Bureau of Motor Vehicles

Date February 27, 2025

Senator Nangle, Representative Crafts, and Members of the Joint Standing Committee on Transportation, my name is Shenna Bellows. I am the Secretary of State, and I reside in Manchester. I am here today jointly with Deputy Secretary of the Bureau of Motor Vehicles Cathie Curtis to present testimony in support of those items presented in the Supplemental Budget for the Department Secretary of State.

As you know, the Bureau of Motor Vehicles (BMV) was established to provide for better regulation of traffic through the administration of laws relating to the operation of motor vehicles. The Bureau has grown considerably over the years and has the responsibility of licensing and monitoring drivers, renewing licenses and IDs, registering and titling vehicles, licensing driver education schools and instructors, licensing vehicle and trailer dealers and managing all motor carrier programs. The Bureau provides services at the administrative office in Augusta, 13 branch office locations, 23 testing CDL locations, 16 non-commercial examination locations throughout the State, and through a suite of online services. Additionally, 516 municipalities and 12 non-governmental agents offer registration services to residents and non-residents of this State.

There are 6 initiatives for the Department which begin on page 1 of the Budget Document. Each of these initiatives also coincides with a 2026-2027 biennium budget.

1. Initiative: Provides funding for mobile unit operational expenses. The All Other request is **\$46,155 in FY2024-25**

This initiative provides funding for the operational expenses for the new mobile unit which we expect to receive within the next few months. It includes garage rental space, fuel and maintenance. We are requesting to withdraw this initiative as the vehicle manufacturer has been delayed in delivering the vehicle to us. We expected the vehicle in January; however, the manufacturer has had delays caused by staff shortages and a death in their management team. We now expect to receive it in April and can

absorb the minimal maintenance costs for the remainder in this fiscal year. However, the corresponding initiative in the biennial budget will be necessary.

2. Initiative: Provides funding for increases in technology costs in accordance with MaineIT increases. The All Other request is **\$121,808 in FY2024-25**

The costs for technology support provided by MaineIT has increased 8% this year. The total we pay to MaineIT for BMV is \$1,513,012.13.

3. Initiative: Provides funding for the increase in postage related expenses. The All Other request is **\$388,523 in FY2024-25**

The postage and related expenses have been increasing steadily over the past five years. This initiative seeks to provide funds for those increases. We have experienced substantial increases from Intragovernmental Postage Services , UPS, and USPS in the last 5 years. Our postage/shipping related expenses were \$949,000 in 2019 and they are \$1,385,000 in 2024 – that's a 45.96% increase.

4. Initiative: Provides funding for the approved reclassification of 2 Senior Motor Vehicle Section Manager positions to 2 Regional Motor Vehicle Service Manager positions and provides funding for related All Other cost retroactive to February 2024. The Personnel Services request is **\$16,664** and the All Other request is **\$721 in FY2024-25**

This employee-initiated reclassification was approved by Bureau of Human Resources on May 10, 2024 to account for the additional responsibilities and regions of responsibility.

5. Initiative: Provides funding for the approved reclassification of one Secretary Specialist position to a Public Service Coordinator I position and provides funding for related All Other costs retroactive to June 2024. The Personnel Services request is **\$14,504** and the All Other request is **\$628 in FY2024-25**

The employee-initiated reclassification was approved by Bureau of Human Resources on May 10, 2024 due to the assignment of additional responsibilities.

6. Initiative: Provides funding for increases in contract expenses for issuing driver license and state identification credentials. The All Other request is **\$147,194 in FY2024-25.**

The final initiative provides funding for increases in the costs to manufacture and produce the credentials through our vendor. There has been an increase in over 30,000 additional credentials this year along with an increase in the mailing costs charged by the vendor.

Turning now to **Part C, Section C-1** of your document. This language authorizes funds to be carried forward into fiscal year 2025-26. The Department of the Secretary of State is not asking for additional funds, but rather, requesting to extend the time frame for when the funds can be used, due to the plate manufacturing billing process. The Bureau of Motor Vehicles will be billed when the new plates are delivered between the Spring of 2025 and the Summer of 2026.

You will also see **Part D, Section D-1** authorizes funds to be carried forward into the next fiscal year, up to \$2.5 million, in unexpended balances in the Personal Services and in the All Other line categories. These funds will be used to continue the modernization of systems and services at the Bureau of Motor Vehicles. We are proposing a method to continue to self-fund the modernization efforts within the BMV, to update technology and services to improve the security, reliability, and services we provide to just about every household in Maine.

Our 2024 modernization accomplishments included:

- We successfully launched an in-house customer-centered contact center, transferring all calls from branch offices to the Administrative Office in Augusta (Phase 1 of our customer contact center).
- We successfully launched an electronic lien program, which allows lien holders to receive an electronic title instead of a paper title and release the lien electronically (Phase I of our Electronic Lien and Title Program).
- We successfully integrated automated communications between our driver license system and other states across the country to improve road safety and crack down on fraud by implementing three federal mandates titled state to state, exclusive electronic exchange and drug and alcohol clearinghouse phase II.
- We modernized the International Registration Plan (IRP) computer system that is used to register vehicles for use throughout the US and Canada.

This carry forward language will ensure that we are able to continue our work to modernize the driver license system, which is on track to go live in 2026 and embark on modernization of our vehicle services system to follow.

This concludes my testimony. I would be happy to answer questions now or at the work session. Thank you for your time.