

- Administration
- **Bureau of Motor Vehicles**
- Emergency Management Agency
- Emergency Medical Services
- Office of Criminal Justice Services
- Ohio Homeland Security
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- Ohio State Highway Patrol



BMV Stakeholder Sub-Committee Minutes September 14, 2009

Assistant Registrar Jeffrey Coleman briefly sat in for Acting Registrar Carolyn Williams and called the meeting to order at 3:05pm. He informed the sub-committee that this meeting was being tape recorded and asked the members to speak up. He introduced Angela Atwell, Project Manager, Department of Public Safety.

Ms. Atwell asked Nancy Crespo to take roll call. All were in attendance except Tim Bubb, Licking County Commissioner. Carolyn Y. Williams, Acting Registrar, Bureau of Motor Vehicles; Ann Vitale, Associate Legal Counsel, Department of Public Safety; Aldo Filippelli, President, Ohio Deputy Registrars Association; Larry Woolum, Ohio Trucking Association; Elise Spriggs, Attorney at Law, Senate Appointed Member of the Public; Joe Cannon, Vice President, Government Relations, Ohio Auto Dealer's Association; Karl Keith, Montgomery County Auditor; Noreen Saunders, President, Ohio Clerk of Courts Association; Michelle Dempsey sat in for Representative John Domenick, 128th Ohio General Assembly, Ohio House of Representatives, House District 95; and Tim Lynch sat in for Senator Tom Patton, 128th Ohio General Assembly, The Ohio Senate, 24th Senate District.

Ms. Atwell asked the members of the audience to introduce themselves: Kim Redfern with TriVIN; Joe Turano, with TriVIN; Richard Boylan with TriVIN; Terry Flanagan, Parma Deputy Registrar; and Bridgett McCall, representing the Ohio Deputy Registrar Association.

Ms. Atwell said the purpose of the meeting was to review and answer questions relating to the action items from the previous meeting.

Cheryl Brickman reviewed the BMV vehicle registration transactions chart. The chart compares transactions from 2002-2009 for: mail-in, internet, IVR (telephone system), Deputy- had choice, Deputy-no choice and the total numbers.

Mr. Woolum asked about the significance in the increase in 2006 OPlates and IVR transactions.

Ms. Brickman said there was a billboard campaign for OPlates and IVR.

Ms. Atwell stated for the record Joe Cannon and Carolyn Williams had joined the sub-committee.

Mr. Keith asked if the administrative costs for mail-in registrations are very expensive.

Ms. Brickman said BMV pays for several expenses. They get \$3.50 per transaction which pays for some of the fees.

Mission Statement

"to save lives, reduce injuries and economic loss, to administer Ohio's motor vehicle laws and to preserve the safety and well being of all citizens with the most cost-effective and service-oriented methods available."

Mr. Keith asked about the cost of postage.

Ms. Brickman said the customer pays for the postage.

Ms. Eaton clarified that postage is only paid by the customer for the returned mail-in renewal application; furthermore, this postage is at the discounted bulk rate. The customer does not pay for the annual renewal notice to be mailed to them.

Mr. Filippelli clarified that a customer pays \$51.00 plus \$3.50 plus a postage fee paid by the customer. He then asked if a customer does not receive the stickers what are the procedures and costs.

Ms. Eaton said all of the BMV communications have phone numbers on them and if the BMV is at fault, an extension letter is sent to the customer. If the customer goes to the Deputy, the Deputy will call the BMV and is assisted by phone. She mentioned a side note about the application. The application must be mailed out by law so not continuing to do mail in will not save the BMV any costs.

Mr. Keith asked for a financial impact.

Mr. Filippelli inquired about the costs for the internet and IVR services, such as the cost to the state of Ohio and how much is being made. He said this way he can get a good indication for costs involved in those sectors and the amount of revenues being made.

Ms. Atwell moved on to the next item suggested to the sub-committee by Mr. Cannon.

Mr. Cannon said part of the charge of this sub-committee is to look at improvements in technologies as it relates to the operations of this particular agency. His suggestion was to explore additional opportunities for his members to process titles electronically. He stated currently there is an option for dealers to do that and the option includes either:

1. to create their own software to work with the State system, or
2. to take advantage of a vendor

He suggested this sub-committee recommends that the agencies pursue exploring an additional option for dealers to communicate directly with the state system without having to create their own software or rely on a third party vendor. He said the state provides a number of on-line services now that do not require a third party vendor including OPlates.com. They communicate electronically already in other areas with the Department as it relates to temporary tags, license renewals, and sales person's license renewals. He believes this proposal will be a natural extension to what is already taking place.

Ms. Saunders clarified that dealers do not issue titles, the Clerks do. She said the Clerks are the checks and balances to the system

Mr. Lynch asked what she means by 'checks and balances.'

Ms. Saunders said that they are a function of government much like a recorder is in a court.

Mr. Flanagan said the Deputy Registrars make \$3.50 per transaction for everything they do. He said there is not another entity in the state that does their job as cheaply or as efficient as they do.

Mr. Cannon said his proposal is not trying to reinvent the wheel. Still, under this proposal the County Clerks of Court issue titles in conjunction with the BMV and the ATPS system. He clarified all his proposal suggests is for an additional option to communicate electronically with the State and the County Clerks.

Mr. Flanagan asked Mr. Cannon what the fee would be to do such a thing.

Mr. Cannon responded they are not proposing any fees or making any change to the fee structure at all.

Mr. Coleman said this is a sub-committee meeting for stakeholders. He did not want to take any questions or responses from the people in the audience. He said he will consider questions from the audience later.

Ms. Atwell gave the floor to Mr. Woolum from the Ohio Trucking Association.

Mr. Woolum said he will be speaking of electronic registration and the concept of members at their office registering the trucks on-line. He said the Federal Motor Carrier Safety Administration has a program in place for at least 5 years called PRISM, and PUCO administers that program for Ohio, they are the lead agency on that. He encourages consideration to contact PUCO to see if they could tap into Federal monies that may help out. He is not proposing to eliminate the DR, it is eliminating the need for the customer to go to the Deputy. Not only could they communicate with BMV but perhaps contact the local BMV to register the plate, if the Deputy was in agreement to do those types of transactions. He said he is looking at options and the more options they have the more flexibility the system is and more customer friendly.

Mr. Woolum also spoke of the 2000 lb increments recommendation and he said he believes this is a legislative issue. Also, vanity plates for trucks. He then mentioned permanent plates and how he thinks they need to be positioning the state of Ohio to be competing with neighboring states that offer opportunities for plates.

Mr. Keith asked if there was a reason Ohio did not have vanity plate available for trucks.

Mr. Woolum stated that the issue of vanity plates for trucks was never brought up. He said that Indiana has vanity plates for trucks.

Mr. Keith asked about the 2000 lb increments issue.

Mr. Woolum said truckers have to pay per 4000 lbs when other states only pay per 2000 lbs.

Mr. Filippelli commented on electronic registration at deputy registrars. He stated the deputies would like the idea of registrations being done electronically at the deputies. But if that goes to the BMV system in Columbus or to OPlates, they would not be in favor. He feels they should go to a mobile office and let that local person take care of it.

Mr. Filippelli said he understands the issues involved with the permanent trailer plates. He feels if they are going to a multi-year situation that a deputy registrar fee should be received at the exact same time.

Mr. Woolum pointed out that trailer life is about ten years. When trailers are done, their plates are done. He said there is no transferring of plates to new trailers.

Mr. Keith said the County Auditors Association did not have any new specific recommendations. The issue he touched on again is having no support after 5:00pm even though Deputy Registrar's must stay open past 5:00pm if there are customers. He asked if there was some way to provide support during required open hours.

Ms. Williams said in regards to support services the BMV is currently over 100 people down and the positions cannot be filled. They also have over 20 people that will be retiring soon. She said at this stage they have to wait until they build back up. Currently license support services are available until 6:00pm.

Ms. Crespo said during the full study group, it was asked of the audience to submit any recommendations to Mr. Long and Ms. Eaton. She said TriVIN submitted a recommendation and Mr. Turano will speak on behalf of them.

Mr. Turano said the reason TriVIN is at these meetings is because currently they offer electronic titling for dealers in association with the Clerks of Court. As a part of that they have moderate success and have been in the state since 2002. They were members for the re-write of the ETA system as part of Senate Bill 59. He said they would like to propose to the committee that instead of asking for any new system to add an optional fee for customers to pay for vendor services. He does not think that this will impact the current system or affect the budget at all.

Mr. Filippelli asked how much the optional fee is.

Mr. Turano said the optional fee varies between \$10.00- \$20.00 depending on the State and the amount of work involved. He clarified that he is not proposing a fee at this time but just putting the information out there. This is a separate E-Commerce fee from the document fee. His company works with titles and registrations with 11 other states.

Ms. Vitale asked what they charge for other services provided in Ohio.

Mr. Turano said the fee structures are set up as a line item. The fee is for having the transaction done electronically so the work is being processed as quickly as possible.

Mr. Cannon made a clarification as it relates to his proposal. He said his proposal stems from the fact that his members personally contribute significantly to ATPS fund on an annual basis through the title fee's they pay to title in the dealership name. The ATPS fund through Senate Bill 59 already is authorized to pay for the Department's implement of electronic titling that is being used already and a host of other related extensions to the electronic titling system. He said he is looking to take advantage of the contributions already put into the system.

Mr. Woolum asked how the public will benefit.

Mr. Cannon said now they are legally required to obtain titles. He said what they are trying to do is make it more convenient for the dealers to apply for the title applications so the customers will get their titles quicker and the state will get their tax money faster and it may be easier for the Clerks as well.

Ms. Spriggs said for the benefit of all the committee members she is in a unique situation. She is a registered legislative agent for a lot of folks. She said she represents another vendor in this as well as an interest.

Ms. Atwell opened the floor to any further discussions or changes to the submissions.

Ms. Saunders said she will e-mail the below list to everyone:

1. Clerks to be allowed deputy registrars without the bidding process,
2. Population cap of 40,000 be removed,
3. Be compensation for additional duties,
4. Elimination of need for profit
5. Personal ID and DL under Patrol since they are already doing the testing,
6. Changes in rules to allow local advertisement to cut out the competition.

Mr. Filippelli summarized the following statement regarding the Ohio Deputy Registrar Association:

"Ohio's Deputy Registrars ("D.R.") are independent small businesses, which are currently high contributing, but not at full capacity. Deputy Registrars collected \$613,868,448 for the state of Ohio, \$1,928,207 for Save Our Sight Fund, and \$878,240 for the Second Chance Trust Fund during the past year. More than half of these privately owned businesses are not sustainable (negative growth in sales) or are struggling to survive (less than 6% growth in sales).

The Public Safety Study Council was created in response to a request by the Ohio Deputy Registrars Association (ODRA) for a fee increase and a feasibility study to determine the long-term viability of the deputy registrar's system in the state of Ohio. ODRA worked closely with then Registrar Rankin, to develop an agreed upon fee structure that would bring the D.R. fee up from the current \$3.50 to \$5.00 over three years. After discussions with key members of the House Transportation Subcommittee, ODRA testified before the Committee to outline the need for the fee increase, as well as a market study.

Director Guzman testified the following day before the Subcommittee to state the Department's position was to support a "study committee", prior to considering a fee increases. He included a list of BMV stakeholders and legislators to participate in the study committee. He also suggested some additional services DR's may be able to provide at their locations that the study council should consider. As such, we look forward to sharing our ideas and vision of how to maximize the current DR infrastructure to better serve the citizens of Ohio, and provide cost-savings for the state.

As independent contractors of the state, DRs should be viewed as vital small businesses. The Deputy Registrar system is cost-effective, providing expert service at

less cost than public sector licensing agencies. Deputy Registrars are required to maintain a 90% or greater customer satisfaction rate. However, when their ability to make transactions is adversely impacted by policy decisions, and there is no flexibility or ability to make sound business decisions, that high quality cost-effective service is compromised.

Prior to the downturn in the economy, there were several policy decisions made that severely reduced the number of transactions once performed by a deputy registrar. With the advancement of technology, vehicle registration renewals are now available on-line through the BMV. However, those transactions that used to be handled by DRs were not replaced with other transactions nor did the state provide any fee sharing opportunity for the DRs.). For some DRs they have experienced over 20% reduction in transactions from mail-in and on-line vehicle registrations.

Most importantly, DRs handle the most sensitive identification information, which places them as an important member of the homeland security team. With such sensitive information being handled, DRs must have the flexibility to hire the most qualified individuals as employees. However, when their ability to generate revenue is suppressed, their ability to hire highly qualified employees is jeopardized because they can not compete with wage and benefits that other private sector employers are able to offer.

In order for the Deputy Registrar system to continue to provide expert customer service, the business model for deputy registrars must be improved. There are several areas that need to be considered: organization, fee structure, operations, marketing, and training.

Deputy Registrar must be recognized as an independent contractor of the state, and acknowledge the business decisions are the prerogative of the DR. By allowing the DRs to function as an independent contractor, there would be an improved customer experience. DRs know and understand their customer needs, they also know how to generate revenues and improve the customer experience. With the DR recognized as a vital business owner, there should be incentives for those DRs that consistently manage successful agencies. Those successful DRs should be given the opportunity to manage more than one location, similar to a successful franchise owner. This can provide for economies of scale across several locations, such as advertising costs, printing costs, employee training, etc.

The services provided by DRs should expand to provide a more comprehensive customer experience. All government document services should be provided at DR locations. These services could include all motor vehicle related transactions, professional licenses, all state issued licenses, turnpike passes, lottery tickets, pay taxes, etc.

The DR system was implemented with the intention to eliminate political bias and contributions. The legislative and executive branch of government has the responsibility to create policy and rules that are uniform and equitable in manner. As such, everyone who is a limited authority, full authority or a deputy registrar must

adhere to the same political requirements, disclosures and contributions limits. Every DR must be evaluated the same way.

Currently, DRs must obtain legislative support for any fee increases. The last time the DRs received a fee increase was in 2004. The current DR fee is \$3.50. The current fee should be increased to at least \$5.00 per transaction as was originally requested at the time the Study Council was created.

When the state increased its fees this year in HB 2, the DR's fee was not included in the request. If DRs are viewed as a partner with the State, and truly viewed as integral to the customer experience, their fee increases should automatically be tied to the state's fee increases. Going forward, there should be an automatic trigger that permits a fifty cent (.50) increase in the DR fee. For example, when the state increased its motor vehicle license or registration fees during the last transportation budget, the DR fee should have automatically been increased by (.50) for each transaction that the DR fee is applied.

Another fee option, is to move from a transaction fee to a percentage of gross state sales per agency (12-20%), or to have a combination of the current fee of \$3.50 PLUS a 10% of gross state sales.

In addition, a cost of living adjustment (COLA) should also be included for DRs. This would help preserve the sustainability of the system during economic downturns. If the COLA is equal to the percentage increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year to the third quarter of the next. If there is no increase, there is no COLA. The adjustment would be effective on January 1 of each year.

Should DRs be permitted to expand their current service offerings, a vendor's allowance could be created by which a DR would keep a predetermined percentage of a transaction that is handled at the DR location. This would provide a comprehensive service to save the customer time, money, energy and confusion with a one-stop-shop opportunity.

Deputies should be allowed to market to their customers to increase foot traffic into their agencies. These communications to customers should provide an opportunity for Deputies to offer advertising space to other area businesses, and generate revenues for their locations.

DRs should be processing mail-in and on-line transactions that are requested from their geographic area. The state's system should be programmed to assign all zip codes to the appropriate DL location or BMV location (where there is not a DR located), and direct those transactions to the appropriate DR or BMV to process. The state can keep a small portion of the fee of those processed by DRs for the upkeep and maintenance of the program. The state would save time and money by not handling the entire processing portion of the program.

DRs should also be reimbursed by the state when the state's BASS system goes down. This is a customary practice when vendor's provide IT services to the state, if their services are interrupted then they reimburse the state for the portion of that time.

Another service that DRs have been providing free of charge is the collection of charitable contributions on behalf of the Save Our Sight Fund, which DRs collected nearly \$2 million in 2008, and nearly \$900,000 for the Second Chance Trust Fund in 2008. DRs should receive an incentive to promote the programs or be allowed to receive a charitable tax deduction for these services.

There are several issues that we have discussed throughout the study council meetings, as well as with BMV officials. We would like to include these recommendations for the Council's full consideration. These issues impact the DR's ability to control costs, and make sound business decisions:

- 1.) No support from the state office after 6:00PM (Change office hours from 6:30PM to 5:30PM)*
- 2.) Create uniform hours for all DR and BMV agencies*
- 3.) Eliminate minimum staffing requirement for DRs*
- 4.) Allow DR employees to participate in the state employees medical and pension benefit plans*
- 5.) DR should be classified as a clerical office and not retail office by Bureau of Workers Compensation (BWC)*
- 6.) Eliminate mandate to advertise in the yellow/white pages*
- 7.) Consumer questions required by state need to be reviewed*
- 8.) DR should be tax-exempt when buying supplies for office*
- 9.) DR's should be equipped with state issued DL/ID swipe machines*
- 10.) Issues regarding DR Contracts with the State*
 - i. Protect DR personal information with the public, such as driver's license number, banking account information, spouse's name, home address, credit information, employees names, personnel policy and security policy for the agency*
 - ii. Allow for five-year contracts*
 - iii. Require a face-to-face interview before awarding a contract*

Deputy Registrars are often times the only interaction Ohioans have with the state of Ohio. Most Ohioans view Deputy Registrars as the BMV, and are not aware there is a distinction. As such, DR's statewide presence is an asset to the state, which it should leverage to better serve Ohioans with all of their state government service needs. All government services could be handled at DR locations, creating a one-stop shop concept:

- 1.) Allow Self Service Kiosks in DR locations*
- 2.) ALL locations should provide same services as the state:*
 - a. Temp Test at each agency*
 - b. Driving Test performed at each agency*
- 3.) Provide professional ID's*
- 4.) Sell duplicate E-check forms*
- 5.) Sell auto warranty products*
- 6.) Sell Ohio turnpike E-Z Passes*

- 7.) *Sell advertising space to local businesses*
- 8.) *Collect state income tax*
- 9.) *Become lottery game agents*
- 10.) *Sell hunting licenses*

As several stakeholders on the Study Council have already been granted limited authority deputy registrar status, we have experienced competition in our field without the ability to truly compete. We believe we are the experts in our field, working closely with the BMV on regulatory and enforcement issues. In addition, the genesis of the deputy registrar system was established to depoliticize the system, and we believe the integrity and credibility of the system is even more important today. ODRA would have to be given more flexibility as outlined in these recommendations, and should also be able to provide ALL motor vehicle related transactions, including titling. As such, a level playing field would be necessary to allow for true competition.”

Ms. Atwell went over the action items:

1. BMV is to gather fees for IVR, internet costs
2. Ms. Saunders will electronically submit suggestions from that meeting and other suggestions.

The next full committee meeting will be Thursday, October 1st in South rooms B and C from 3:00pm to 5:00pm. The last BMV Stakeholder sub-committee meeting is scheduled for October 13th.