

**MINUTES OF THE MEETING OF THE
INTERIM FINANCE COMMITTEE'S
SUBCOMMITTEE ON PROJECT GENESIS/DOIT
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada**

A meeting of the Interim Finance Committee's Subcommittee on Project Genesis/DoIt was called to order by Chairman Bob Beers, on Tuesday, November 16, 1999, at 10:30 a.m., in Room 3138 of the Legislative Building, 401 South Carson City, Carson City, Nevada. For members of the public who wished to observe the meeting and provide testimony, a simultaneous video conference was conducted in Room 4412 of the Grant Sawyer Office Building, 555 E. Washington, Las Vegas, Nevada.

SUBCOMMITTEE MEMBERS PRESENT – CARSON CITY:

Assemblyman Bob Beers, Chairman
Assemblywoman Vonne Chowning

SUBCOMMITTEE MEMBERS PRESENT – LAS VEGAS:

Senator Joseph M. Neal, Jr.
Senator William R. O'Donnell

LEGISLATIVE COUNSEL BUREAU STAFF:

Scott Wasserman, Chief Deputy Legislative Counsel
Gary Ghiggeri, Principal Deputy Fiscal Analyst, Fiscal Analysis Division
Debbra King, Program Analyst, Fiscal Analysis Division
Mark Krmpotic, Program Analyst, Fiscal Analysis Division
Yhvona Martin, Secretary

I. Opening Remarks and Introductions – Assemblyman Bob Beers, Chairman.

Chairman Beers called the meeting to order. After calling the roll, Chairman Beers announced that a quorum was present and that Senator O'Donnell would be arriving later in Las Vegas.

II. Approval of October 5, 1999, Meeting Minutes:

**MRS. CHOWNING MOVED TO APPROVE THE MEETING MINUTES OF
OCTOBER 5, 1999. SECONDED BY SENATOR NEAL AND MOTION CARRIED
UNANIMOUSLY.**

III. Report on Implementation of Project Genesis – Department of Motor Vehicles and Public Safety (DMV&PS).

A handout entitled "Bugs by Functional Area," dated November 11, 1999, was provided to the subcommittee by DMV, and a copy of which is included in the meeting minutes as Exhibit A.

Ms. Ginny Lewis, Deputy Director, DMV&PS, said she would be providing a status report on Project Genesis since the subcommittee last met on October 5, 1999, in Las Vegas. In providing an overview, Ms. Lewis apprised the subcommittee that there had been no significant down time during the month of October. It was

Ms. Lewis' recollection that the system was down for approximately one-half hour early one morning, but there was minimal impact to the customers. In addition, Ms. Lewis pointed out that DMV's response time remains acceptable; transaction times have generally stabilized in the field; and improvements to the system, either by fixing "bugs" or bringing in improvements to the application, were steady. Since DMV has reached a point where one release was being brought in per week, Ms. Lewis said there no longer was a sense of urgency and DMV's staff had been able to make the fixes and do adequate testing. According to Ms. Lewis, all issues of a significant nature to field personnel had been fixed. The employees continue to be incredibly dedicated and committed to the success of Project Genesis and Ms. Lewis suggested that DMV would never have been able to achieve what it has to date without the employees' commitment. She also noted that DMV employees were finding additional ways to improve the application as they continue to learn the application and become more familiar with it. In addition, Ms. Lewis stated:

We have hit that point where we have been waiting and that is user acceptance. We are not 100 percent but I believe the employees realize that there are a lot of benefits to this system; it will make their job better; it will make the integrity of the data better; and it gives them the foundation to give the customers what they need and that is enabling technologies.

When the wait times were extraordinarily long during the month of September, Ms. Lewis said the subcommittee would recall that DMV staff had been issuing 10-day permits. By contrast, DMV staff can now take care of customers coming into the office because the long wait times have subsided and most of the field offices were experiencing what staff considers to be "business as usual." In addition, DMV staff was seeing the trends that were seen prior to Project Genesis; i.e., Mondays and Fridays and the day after a holiday were typically busy. Ms. Lewis told the subcommittee that Project Genesis was reaching a point of stabilization and DMV staff was now focusing on setting the foundation in place for the enabling technologies so the customers could take care of their business outside of DMV offices. Ms. Lewis said she was pleased to report that Project Genesis was no longer in the headlines every day and she thought this was a big factor why the frenzy in the field offices had abated, resulting in a reduced flow of customer traffic. Although there is no waiting time in the rural offices, the large Las Vegas offices are experiencing about a 2-hour wait. Ms. Lewis said, however, DMV had been able to adjust the shifts to accommodate this problem; thus, overtime had been held to a minimum.

During the month of October, Ms. Lewis noted that temporary employees had been assigned to the major DMV field offices in Las Vegas and the Galletti Way office in Reno, allowing DMV to put the trained staff at the counters. In addition, drop boxes were provided in the large offices so customers could renew by mail. As of last Friday, Ms. Lewis said the temporary employees had been released from the Las Vegas offices and the Galletti Way office in Reno, which she suggested would validate that "business was back to normal."

Although she did not believe the staffing problem at the Galletti Way office in Reno was attributable either to Project Genesis or the application, Ms. Lewis apprised the subcommittee that the Reno office continues to experience longer waiting times than are acceptable to DMV. During the 1999 Legislature, DMV was given authorization to utilize some of its vacant positions in priority areas. Since a critical staffing issue currently exists in the Galletti Way office, DMV has reassigned four vacant positions to that office. While she did not believe those four positions would resolve the long waiting time, Ms. Lewis said DMV would continue to evaluate vacancies as they occur and that it was a matter of finding a balance between not impacting the Las Vegas offices and trying to increase staffing at the Galletti Way office. She also indicated that a vacant position had been assigned to the Minden and Fallon offices to address the growth. In addition, five vacant positions in Field Services were reassigned to Central Services to assist with the renewals by mail and other back-office functions where there had been a tremendous increase in workload.

Since the application did not anticipate the volume, Ms. Lewis indicated that the screens had been redesigned. In addition, a "fast screen" was implemented so that the staff could take care of approximately 70 to 75 percent of the mail that were simple renewal transactions. As a result of these enhancements, staff has been able to make a huge dent in the backlog. DMV continues to encourage the employees to call the Help Desk with any problem they have so the problems could be fixed and enhancements brought into the system while the vendor was on

site.

Since the subcommittee's last meeting, Ms. Lewis noted that a two-member team consisting of one Project Genesis core team member and one staff member from Deloitte and Touche had been sent to every field office and every assessors' office in the state. Over a period of one month, the team spent approximately one day in each office, talking with employees, providing training whenever possible, and evaluating additional training needs. It was Ms. Lewis' belief that although this team had brought back a lot of valuable information, many issues were resolved on site.

Ms. Lewis said that DMV recognizes that the employees have been working under very stressful conditions, especially during the first month. In order to help the employees deal with their new working environment, meetings have been setup through the Employee Assistance Program in the Las Vegas offices so employees can talk with a counselor on a voluntary basis and learn some tools on how to deal with customers and stressful situations. Ms. Lewis thought the program had been beneficial to the employees and arrangements were underway to setup similar meetings in Carson City, as well as in the rural offices. Ms. Lewis pointed out that employees were now requesting time off and DMV management expects to honor their requests in the course of the next few months in recognition of the many hours of overtime they have worked and their dedication to the successful implementation of Project Genesis.

IV. Report on Status of Back-Office Functions (titles, mail-in renewals, verification of insurance, and other functions) – DMV.

When the Governor presented his five-point plan early in October, he indicated that additional temporary staff would be hired to assist DMV in addressing the long waiting lines. Ms. Lewis indicated that three temporary positions were hired for the Las Vegas and Galletti Way offices. In addition, 27 temporary employees were hired to assist with the back-office functions in the Carson City office. The temporary employees were assigned duties such as opening mail, data entry of the renewal-by-mail programs, and staffing the 1-800 Help Line. Ms. Lewis indicated that some of the temporary positions in the back-office would be terminated within the next few weeks. Also, as the renewals become current, the temporary staff level on the 1-800 Help Line would be reduced because the number of telephone calls are expected to decrease dramatically. According to Ms. Lewis, the temporary employees were able to answer over 1,200 calls each day on the 1-800 Help Line. During peak periods, the temporary staff was able to respond to the calls within 59 seconds and, for the most part, calls were answered within 15 seconds. The temporary employees were able to respond to a number of questions from the customers, as well as access their registration on the computer and validate whether it had been renewed.

Ms. Lewis noted that as of yesterday DMV staff was working on renewing drivers' licenses received by mail that were scheduled to expire on November 28, 1999. This back-office function was prioritized to process the renewal 2 weeks prior to expiration to allow for mail time. Within the next 2 weeks, Ms. Lewis said she expects this program to benefit from the implementation of a "fast screen" that was previously implemented for renewal-by-mail registrations. Ms. Lewis indicated that about 50 percent of the driver's license renewals would be handled by the "fast screen" process.

Ms. Lewis said it was somewhat more difficult to provide a progress report on the backlog for vehicle registration renewals by mail. According to Ms. Lewis, this back-office function had been problematical because the application did not anticipate the extent of the volume of renewals by mail. DMV staff uses what is called a "data mailer" when processing renewals by mail. The supply of data mailers was depleted toward the end of October. Since the "fast screen" has not yet been implemented, DMV staff had to process the renewals as they would a walk-in renewal, which is a slower process. Currently, DMV staff is reviewing about 800 November/December clean renewals that can be processed by the "fast screen." This number represents about one day's work. There are approximately 1,200 November/December renewals with changes. When a renewal request has a change, it takes longer because it cannot be processed through the "fast screen." As a result of the supply of data mailers being depleted toward the end of October, there are 2,500 October renewals remaining. She estimated that it would take about 3 days to complete 2,500 renewals and these renewals should be processed by the end of this week. At this point in time, Ms. Lewis suggested that the registration renewal-by-

mail program was in good shape.

To respond to several questions from Chairman Beers, Ms. Lewis indicated that a decal denoting the particular month was adhered to the data mailers. Although she acknowledged that it was possible DMV staff could deplete the supply of data mailers during the month of November, Ms. Lewis said she did not believe the supply would be depleted during the month of December. DMV orders the data mailers a year in advance. The order is based on past usage, as well as projected usage, to minimize the amount of waste. DMV pursued an emergency order to accommodate a three-month period (October, November and December). Since the vendor is located out-of-state and the delivery time was 6 to 8 weeks, Ms. Lewis said it was more expedient for DMV staff in Carson City to deploy the renewal requests to the field offices in Reno, Winnemucca, and Las Vegas. Ms. Lewis indicated that with overtime and the assistance of temporary employees, the requests were processed in a timely fashion. Since it was anticipated that the enabling technologies would also require data mailers, DMV intends to increase the order for data mailers starting in January of 2000.

With the implementation of Genesis, Ms. Lewis pointed out that DMV was now able to decentralize the production of titles. Historically, all titles were generated from the back-office in the Carson City office. DMV technicians now have the ability not only to accept paperwork from a customer in the field, but also to input the data. The title is then printed that evening in the Carson City office. Currently, titles can be processed either in the field or in the back-office of DMV's headquarters in Carson City. Between the two areas of entry, Ms. Lewis indicated that DMV was currently processing 2,000 titles per day. She said, however, as a result of an inconsistent printing problem, DMV staff currently has the capability of mailing out only about 80 to 85 percent of the titles that have been entered and validated for accuracy. Ms. Lewis said this particular application problem was neither insurmountable nor was it creating a big impact on production. Once the backlog has been caught up, Ms. Lewis thought the title function would be in very good shape. Ms. Lewis apprised the subcommittee that DMV staff was currently working on titles that were received in the Carson City office on the "go live" date (September 7, 1999). Ms. Lewis suggested that September 7, 1999, was a key date for DMV's Headquarters in Carson City because any requests received after that date were being picked up in the field, minimizing the work sitting in Carson City.

After the inconsistent printing problem has been fixed and staff has been adequately trained, Chairman Beers wanted to know whether DMV anticipates being able to process titles more efficiently than it did prior to Genesis. Ms. Lewis apprised the subcommittee that DMV would be able to process titles better than before. It was Ms. Lewis' belief that once DMV technicians in the field become more proficient and comfortable with the entire title transaction, their error rate would be minimal so there should be no delay in mailing out the titles in Carson City. Ms. Lewis also told the subcommittee that although DMV had never been able to achieve a 2-day turnaround time in the title program prior to Genesis, it now anticipates being able to achieve that goal because the title process had been decentralized.

Mrs. Chowning wanted to know when DMV expects to be able to accomplish the 2-day turnaround time. Mrs. Chowning also inquired about the present turnaround time. Ms. Lewis apprised the subcommittee that DMV staff was currently concentrating on working with the vendor to correct the inconsistencies being experienced with the printing, which represents 15 to 20 percent of the titles that are entered. Once that issue has been resolved, Ms. Lewis said the titles would be entered in the field and printed and mailed out by the Carson City office. A quality assurance review would also be done in the Carson City office. If an error is found, DMV will issue what is called a demand letter to recall the title. Ms. Lewis said she would like to be able to say that the 2-day turnaround time would be achieved in a few weeks. She said, however, all she could do at this point in time was to monitor the title process, get the training to the field if needed, and be sure the application was performing perfectly.

It was Mrs. Chowning's recollection that the turnaround time prior to Genesis was about 5 to 8 days. Mrs. Chowning said she wanted to assure the public that there are no titles waiting to be processed that were older than September 7, 1999; thus, the backlog was anywhere from a few days to 2 months. Ms. Lewis said she wished to point out that the titles that were sitting in Carson City after September 7, 1999, represent probably half of what would have been there under normal circumstances because they were being entered in the field

after that date. Ms. Lewis also suggested that it would be much faster for the Carson City office to get caught up because there was less volume.

Although she realized the backlog was not as large as it once was under the Legacy system, Mrs. Chowning expressed concern that a 2-month backlog would have a significant impact on people as well as businesses. It was Mrs. Chowning's understanding that the backlog was not any greater than 2 months and would improve rapidly because of decentralization. Ms. Lewis said Mrs. Chowning's understanding was correct.

After referring to pages 1 and 2 of the DMV Transaction Status Tracking Matrix that was attached to the memorandum from Debbra J. King, CPA, Program Analyst, Fiscal Analysis Division, dated November 15, 1999, a copy of which is included in the meeting packet as Exhibit B, Mrs. Chowning said she wished to provide the following observations: New Nevada License Completion was about 30 percent better than 1998; Driver Withdrawal Completion was about 150 percent worse than 1998; Renew Nevada License Completion has improved about 20 percent over 1998; and Standard Title Completion was about 150 percent worse than 1998. Since she had calculated that titles were 150 percent worse than they were in 1998, Mrs. Chowning said she found Ms. Lewis' testimony confusing when she said there was going to be a rapid turnaround on titles. Ms. Lewis responded that the transaction times under Standard Title Completion in the DMV Transaction Status Tracking Matrix (Exhibit B) represent only those titles entered by the field. Ms. Lewis said she had provided another handout to the subcommittee, entitled "Back-Office Transaction Tracking," a copy of which is included in the meeting minutes as Exhibit C. Ms. Lewis indicated that Exhibit C was a spreadsheet that had captured those titles entered by the Carson City office, which represents about 1,500 titles per day. She said the number of titles entered by the Carson City office and the field offices need to be added together in order to calculate the total number of titles entered on a daily basis. According to Ms. Lewis, the total number of titles entered by the Carson City office and the field offices on a daily basis was well over 2,000.

Mrs. Chowning said she thought that the customers should have nothing to complain about if DMV was processing on average 2,000 titles per day in 1999 compared to 1,955 titles per day in 1998. Ms. Lewis agreed with Mrs. Chowning that this would be the case once the backlog has been taken care of, adding that the potential exists for a very fast turnaround time.

Since no information was provided on the DMV Transaction Status Tracking Matrix for New Registrations (Exhibit B) for 1998, Mrs. Chowning wondered what the comparison would be between 1998 and 1999. When the subcommittee last met on October 5, 1999, Mrs. Chowning recalled that several of her constituents had complained about having to wait for about 6 hours to register their vehicles. Mrs. Chowning said a constituent registered their vehicle at the DMV office in North Las Vegas last week and their wait time was about 2-1/2 hours. Although she thought the wait time had improved significantly, Mrs. Chowning recalled that the wait time for New Registrations was about 20 minutes pre-Genesis. Mrs. Chowning said it was difficult for her to be pleased with the current wait time when the state had spent millions of dollars to improve the system. Ms. Lewis thought the subcommittee should consider that DMV's goal was to implement technologies so customers would not need to conduct their business in DMV offices. DMV staff in the field offices would then be able to take care of new residents and customers with complex transactions. Ms. Lewis said she did not believe it would be possible for customers to experience the benefit of reduced wait times until those technologies were in place.

Continuing her remarks, Ms. Lewis noted that the statistics show that DMV had processed slightly over 35,000 New Registrations in October 1998, compared to a monthly average of about 38,000 New Registrations for FY 1999. Ms. Lewis also indicated that DMV had processed slightly over 40,000 New Registrations in October 1999. Ms. Lewis said she thought the previous statistics would verify that in October 1999, DMV had exceeded the number of New Registrations that were processed in October 1998.

Disregarding the time that customers are still required to wait for completion of their transactions at DMV offices, Mrs. Chowning said it would appear to her that DMV was improving in every area except Driver Withdrawal and Standard Title. Ms. Lewis indicated that prior to Genesis, the License Review Section, which represents sanctions on a driver's license such as revocation, suspension, and cancellation, was handling the processing and there were no issues in that area. It was Ms. Lewis' belief that the only problematical areas at

this point in time were the Insurance Verification Program and the Title Program.

To clarify some of the information provided on the DMV Transaction Status Tracking Matrix (Exhibit B), Ms. Lewis pointed out that there was a line which shows Vehicle Renewal – Mail In and a line which shows Vehicle Renewal – Walk In. According to Ms. Lewis, the transaction numbers were captured differently when the supply of data mailers was depleted during the month of October and the Vehicle Renewals had to be processed in a Walk-In mode. Ms. Lewis suggested that in order to get a clear picture of Vehicle Renewals, the numbers in the two categories (Mail In and Walk In) should be combined. According to Ms. Lewis, the statistics show that there was a total of approximately 969,000 Vehicle Renewals in FY 1999, with a monthly average of about 80,000. In addition, when the Walk-In Renewals and the Mail-In Renewals were combined, DMV processed over 100,000 Renewals in October 1999; thus, exceeding the number that was processed in October 1998.

Mrs. Chowning asked for an update on the position vacancies. Ms. Lewis indicated that the Field Services' budget, in which there were over 500 employees, currently has 22 vacancies. According to Ms. Lewis, 22 vacancies was typical for this budget and the hiring of positions was an ongoing occurrence. As she previously testified, Ms. Lewis said that vacant positions had been reassigned to other field offices with critical needs such as the Galletti Way office in Reno and to Central Services to assist with the increased volume in back-office functions in the Carson City office.

Speaking from Las Vegas, Senator Neal said it was his opinion that each time the subcommittee meets it continues to deal with the symptoms rather than the causes of DMV's problems. At the last meeting, Senator Neal said he had requested Ms. King of the legislative Fiscal Analysis Division to provide the evaluation form for the proposals that were submitted for Project Genesis. He said, however, in reviewing the evaluation form, he did not find a cost section for proposal No. 97-03-RA. Senator Neal questioned why Deloitte and Touche was selected as the contractor for Project Genesis because, in his judgment, the firm did not appear to be the best qualified for this particular project. He also recalled that a representative of Deloitte and Touche had admitted during an earlier meeting that the firm had no prior experience in dealing with this particular type of computer system. After reviewing the evaluations of the proposals, it was Senator Neal's opinion that Deloitte and Touche was "wired" for the job from the beginning. In addition, Senator Neal expressed concern about the extensions of time on the deliverables that Deloitte and Touche had received, which had prevented the state from exercising the performance clause in the contract. Senator Neal said he would hope that someone in authority would interview the people who evaluated the proposals for Project Genesis and report back to the subcommittee with their findings because he thought DMV was not as vigilant as it should have been in guarding the taxpayers' money when it granted this particular contract to Deloitte and Touche.

Chairman Beers said he would place Senator Neal's request on the agenda for the subcommittee's next meeting. It was Chairman Beers' understanding that two of the six or seven people who served on the evaluation team were in the state's employment and he would invite them to attend the next meeting to discuss the evaluation process. He said, however, the copy of the evaluation he received shows Deloitte and Touche as the highest rated competitor for the bid.

Chairman Beers opened the meeting to anyone who wished to testify on the Title Program.

Upon completion of public testimony, Chairman Beers directed the subcommittee's attention to Item V - Status of Insurance Verification Program.

V. Status of Insurance Verification Program Interface with the Insurance Industry – DMV.

Ms. Lewis told the subcommittee that DMV recognizes that there are various problems with the Insurance Verification Program and DMV staff has been working cautiously through the problems with the output of the suspension notices. After reviewing the documents as many as four times for accuracy, Ms. Lewis said that DMV was confident the data to be mailed out was accurate. In addition, DMV staff has been working with the insurance companies since March of 1999, on the formatting change requirements and on how the data must be submitted to DMV. It was Ms. Lewis' understanding that the error rate had been running as high as 70 percent,

which was not acceptable. Ms. Lewis also pointed out that DMV staff had been working with insurance companies on a one-on-one basis, hooking up a DMV programmer with an insurance company programmer, in order to identify the problems.

After directing the subcommittee's attention to a letter from Samuel Sorich, Vice President, National Association of Independent Insurers (NAIA) which is included on pages 17 through 21 in Exhibit B, Ms. Lewis indicated that a meeting had been scheduled with NAIA for December 9, 1999, in Carson City. Ms. Lewis said she views this meeting as an opportunity for DMV to resolve any outstanding issues that the insurance companies may have. In addition, DMV hopes this meeting would bring about a better understanding and acceptance of the Insurance Verification Program and the reasons for tighter edits under the new Genesis application. Ms. Lewis advised the subcommittee that the verification postcards and suspension notices were ready to be mailed out as of today.

Mrs. Chowning thanked Ms. Lewis for addressing DMV's communication problem with the insurance companies and she agreed with NAIA that it would be helpful if DMV were to provide a newsletter to all of the motor vehicle insurers clearly outlining their responsibilities. She also pointed out that NAIA's letter of November 9, 1999, requesting a meeting with DMV within 30 days, had been satisfactorily addressed since a meeting with NAIA was scheduled for December 9, 1999. Mrs. Chowning said, however, she was having difficulty understanding why the provisions in NRS 485.317 were becoming problematical because the language clearly states that the Vehicle Identification Number (VIN) is the only means of identification necessary to match an insurer with a vehicle that was manufactured during or after 1981. It was Mrs. Chowning's recollection that legislation was passed during the 1997 Legislative Session to respond to a huge outcry from citizens who had been fined incorrectly by DMV for not having insurance coverage when most of them had insurance coverage. Mrs. Chowning suggested that the only reason why there has not been another huge outcry from citizens at this point in time is because the fine was abolished by the 1997 Legislative Session. As chairman of the Assembly Committee on Transportation, Mrs. Chowning recalled that the committee had taken the entire 6 months of the 1997 Legislative Session to address and rectify this procedure in statute and she did not understand how a new computer application could cause the same problems that occurred previously to recur.

Chairman Beers recognized Mr. Scott Scherer, General Counsel, Office of the Governor, who said he would try to respond to Mrs. Chowning's previous concerns in the absence of DMV's Deputy Attorney General. Mr. Scherer agreed with Mrs. Chowning that NRS 485.317 requires DMV to use the VIN to identify a motor vehicle for insurance verification purposes. He said, however, NRS 485.313 requires DMV to create a system (database) for verifying that the owners of motor vehicles maintain the insurance required. In looking at the 1997 legislative history, Mr. Scherer said he found a suggestion that would have required a vehicle to be insured rather than an owner. Since that change was not made, Mr. Scherer said that DMV was required to verify that the owner or operator of the vehicle has insurance. He also cited several other sections such as NRS 485.185 which requires every owner of a motor vehicle to provide insurance and NRS 485.186 which allows for a single operator's policy.

It was Mr. Scherer's opinion that to match up only the VIN and not look at the registered owner or who carries the insurance would not provide an adequate means of verification that in fact the person operating the vehicle has insurance. He also pointed out that NRS 484.314 requires the insurance company to provide each of the names listed in the insurance policy. Mr. Scherer told the subcommittee that the aforementioned sections of the NRS were in conflict and need to be clarified. Mr. Scherer said there were several ways in which DMV could be more flexible and he hoped this issue could be explored at the December 9, 1999, meeting. Mr. Scherer said he would be happy to work with DMV to find ways to meet the insurance companies' need for flexibility while meeting its statutory responsibility of running an appropriate Insurance Verification Program.

Ms. Lewis pointed out that DMV currently has the capability of providing a printout of an electronic file to any insurance company that requests one, which would provide the names of every policyholder listed in the database. Ms. Lewis thought that this new tool would be beneficial to insurance companies.

Chairman Beers recognized Mr. Samuel Sorich, Vice President, NAIA, who said he appreciated the prompt response from DMV in offering to meet on December 9, 1999, with members of NAIA, as well as the entire insurance industry, to hopefully resolve some of the issues. Mr. Sorich said NAIA was troubled by DMV's continued insistence to go beyond the VIN in creating a match. Mr. Sorich said he planned to provide to the subcommittee NAIA's legal analysis of the NRS and the conclusion NAIA had reached that the 1997 Legislature spoke clearly when it said the matching should be based on VIN. Mr. Sorich also expressed concern about DMV's strict adherence to making sure that every one of the 17 digits and letters in the VIN match precisely. Mr. Sorich indicated that a number of states allow some flexibility when matching the VIN and he suggested that backup criteria, such as the name of the driver, could be used without jeopardizing the enforcement aspect. Mr. Sorich said he looked forward to working with DMV staff on December 9, 1999, and he was enthusiastic about resolving the existing problems.

Chairman Beers said he would look forward to reviewing NAIA's legal analysis and he suggested that Mr. Sorich provide a copy of the legal analysis to DMV and to Mr. Scherer. Chairman Beers said he would place this matter on the agenda for the next subcommittee meeting and he would appreciate receiving a report from DMV on the results of the December 9, 1999, meeting with NAIA. Chairman Beers asked Ms. Lewis to state her opinion regarding a partial match to the VIN. Although she thought DMV had established the new criteria to minimize errors, Ms. Lewis said she would not be opposed to looking at how other states handle the matching of VIN's.

Chairman Beers recognized Mr. Jon Williams who stated that he and other consultants with Deloitte and Touche would be attending the December 9, 1999, meeting, to present solutions that would be the easiest to implement and cause the least number of man hours to be expended so that DMV and the insurance companies could accomplish what they need to achieve. Although it was not Deloitte and Touche's responsibility, Mr. Williams said that Deloitte and Touche would also support DMV in getting the necessary changes taken care of immediately.

To respond to a comment from Chairman Beers, Mr. Williams stated that the Genesis system was operating in the exact manner in which it was designed. He also noted that in response to a request from DMV, the Genesis system was built to be more restrictive than the Legacy system.

Since he introduced the legislation to change the Insurance Verification Program either during the 1987 or 1989 Legislative Sessions, Senator O'Donnell asked Chairman Beers for his permission to attend the December 9, 1999, meeting so that he would be cognizant of any requests that might be made for statutory changes in the future. Chairman Beers said he would look forward to Senator O'Donnell providing a report on the December 9, 1999, meeting at the subcommittee's next meeting. Ms. Lewis added that she would be sure that Senator O'Donnell was notified of the location and time of the meeting.

Chairman Beers recognized Ms. Kathleen Bissell, American Insurance Association (AIA), who said she wished to echo Mr. Sorich's prior comments with respect to the specificity of the reporting requirements. Ms. Bissell thought flexibility was always important in resolving such issues. Ms. Bissell said she had sent an e-mail to the subcommittee regarding the concerns expressed by members of the AIA. In addition, Ms. Bissell expressed her appreciation to the DMV staff and the Project Genesis staff who, she thought, had put forth a tremendous effort to resolve many of the concerns that were discussed at the subcommittee's last meeting. Although there is still a considerable amount of delay in processing tapes because test tapes did not meet the specifications, Ms. Bissell said she looked forward to working with the DMV staff to try to resolve the tape processing issue as quickly as possible.

Since he would assume that a number of insurance companies were not yet compliant with the new system, Chairman Beers asked Ms. Lewis to describe how DMV intends to prevent the accidental mailing of a non-compliance letter to insured individuals. Ms. Lewis explained that the insurance companies provide DMV with the data and once the data has been validated as accurate, the non-compliance letters would be mailed out.

To respond to a question from Mrs. Chowning, Ms. Lewis stated that DMV had not yet mailed out verification

postcards or non-compliance letters under the Genesis application. As she previously explained, Ms. Lewis said the documents had been reviewed several times to ensure the information was valid and that DMV anticipates mailing out postcards and non-compliance letters starting today.

Mrs. Chowning said she would hope that DMV would be discussing at the December 9, 1999, meeting the feasibility of having insurance companies verify insurance through the transmittal of a Fax since Fax documents are now considered legal. Ms. Lewis indicated that DMV had been able to accommodate a number of the smaller insurance companies by having them verify insurance by e-mail on the Internet.

Mrs. Chowning said she was very disappointed to hear about the proposed variance in the NRS related to insurance verification because the 1997 Legislative Session would not have passed legislation if it thought one stand alone section would cause a problem with the other sections. Mrs. Chowning said she hoped the subcommittee would follow this issue so it would not continue to be a problem.

Ms. Bissell thought a number of good ideas such as e-mail had surfaced during the meeting today and she would encourage DMV to use this technology, as well as its Web Site, to keep insurance companies up to date. Ms. Bissell also suggested that if insurance companies were able to access DMV's new procedures manual over the Internet, it would diminish the number of phone calls to DMV offices.

Chairman Beers asked Ms. Bissell if the member companies in her organization would be willing to act as a conduit for supplying information from DMV and Ms. Bissell said they would be happy to do so.

VI. Status of Accelerated Deployment of Alternative Technologies (Internet, Emission Stations Renewals) – DMV.

Ms. Lewis apprised the subcommittee that DMV was currently drafting an amendment to address the implementation of enabling technologies in the current fiscal year. As was referenced in the Governor's five-point plan, Ms. Lewis said it was critical that DMV has the capability of implementing those enabling technologies so the services could be offered to the customers. DMV has been focusing on three technologies, which are: (1) renewing driver's licenses and registrations via the Internet; (2) renewing driver's licenses and registrations via Interactive Voice Response (IVR) telephone; and (3) renewing registrations at emission stations. The funding for the three technologies was split between two fiscal years of the current biennium. Ms. Lewis said she would be appearing before the Interim Finance Committee tomorrow requesting that DMV be allowed to utilize approximately \$290,000 in the current fiscal year for the emission stations. Each of the three technologies focus on basic transactions; i.e., renewals, that are clearly defined in the Genesis application. Based upon the stabilization of the application, Ms. Lewis indicated that DMV believes it would be in a good position at this point in time to pursue these technologies. Ms. Lewis reminded the subcommittee that the implementation of enabling technologies was the goal that Project Genesis had been striving to attain.

It was Mrs. Chowning's understanding that in addition to the request for \$290,000 for new technologies, DMV was requesting \$500,000 for contract services, bringing the total to \$790,000. Ms. Lewis indicated that DMV was requesting an amendment to the existing contract with the vendor, Deloitte and Touche, to provide approximately 4,000 hours of support on the application. While DMV staff had been trained on the new application, had learned the programming, and received additional outside training to provide them with the necessary skills to operate the new system, DMV realizes that it is not totally ready at this point in time to take ownership of the new application. In order to assist DMV staff through this transition period, Ms. Lewis indicated that \$500,000 was being requested for additional contract services to get DMV staff up to speed so they could maintain the system.

Mrs. Chowning asked Ms. Lewis to explain the specific duties that Deloitte and Touche would be performing for the additional \$500,000. It was Ms. Lewis' belief that Deloitte and Touche had demonstrated a commitment to Project Genesis. In addition, Ms. Lewis thought Deloitte and Touche has the skills that DMV needs at this time not only to maintain the system, but to provide additional training to DMV staff so they would be able to operate and maintain the system.

Mrs. Chowning inquired about the length of contract amendment No. 7. Ms. Lewis apprised the subcommittee that DMV was anticipating implementation of the technologies towards the latter part of April of 2000 and that the contract would expire no later than June 30, 2000.

Chairman Beers thought it might be appropriate to note that Deloitte and Touche had provided a one-month extension to the warranty periods without cost to the state. Chairman Beers directed the subcommittee's attention to page 79 in the meeting packet which provides a "Summary of Total Budgeted Versus Actual Project Inception to Date" that was prepared by the legislative Fiscal Analysis Division staff. Chairman Beers said he had encountered few staffs of fiscal experts and accountants over the years that were more astute than the legislative Fiscal Analysis Division staff. Chairman Beers indicated that \$33,654,800 was the projected final cost of Project Genesis, which was supposed to be completed in FY 2003. Of the projected final cost of \$33,654,800, \$26,050,674 has been budgeted thus far and \$14,053,636 has been spent thus far. Chairman Beers thought those figures were interesting when compared to the cost figures of anywhere between \$33 million to \$35 million that had been referred to in media reports.

Mrs. Chowning said she wished to address the complaints of two of her constituents. The first complaint concerns DMV requiring Social Security numbers on motor vehicle documents. Since it was her understanding that this requirement had been repealed on the national level, Mrs. Chowning said she had asked the legislative staff as well as DMV staff to research this issue. Although she realized that Social Security numbers help collect child support, which had been a great benefit to single parents, Mrs. Chowning said that people continue to be concerned about the right to privacy. She also thought that people were fearful that their identity could be stolen much easier when Social Security numbers were included on motor vehicle documents due to the rampant use of false identification cards. In

speaking to the second complaint, Mrs. Chowning said that DMV customers were being asked to complete a questionnaire that includes a question about whether they have any mental health problems that would impair their ability to drive a vehicle. It was Mrs. Chowning's understanding that DMV was currently working on rewording this particular question so it would be less offensive to the public.

To address the concerns of Mrs. Chowning's constituents, Ms. Lewis told the subcommittee that DMV was aware of the public's concern about the mental health question on renewal notices for driver's licenses and that the Driver's License program manager had been working with DMV's legal staff so that the question could be asked in a more acceptable fashion. Mrs. Chowning thought it would be helpful if the subcommittee were to receive a copy of the revised questionnaire.

Speaking to Mrs. Chowning's concern about DMV requiring Social Security numbers, Mr. Scott Wasserman, Chief Deputy Legislative Counsel, Legislative Counsel Bureau (LCB), noted that there were hundreds of different types of licensing included in the NRS that require Social Security numbers to comply with a federal law for purposes of child support enforcement. It was Mr. Wasserman's understanding that the majority of those NRS sections indicate that the provision was valid only for as long as the federal requirement is in place. Mr. Wasserman indicated that although the federal requirement had not been repealed when the LCB's legal staff codified the NRS for the next publishing date, he would be happy to research the matter and report back to the subcommittee. It was Mrs. Chowning's understanding that the repeal was not supposed to be effective until the year 2000.

Since DMV had received a considerable amount of criticism during previous subcommittee meetings, Mrs. Chowning thought that DMV should be commended today because the subcommittee had heard more positive news than negative.

Chairman Beers reminded DMV staff that a reorganization report was due to the Interim Finance Committee by the end of the year. Although DMV has identified several minor changes to the organization, Ms. Lewis apprised the subcommittee that the reorganization report would be submitted to the Legislative Counsel Bureau by December 31, 1999.

Chairman Beers said the subcommittee would like to review the reorganization report prior to it being submitted to the Interim Finance Committee and he asked Ms. Lewis if it would be possible to receive a copy by December 15, 1999. Ms. Lewis indicated that DMV was currently working with the Governor's Office to ensure that all of his changes have been recognized and then the report would be forwarded to the subcommittee.

VII. Response to October 5, 1999, Subcommittee Inquiries – DMV.

There were no comments or questions from the subcommittee on this item.

VIII. Public Testimony.

Chairman Beers opened the meeting to a public hearing and recognized Ms. Rhonda Dean, who handles DMV matters for the Reno Airport and Sparks Auto Wrecking. Ms. Dean apprised the subcommittee that she had received duplicate titles over a month ago for vehicles having the same VIN. The titles have different numbers and dates. Ms. Dean said she was very concerned about the duplicate titles and she offered to provide copies of the titles to the subcommittee if it so desires. As of this date, Ms. Dean said she had not received a demand letter from DMV to return one of the titles. Ms. Dean also pointed out that DMV had rejected a title because the individual did not include their middle initial when they signed their name so it did not agree with the name on the face of the title. It was Ms. Dean's opinion that DMV technicians manning the windows should be properly trained in the rules and regulations for processing titles so that each title transaction was handled uniformly. In addition, Ms. Dean said that about a month ago DMV technicians started requiring people to indicate their position of authority to sign for a title. Ms. Dean suggested that DMV should notify dealers and people who handle titles when new regulations were instituted so the titles could be properly prepared before being brought to the windows. While she thought mailing in registrations was a good idea, Ms. Dean said that many people live from one paycheck to the next and do not have sufficient money in reserve to pay for registration fees several weeks in advance of the expiration of their registrations.

Chairman Beers asked Ms. Lewis to respond to Ms. Dean's concerns. Regarding duplicate titles, Ms. Lewis said she could not state for the record that duplicate titles were a consistent issue, but she suggested that Ms. Dean bring the titles into the Carson City office so they could be checked for accuracy. As far as employee inconsistencies in handling titles at the windows, Ms. Lewis said she was aware that additional training was needed. Once this training has been provided, Ms. Lewis thought the processing of titles would be consistent between Las Vegas and Carson City and between the front-office and the back-office.

Chairman Beers wondered whether a document was available at the present time that describes the title procedures to be followed both internally and externally. It was Ms. Lewis' understanding that Field Services was in the process of updating the title procedures to address the new process that was implemented when Genesis went live. Ms. Lewis also indicated that although the manner in which titles are processed has changed, the statutes under which DMV operates have not been changed. Ms. Lewis agreed with Ms. Dean that the procedures need to be consistent.

Since she did not believe there were a significant number of businesses that had been affected by the change in title procedures, Mrs. Chowning suggested that DMV mail a newsletter or some other form of communication to the affected businesses. Ms. Lewis thought Mrs. Chowning's suggestion that DMV communicate with title services whenever a change in procedure has occurred was appropriate and made good business sense.

Chairman Beers thought it would be helpful if DMV were to post notices of any procedural changes on its Web Site, at the windows in branch offices, as well as in the operating manual, so both sides of the counter would understand what the other side has to deal with.

To respond to an inquiry from Senator O'Donnell, Chairman Beers asked Ms. Lewis to request copies of the duplicate titles from Ms. Dean so the titles could be researched and returned to her as quickly as possible.

Chairman Beers recognized Mr. Robert Smith, owner of City Auto Towing, Reno, Nevada, who expressed his

concern about the title backlog. Mr. Smith said his company processes storage liens on abandoned vehicles. His company also provides this service for a number of law enforcement agencies in the area. Since he purchases title information from DMV in order to process the liens, Mr. Smith thought that it could be questionable without timely information whether the storage liens were correct and whether the lien sales would withstand a legal test. After listening to Ms. Lewis' previous testimony, it was Mr. Smith's understanding that DMV was currently about 8 weeks behind in processing titles. Mr. Smith urged DMV to do everything possible to address the backlog because correct title information was critical to the survival of his business.

Continuing his testimony, Mr. Smith said he was also concerned about the closure of the title window to businesses and the general public in the Carson City office. Until DMV is able to provide a 2-day turnaround time on titles, Mr. Smith urged DMV to give serious consideration to keeping the title window open to businesses and the general public that need this service. In certain instances, when a lien is processed on a vehicle, Mr. Smith said he obtains a title on that vehicle in the Carson City office to ensure that the lien is proper. Without that availability, Mr. Smith said the tow companies were unsure whether the title information was correct. He also thought the general public was being short changed. For example, if an individual were to incur a loss on a vehicle and they need to provide a title to an insurance company in order to pick up a check for their loss, how would they be able to do that under the current arrangement.

In addressing Mr. Smith's concerns, Ms. Lewis said that since DMV does not currently provide a title window in any of the field offices around the state, she did not believe it would be possible to open a title window for businesses and the general public in the Carson City office due to the lack of resources. She said, however, the Carson City office does provide a title window by appointment only. In addition, any business, or anyone from the general public, has the ability to walk into the Carson City office, or to any field office, and have a title entered by a DMV technician and, if the title was clean, it would be mailed out by the Carson City office the next day. Ms. Lewis thought this process takes care of the majority of the titles.

Regarding the hypothetical example previously provided by Mr. Smith about the stolen vehicle, Chairman Beers wanted to verify that it would be possible for someone to walk into a field office, have the title information entered at the counter, and receive a title quickly. Ms. Lewis indicated that the title process had been decentralized so DMV technicians now have the capability to enter title information. The Carson City office prints and mails out the title. Chairman Beers asked Ms. Lewis whether she was describing the system as it exists today or at some future date. Ms. Lewis said she was describing the system as it exists today for 80 percent of the titles.

Chairman Beers said he was confused. If his car were to be stolen, he could go to the counter at any DMV office, give the technician his title information, and his title would be in hand presumably within a week. On the other hand, Chairman Beers said it was his understanding that there was a backlog of titles that have not yet been processed. Ms. Lewis indicated that all titles were handled in the Carson City office prior to the "go live" date. All of the paperwork accepted in the field offices was mailed to the Carson City office, with the actual input occurring in Carson City. Ms. Lewis noted that the turnaround time had been shortened since the "go live" date because the entry was currently being done on site in the field offices.

Chairman Beers wanted to know when the backlog in the Carson City office would be caught up. Ms. Lewis said she was unable to provide a specific date when the backlog would be caught up.

Although he realized that Ms. Lewis did not have the actual figures in front of her, it was Chairman Beers' understanding that the Carson City back-office staff was taking care of approximately 4 days of backlog each week and working forward from September 7, 1999. Ms. Lewis said Chairman Beers' understanding was correct.

Chairman Beers posed the following hypothetical questions. If he had gone to a counter and requested a title on September 7, 1999, could he expect to receive his title relatively quickly and Ms. Lewis said he could. If he had gone to a counter and requested a title on September 8, 1999, would he have to wait and Ms. Lewis said that if Chairman Beers had submitted his request in the Carson City office, he would still be waiting, but his request

would soon be processed.

To respond to a question from Mrs. Chowning, Ms. Lewis indicated that all of the title requests for the months of July and August had been completed, except for those titles with problems.

Since it was his understanding the backlog of titles was already in Carson City waiting to be processed, Senator O'Donnell said he did not believe it was necessary for DMV to provide additional staff for a title window in the Carson City office because it would have no effect on the processing of new titles, other than allowing someone who has a business to be served before other people who have been waiting in line for several hours to get their title processed.

Mr. Smith pointed out that the title window in the Carson City office was already open and DMV technicians were processing titles for private title services. As a business owner, Mr. Smith questioned why he should have to pay a private title service to do his work when he was previously allowed to conduct his business at the title window in the Carson City office under the Legacy system.

To respond to a question from Chairman Beers, Ms. Lewis explained that there were title windows in three offices statewide and access to those title windows was by appointment only. It was Ms. Lewis' understanding that the appointments consume most of the day. When appointments do become available, they are opened to title services, who are people working on behalf of automobile dealers, who have multiple title requests. With unlimited resources, Ms. Lewis suggested that DMV could accommodate everybody and every situation; however, she thought this particular problem was a short-term issue and once the backlog has been caught up, the turnaround time would exceed any previous turnaround time.

Chairman Beers wondered how DMV would handle a company who owned 10 vehicles or more. Ms. Lewis indicated that some of the large DMV offices have fleet windows to accommodate car rental agencies and businesses that have a fleet of vehicles. Since the titles are processed in a batch environment, company representatives drop off the paperwork at the DMV office for processing and the company representatives are called when the titles are ready, usually within 2 days. Ms. Lewis said this procedure seems to be meeting the business needs of the "fleets" and the registration services as well. Although DMV has reduced the turnaround time by decentralizing the title process, Ms. Lewis said it was impossible for DMV to provide online, over-the-counter title service in every DMV office statewide.

Chairman Beers recognized Ms. Sonja Pack, Motor Vehicle Title Services, who apprised the subcommittee that on October 20, 1999, at 5 p.m., DMV notified all of the title services via a Fax that on October 25, 1999, titles would be processed by appointment only and each title service would be allowed to do three transactions per each one-half hour appointment. DMV indicated to her that a memorandum was sent to each dealer advising them of the change in the title procedure, but Ms. Pack said that she was not aware of any dealer who had received the memorandum. Although she has a standing appointment each day at 1:45 p.m. and most of the title services have standing appointments as well, Ms. Pack said that there was currently a 30-day backlog for appointments unless one of the title services cancels an appointment. Ms. Pack pointed out that she plays "phone tag" all day long to see if someone has cancelled their appointment.

Chairman Beers wanted to know whether Ms. Pack receives three titles at the end of her 30-minute appointment. Ms. Pack said she would receive three titles at the end of her 30-minute appointment if the paperwork were correct. Ms. Pack indicated that DMV technicians were sometimes able to do three titles in 15 minutes. With 15 minutes remaining in her 30-minute appointment, Ms. Pack thought she should be able to ask questions on other titles or additional titles should be processed. She said, however, if she asks a question about a title it counts as one of the three titles. If other title services are receiving three titles during their 15-minute appointments, Ms. Pack said that would equate to a total of 2-1/2 hours of an 8-hour day.

Chairman Beers suggested that Ms. Pack have her titles batch processed. Ms. Pack said she had batch processed a number of titles in September; however, one of the titles had an error on it and it took her 2 months to get the title back. As a result, the dealer that she was working for at the time had \$50,000 tied up for 2 months. Ms.

Pack read into the record an excerpt from a letter she received from DMV in February of 1999:

The title window as you know it today will go away; however, it is not to say there will be no title window. The Carson City office will be changed into the Service Center concept, providing the title services and related functions in Service Center D for the convenience of dealers, financial institutions, and title lien services. We will be changing the way we do business, not removing services. It is our belief that the services will be greatly enhanced under this Service Center concept.

Ms. Pack said she did not understand how DMV had enhanced her business, or the businesses of other title services, when the number of titles had been reduced to only three per day when she used to be able to get multiple titles processed within an 8-hour day. While she could appreciate the services that Ms. Lewis indicated would be available in the future, Ms. Pack said her patience was running thin because her title services business, as well as other title services businesses, had lost a significant amount of money as a result of the new title procedure.

To address the issue of the three title limit within each one-half hour appointment, Ms. Lewis said that DMV recognizes the three title limit was too restrictive and a change had been made this week. According to Ms. Lewis, DMV technicians were now able to use their discretion as to the number of titles they can process within each one-half hour appointment. Ms. Lewis thought this change would act as an incentive to the title services to bring in clean, ready to go paperwork that could be processed quickly. Ms. Lewis stressed that she would not tolerate DMV technicians being pressured to push through titles that end up being erroneous. DMV continues to offer a batch process to title service companies as a means of handling multiple titles and Ms. Lewis thought that DMV had addressed the title issue in the best way possible given the available resources.

Chairman Beers wanted to know whether there was a waiting list for appointments. Ms. Lewis indicated that the title service companies were being taken care of in the Carson City office and when appointments become available, the title service companies could put their name down on the list for that appointment.

When a problem occurs with a title, Ms. Pack said she needs a professional to tell her how to perfect that title. She said, however, most of the DMV technicians were not current on the title procedure. If she needs to talk to someone in Title Research, Ms. Pack said she has to return to her office and telephone Title Research because DMV technicians would not contact Title Research for her while she was conducting business in the Carson City office.

Chairman Beers suggested that Ms. Pack batch process the easy titles and bring the difficult ones to the window. Ms. Pack said that although she would be willing to try that arrangement, the title service companies, as well as the automobile dealers, were having difficulties with the appointments. Since she was told by Ms. Lewis about 2-1/2 weeks ago that she could batch process titles in the Carson City office, Ms. Pack said that she had contacted two different supervisors about batch processing titles, but she had been told not to expect special privileges. Ms. Pack maintained that each window at DMV was a separate entity.

Chairman Beers thought it might be an opportune time to revisit Senator O'Donnell's legislation to allow the charging of an expedite fee. Senator O'Donnell said he had tried to introduce such a bill, but DMV did not want it.

It was Ms. Pack's understanding that the \$20 fee currently being charged for titles was supposed to be temporary.

Senator O'Donnell thought the title service business was based upon the difficulty of getting titles processed through DMV and that if it were easy for people to get titles, they would be out of business. Ms. Pack said she would agree with Senator O'Donnell's statement, but she noted that she handles titles for a number of automobile dealers that do not have the time to deal with DMV and would rather concentrate their efforts on selling cars.

Since they have been limited to three titles per day, Senator O'Donnell suggested that Ms. Pack and the other title service companies consider raising their fees. Ms. Pack said her goal was to provide good service to her customers, not to make more money. Ms. Pack contended that DMV was not providing appropriate customer service.

Chairman Beers noted that NRS 225.140 allows the Secretary of State to charge up to \$100 for providing special services to its customers and that those fees were used to fund additional positions to eliminate waiting lines. Chairman Beers suggested that DMV consider charging an expedite fee to customers who need quick service.

It was Senator O'Donnell's opinion that DMV was trying to accommodate everyone. While he could appreciate that Ms. Pack's goal was to look out for the interests of her customers, Senator O'Donnell said he was trying to look out for the interests of his customers as well who are his constituents who need to get to a window. It was Senator O'Donnell's belief that every time a DMV employee was pulled off of a window to expedite a title for a title service company, tow car company, lien holder, new car sales people, and other businesses, it was taking time from those people who have been standing in line for 2-1/2 hours. Senator O'Donnell said although he could appreciate the fact that Ms. Pack wants to serve her customers, he thought she and the other title service companies should raise their fees because he was not in favor of taking DMV employees off the line to satisfy special needs at the expense of someone else's needs. Senator O'Donnell reminded Ms. Pack that she had testified before the subcommittee about the same issue on three different occasions. Ms. Pack told Senator O'Donnell that her customers also pay taxes and that she represents the automobile dealers, finance companies, and most of the automobile industry.

Chairman Beers recognized Mr. Brent Pack, Motor Vehicle Title Services, who said he wished to point out that titles were the life blood of the automobile industry and finance companies and that their money was depreciating while the titles and the paperwork were sitting in a batch environment waiting to be matched up. Furthermore, Mr. Pack did not believe that the turnaround time previously quoted by Ms. Lewis was realistic. According to Mr. Pack, a number of dealers were having to buy back vehicles from finance companies because DMV could not produce the titles. Mr. Pack reminded Senator O'Donnell that the automobile dealers were his constituents also.

Chairman Beers thanked Mr. and Mrs. Pack for their testimony. After listening to her previous testimony, it was Chairman Beers' opinion that DMV was making progress and that Ms. Lewis was aware of the existing problems in processing titles. Chairman Beers said he would revisit this issue in about a month when the subcommittee meets again.

Mrs. Chowning said she was concerned that Mr. Pack did not believe the turnaround time previously quoted by Ms. Lewis was realistic and she asked Mr. Pack if he thought there were titles older than September 7 that had not been processed. Mr. Pack said he wished to clarify that he was referring to the titles in a batch environment that were not being processed as quickly as Ms. Lewis would have the subcommittee believe they were. Since the original documents must be matched up with the new documents, Mr. Pack said a considerable amount of time was required to complete this process and that the automobile dealers and finance companies were having to sit on their money while waiting for the completion of this process. Mr. Pack maintained that a title window for car dealers and finance companies was needed to process titles quickly.

As Chairman of the Senate Committee on Transportation, Senator O'Donnell said he had yet to receive one complaint from a car dealer about not being able to get titles from DMV in a timely manner.

To respond to an inquiry from Chairman Beers, Ms. Lewis told the subcommittee that there was nothing new to report on the title program during this past week.

Since there were no other people who wished to testify before the subcommittee on the title program or any other matters, Chairman Beers closed the public hearing and opened the meeting to discussion on Item VI.

There being no further business to come before the subcommittee, Chairman Beers adjourned the meeting at 12:55 p.m. He announced that the next meeting would be at the call of the chair, but that it would probably be held within one month, depending on when the reorganization report was received and other issues.

Assemblyman Bob Beers
Chairman, Subcommittee on Project Genesis/DoIT