

TEXAS DEPARTMENT OF MOTOR VEHICLES

SPECIAL BOARD MEETING

11:08 a.m.  
Monday,  
June 28, 2010

Room 1B.1  
Riverside Campus, Building 150  
200 E. Riverside Drive  
Austin, Texas

BOARD MEMBERS:

Victor Vandergriff, Chair  
Cliff Butler  
Jim Campbell  
Ramsay Gillman  
Cheryl E. Johnson  
Janet Marzett (not present)  
Victor Rodriguez  
Marvin Rush  
Johnny Walker

STAFF MEMBERS:

Ed Serna, Executive Director  
Brett Bray, General Counsel

*ON THE RECORD REPORTING*  
*(512) 450-0342*

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P R O C E E D I N G S

1  
2 MR. VANDERGRIFF: Good morning. My name is  
3 Victor Vandergriff, and I'm pleased to welcome you here  
4 today for the meeting of the Board of the Department of  
5 Motor Vehicles. I'm now calling the meeting for June 28,  
6 2010 of the Board of the Texas Department of Motor  
7 Vehicles to order, and I want to note for the record that  
8 public notice of this meeting, containing all items on the  
9 agenda, was filed with the Office of Secretary of State on  
10 June 18, 2010.

11 Before we begin today's meeting, please place  
12 all cell phones and other communication devices on the  
13 silent mode, and if you wish to address the board during  
14 today's meeting, please complete a speaker's card at the  
15 registration table in the lobby.

16 To comment on an agenda item, please complete a  
17 yellow card and identify the agenda item; if it not an  
18 agenda item, we will take your comments during the public  
19 comment portion of our meeting.

20 And now I'd like to have a roll call, please,  
21 of the board members.

22 Board Member Butler?

23 MR. BUTLER: Present.

24 MR. VANDERGRIFF: Board Member Campbell?

25 MR. CAMPBELL: Here.

1 MR. VANDERGRIFF: Board Member Gillman?

2 MR. GILLMAN: Here.

3 MR. VANDERGRIFF: Vice Chair Johnson?

4 MS. JOHNSON: Here.

5 MR. VANDERGRIFF: Board Member Rodriguez?

6 MR. RODRIGUEZ: Here.

7 MR. VANDERGRIFF: Board Member Rush?

8 MR. RUSH: Here.

9 MR. VANDERGRIFF: Board Member Walker?

10 MR. WALKER: Present.

11 MR. VANDERGRIFF: And let the record reflect  
12 that I, Victor Vandergriff, am here too. We do have a  
13 quorum.

14 With that, this is a specially called meeting,  
15 as you know, and our purpose today is for an action item,  
16 it's development and possible approval of the Texas  
17 Department of Motor Vehicles Strategic Plan for Fiscal  
18 Years 2011-2015.

19 I will turn over the initial part of the  
20 meeting to Mr. Ed Serna and Linda Flores.

21 MR. SERNA: Good morning, Mr. Chairman, board  
22 members. For the record, my name is Ed Serna, and I'm the  
23 executive director for the Texas Department of Motor  
24 Vehicles.

25 What we're going to do this morning is present,

1 under agenda item 1, the Draft Strategic Plan that staff  
2 has been working on. You may recall at the last board  
3 meeting, we mentioned that we had begun work on a  
4 preliminary draft of that plan which is due this coming  
5 Friday. Staff has received some feedback from various  
6 board members that we've attempted to incorporate into the  
7 draft, however, we fully expect that at this meeting we'll  
8 get additional feedback from all of you concerning any  
9 aspect of the plan.

10 The particular areas of concentration that  
11 we're looking for feedback from the board members are the  
12 vision, the mission and the agency's philosophy which are  
13 relatively high-level statements, but again, any aspect of  
14 the plan that you're interested in providing us feedback  
15 on, whether it's editing or content feedback, we would  
16 certainly welcome that.

17 And with that, I'm going to actually had it  
18 over to Linda. She has taken the lead and has actually  
19 prepared the majority of this document with input from a  
20 lot of the directors, but is primarily what I will call  
21 the project manager for this right now as our CFO. So  
22 with that, Linda

23 MS. FLORES: For the record, my name is Linda  
24 Flores, I'm the chief financial officer for the Department  
25 of Motor Vehicles.

1           And in your board notebook there is a draft  
2 strategic plan for the years 2011-2015. The plan  
3 incorporates only those elements and outlined in the joint  
4 instructions published by the Governor's Office and the  
5 Legislative Budget Board. We've included the budget  
6 structure that was submitted to the LBB on April 16, 2010.

7       We've yet to receive formal approval of the requested  
8 structure as of today. While this is the first Strategic  
9 Plan for the agency, we will complete and submit a plan  
10 every two years and we can always engage in planning on a  
11 continual basis and can adjust plans internally as  
12 changing conditions require.

13           We've included input received on the agency's  
14 mission, vision and philosophy which will provide clarity  
15 of purpose, identity and long-term goals. The plan  
16 improves our agency's external communications and it  
17 emphasizes customer service. It will guide the budget  
18 preparation and establish a basis for measuring success.  
19 As you may have noticed, some of the material is  
20 duplicative. This is because portions of the document  
21 have to be submitted as a separate document, such as the  
22 workforce plan, which must be delivered to the State  
23 Auditor's Office.

24           There are also three covers for your approval  
25 that's also included in your notebook, and as Ed

1 mentioned, while I may be the project manager, I could not  
2 have done this without various hands and eyes to look at  
3 the draft plan in front of you. And with that, I conclude  
4 my remarks and I'm available for questions.

5 MR. SERNA: Mr. Chairman, what I'd like to do,  
6 if you are interested in kind of pursuing this this way, or  
7 we'll take whatever direction, but would like to maybe  
8 point out to all the board members the current statements  
9 concerning vision, philosophy and mission of the agency  
10 that we've crafted. We can begin our discussions there or  
11 if there's some other way that you or the vice chair would  
12 like to proceed, we can certainly do that as well.

13 MR. VANDERGRIFF: I think that's appropriate.

14 MR. SERNA: Linda, can you point out in the  
15 plan where you kind of want us to look?

16 MS. FLORES: Sure. If you'll turn to page 8.

17 MR. SERNA: Under Agency Vision and Mission,  
18 those three statements, vision, mission and philosophy  
19 that we'll kind of start our discussion with, and then  
20 after that I'll kind of get quiet and listen to the board  
21 members.

22 MR. VANDERGRIFF: I do want to also note under  
23 the yellow tab the paper that had gone out, and I  
24 appreciate, as you just said, taking the lead on putting  
25 this together which was just kind of a guide, if you will,

1 of how to create these vision, mission and value  
2 statements or the philosophy, the values that create the  
3 philosophy, so I think that also could be an appropriate  
4 tool for you or for the board to consider using.

5 MS. JOHNSON: Mr. Chairman, if I could ask a  
6 question. We have a draft vision and mission statement  
7 and philosophy, but in order to have us focused in more,  
8 do we not need to go back to look at the statewide  
9 benchmarks and determine are these the ones that we feel  
10 like are specific to us.

11 MR. VANDERGRIFF: I do want to note that Vice  
12 Chair Johnson took a special interest, very much  
13 appreciated, in the mission, vision and philosophy  
14 statements. Certainly, Board Members Walker and Campbell  
15 also participated in that, but with that, Vice Chair, if  
16 you have a particular desire to proceed, I would let you  
17 move forward.

18 MS. JOHNSON: Do you want met o move on to the  
19 vision, or can we go back to the benchmarks?

20 MR. VANDERGRIFF: I think the benchmarks would  
21 be appropriate.

22 MS. JOHNSON: When I read through all of the  
23 description where we fell was obviously economic  
24 development, we had discussed that there might be some  
25 other things that we touch on, other specific categories

1 that perhaps we can use in achieving our goals, but have  
2 we pretty much decided that these four points under  
3 economic development are ones that will pertain to us, or  
4 do we need to have any discussion on those? Do you feel  
5 pretty comfortable with those.

6 MS. FLORES: I do. Board Vice Chairman  
7 Johnson, I did go back to look at other agencies, even  
8 those within Article 7. I did notice a couple of agencies  
9 stepped outside of the economic development and focused  
10 on, I believe it was general government, so that would  
11 also perhaps be appropriate for us to identify in our  
12 Strategic Plan.

13 I'm going to pull my instructions.

14 MR. SERNA: A copy of the instructions are in  
15 the board book for all the members under the second yellow  
16 tab, if you're interested in looking at that.

17 MS. FLORES: On page 46 of the instructions,  
18 general government identifies: "To provide citizens with  
19 greater access to government services while reducing  
20 service delivery costs and protecting the fiscal resources  
21 for future and current taxpayers by supporting effective,  
22 efficient, accountable state government operations." So  
23 that may also be one that you may want to consider for the  
24 department.

25 MR. SERNA: Say that again, Linda.

1 MS. FLORES: "To provide citizens with greater  
2 access to government services while reducing service  
3 delivery costs and protecting the fiscal resources for  
4 future and current taxpayers by..." and the bullet that  
5 perhaps pertains to us "...supporting effective, efficient  
6 and accountable state government operations."

7 MR. WALKER: Linda, can you tell us what page  
8 we're on?

9 MS. FLORES: It's on page 46 of the  
10 instructions.

11 MR. WALKER: The third tab then? Okay.

12 MS. JOHNSON: I would support that we also need  
13 to add that as a benchmark. Supporting effective,  
14 efficient and accountable government operations certainly  
15 seems to be something that we should be looking to  
16 achieve. And then we have to list the benchmarks.

17 Looking at the way that this is laid out right now, do we  
18 do economic development, the benchmarks, and then you'll  
19 do general government and those particular benchmarks?

20 MS. FLORES: Perhaps total state spending per  
21 capita.

22 MR. VANDERGRIFF: Linda, can I ask a question?  
23 Did you review, in putting this together, or members of  
24 the team that did this, the Vehicle Work Group report that  
25 was generated in November of 2008?

1 MS. FLORES: We did.

2 MR. VANDERGRIFF: And took specifically some of  
3 the recommendations from there?

4 MS. FLORES: We did.

5 MS. JOHNSON: And could it be possible, total  
6 state spending per capita as well as number of state  
7 services accessible by the internet and maybe even total  
8 savings realized? Because a lot of what we do is on the  
9 internet.

10 MS. FLORES: Yes, ma'am.

11 MS. JOHNSON: And is everybody following what  
12 we're doing? What I did is I took the Straight Thinking  
13 Our Prosperity document which are the instructions from  
14 the governor, statewide strategic planning elements, and  
15 then I went through that to find what might pertain to use  
16 in here, and although our focus is predominantly economic  
17 development, we do touch upon some of the other categories  
18 like we talked about general government. Also, regulatory  
19 might be something that we should look at, although I  
20 don't think we want to be called a regulatory agency, and  
21 then even Public Safety and Criminal Justice if you look  
22 at auto theft as something that we can satisfy.

23 Now, is there a disadvantage to having too many  
24 categories or to focus on any one or the other? Does it  
25 change the direction of the agency in any way, shape or

1 form to have additional benchmarks and goals? Because I  
2 don't want to -- if you look at regulatory, everything  
3 applies

4 MR. SERNA: If I can take a stab at it, Linda,  
5 and you can certainly add in, I don't think that there's  
6 anything detrimental about outlining additional priority  
7 goals that the department can serve or support, and we can  
8 certainly describe it as that additional priority goals  
9 with the emphasis being the economic development.

10 The only reason for the emphasis on economic  
11 development is our agency, the Appropriations Act which  
12 we're going to be talking about later is divided into  
13 eight articles, the ninth, of course, being General  
14 Provisions -- and our agency is under an article that is  
15 entitled Economic Development, so it's going to be  
16 important for us to demonstrate that we do that's in  
17 relation to that article since that's where the  
18 legislature is kind of viewing our primary business as  
19 being, but there's no harm in also pointing out, I  
20 believe, that we support some of the other goals of the  
21 governor with regard to regulatory environment and we know  
22 that we do that when we look at some of that, or public  
23 safety or general government.

24 So what we can do is we'll still put down as  
25 our primary the economic development goal but then we will

1 describe additional goals that the agency supports, either  
2 directly or indirectly, include and then the board can  
3 certainly benchmark our activity against some of these  
4 other benchmark measures that you tell us to, so we can do  
5 that.

6 MR. VANDERGRIFF: Is it clear enough in this  
7 section that it would seem the two major goals that we  
8 were to do in economic development were to generate  
9 additional revenue for Fund 6, that's the bottom line is  
10 that our creation was theoretically though would generate  
11 more revenue for Fund 6 in the long haul, and also the  
12 promoting of a fair and reasonable environment that  
13 supported the industries collectively, being more  
14 productive in Texas.

15 Do you feel like with the language we have  
16 addresses those appropriately? I'm asking that to the  
17 whole board as well as to the executive director. Any  
18 board members have any comments on that? I don't want to  
19 reinvent the wheel if you think the language is  
20 appropriate that we've got.

21 MR. SERNA: Then from my perspective, yes, sir,  
22 I believe that it does. Adding some of these other goals  
23 and benchmarks may further clarify that, but referring to  
24 the general descriptions that are provided in the  
25 governor's plan and the ones that we've kind of chosen, I

1 think point to that revenue generation purpose as well as  
2 a fair regulatory environment purpose also.

3 MR. WALKER: We're not talking about using any  
4 of these in the vision or the mission or philosophy, just  
5 as the benchmarks?

6 MR. SERNA: Yes, sir.

7 MR. RUSH: If we do all this, we're going to be  
8 in pretty good shape.

9 MR. VANDERGRIFF: Any further discussion on  
10 that?

11 MR. SERNA: So just so that I'm clear, I'm sure  
12 that Linda and Dawn have got good notes, but what we will  
13 add under our relevant statewide goals and benchmarks will  
14 be a reference to the general government goal with a few  
15 of those benchmarks that were pointed out to us, and the  
16 regulatory goal with a few of those benchmarks pointed out  
17 to us, but under a description or sort of a leading  
18 sentence that says the department also supports these  
19 other primary goals and then list those there. Is that  
20 what I'm kind of hearing?

21 MR. CAMPBELL: Could I ask you a question?  
22 When you're adding more items to your list of goals and  
23 benchmarks, how are you going to quantify and measure this  
24 stuff? You asked a question should we add more to it, and  
25 it does create more levels of work too, because we are

1 going to need to monitor it, quantify it and measure it.  
2 Does that create any kind of additional problems for you?

3 MR. SERNA: No, sir. And here's where Linda  
4 may kill me, I don't believe additional problems but it  
5 will cause us to be able to provide the board and the  
6 legislative leadership with some additional measures or  
7 additional information that point to that. I believe that  
8 the legislature, and I'm not trying to speak for the  
9 legislature, but I believe the legislature will be  
10 concentrating their focus on that economic development  
11 goal since we fall under that article, and they'll be  
12 looking for everything to primarily check to that.

13 But the fact that this is a brand new agency,  
14 hasn't gone through the process yet, they would probably  
15 appreciate at least hearing from the board and the staff  
16 that we also believe we do these things as well. And  
17 we'll get clear instruction from them that says you stop  
18 thinking about that because we want you to concentrate on  
19 this if, in fact, we roam too far afield, but I don't  
20 think that's the case.

21 MR. CAMPBELL: But as you're doing these things  
22 that you're listing, you are going to measure them? I  
23 mean, we're going to be able to look at these and get a  
24 result from the, so the things you're adding to your list  
25 we're going to be looking at it to measure.

1 MR. SERNA: Yes, sir. I believe that anything  
2 that we say we are supporting that we have to develop  
3 performance measures, objective performance measures that  
4 will tell us, and therefore, you the board members, how  
5 we're doing against that. So the answer to the question  
6 is yes, we'll have to develop those.

7 MR. CAMPBELL: Okay.

8 MS. JOHNSON: And I understand, Member  
9 Campbell, that we don't want to burden anybody with  
10 additional work, however, some of the items complement one  
11 another, they say essentially the same thing although  
12 they're in different places, and it's as if we're  
13 achieving or helping the state achieve more. Then I think  
14 it just makes the DMV look that much significant which it  
15 is, we're the backbone of the government and probably the  
16 face very much of government. So it would seem that it  
17 could lend us additional credibility and support down the  
18 road.

19 MR. GUTHRIE: How are we going to affect the  
20 affordability of homes?

21 MS. JOHNSON: Which goal are you on?

22 MR. GUTHRIE: Page 46, the very last one.

23 MR. BUTLER: That's a general state goal.

24 MR. WALKER: And Ramsay brings up a good point  
25 here, don't we need to scratch out some of this stuff on

1 these benchmarks here that are not pertinent?

2 MS. JOHNSON: We need you to define the ones  
3 that we want to include.

4 MR. WALKER: Well, that's where we need to go  
5 right now. For example, the first under priority goal up  
6 there is supporting effective, efficient. Don't we want  
7 to change that to providing?

8 MR. VANDERGRIFF: Linda, pardon me for jumping  
9 in, were you not intending that page 8 that section be  
10 what was our economic development?

11 MS. FLORES: Yes, sir.

12 MR. WALKER: Wait, hold on, you lost me.

13 MR. SERNA: The document, Mr. Gillman, that  
14 you're looking at where it says regulatory under the  
15 benchmarks on average homeowners, this is at the state  
16 level. So you can see that there are some there, for  
17 example, percentage of new and renewed professional  
18 licenses issued via the internet, number of new business  
19 permits issued online, a lot of those won't apply to us  
20 because, again, it goes back to that LAR item. The  
21 agencies that are generally under the Regulatory article  
22 in the LAR have to do with more specifically these kinds  
23 of things, like the Department of Insurance, the  
24 Department of Housing and Community Affairs.

25 So that's why I was proposing that if we do

1 include anything in our Strategic Plan, it's under the  
2 statement that says the department believes it also  
3 supports this priority goal of the governor's, regulatory,  
4 by doing these things, just the few, one or two or three  
5 benchmarks. So we would clearly say we do believe, as a  
6 matter of fact, that we need to ensure that Texans are  
7 effectively and efficiently served in high quality  
8 professions and businesses by implementing clear  
9 standards. I believe you want us to have clear standards,  
10 ensuring compliance, we have the Enforcement Division,  
11 reducing the regulatory burden on people and businesses.

12 So I do believe, at least from what I've heard  
13 in our conversations that the board considers some of  
14 these items as pertaining to the department but not as the  
15 primary purpose from a legislative perspective for the  
16 department which is that Economic Goal. But no, sir, we  
17 don't have anything to do with average homeowners'  
18 insurance premiums and things like that.

19 MR. GILLMAN: I mean, it doesn't hurt to have  
20 it in there, that's fine.

21 MR. WALKER: But aren't we here today to clean  
22 up and come out of here today with draft of this?

23 MR. SERNA: Yes, sir.

24 MR. WALKER: So don't we need to do that now?

25 MR. SERNA: Yes, sir.

1                   MR. WALKER:  Instead of sitting here saying  
2 we're going to do that, let's do it.

3                   MR. VANDERGRIFF:  And if I could also ask a  
4 question on that.  Given Mr. Serna's and the other members  
5 of the staff's involvement with state agencies, we are  
6 currently, although I guess LBB has not placed us yet  
7 specifically, but by our former life as divisions inside  
8 of TxDOT, we were an economic development group, and it is  
9 possible they classify us a regulatory group, and  
10 therefore, change our priority goals.  Is that not true?

11                   MR. SERNA:  Yes, sir.

12                   MR. VANDERGRIFF:  And that's within their  
13 purview to do.

14                   MR. SERNA:  It is exclusively within the  
15 legislature's purview.

16                   MR. VANDERGRIFF:  Exactly.  So if our goal, as  
17 a board -- and I'm not saying it is, that's up before the  
18 board -- is for us to remain in economic development, if  
19 we tilt discussion on the regulatory side, is that going  
20 to impact at all how we're looked at by the legislature in  
21 terms of giving them preference or indication to move us  
22 to a regulatory agency versus an economic development  
23 agency?

24                   MR. SERNA:  Yes, sir.

25                   MR. VANDERGRIFF:  Did you hear that?

1 MR. WALKER: Yes. So why wouldn't we be over  
2 on page 42 instead of page 46?

3 MS. JOHNSON: We're on both but predominantly  
4 42. If you look at each one of these, for example, under  
5 economic development, the four priority goals listed, the  
6 four bullets, every single one of those apply to us at the  
7 DMV. Now, when I go down the benchmarks listing, I'm only  
8 seeing a couple that I can put my hands around and we  
9 would need input from staff if there's something else.

10 The number of employees in targeted industry  
11 sectors, we're not targeting any industries but are we  
12 affecting the number of industries within our industry  
13 sectors. Number of new small businesses created, I would  
14 think that we absolutely do have an impact on that. I  
15 don't know whether of new non-government or non-farm jobs  
16 created -- if a new dealership opens up, it's going to be  
17 a new business and it's going to have jobs.

18 MS. FLORES: Right.

19 MS. JOHNSON: So I would think that those three  
20 would definitely fall under benchmarks that we could be  
21 looking at, but even then, we're going to have to define  
22 how are we going to look at those benchmarks. But that's  
23 for down the road, that's a more detailed question for  
24 later. But I don't really see any other benchmarks under  
25 economic development that we can use to measure the

1 success of achieving those goals.

2 MR. VANDERGRIFF: Well, I'm not sure exactly  
3 what they mean by the statement number of emerging  
4 technology research commercialization investments awarded,  
5 but the fact would remain that Vision 21 or encouraging  
6 technology within the industry we regulate could be  
7 economic development, so it would seem that might apply as  
8 well, if that wording that I'm thinking of is correct.  
9 And then certainly the job training services potentially  
10 there is something we could be a part of.

11 MS. JOHNSON: So that gives us four of these  
12 benchmarks here under economic development, or is it five?

13 MR. VANDERGRIFF: Well, the number of employees  
14 in target industries, new small businesses created and  
15 number of jobs created.

16 MS. JOHNSON: And then the emerging technology.

17 MR. VANDERGRIFF: And the job training, that  
18 looks to be five.

19 MR. WALKER: Repeat those.

20 MS. JOHNSON: So it would be on the left-hand  
21 side you have number of employees in targeted industry  
22 sectors; then number of new small businesses created; and  
23 then the one under it, number of new non-government and  
24 non-farm jobs created, and if you come back and find out  
25 that that doesn't pertain at all, that doesn't mean at all

1 what we think it does, then we probably need to take it  
2 out; number of emerging technology research  
3 commercialization; and then jump over to the last one on  
4 the second column, number of Texans receiving job training  
5 services.

6 MR. WALKER: You're proposing making all of  
7 these benchmarks under ours?

8 MS. JOHNSON: Have those under benchmarks for  
9 the purpose of this portion of the document.

10 MR. VANDERGRIFF: But are those not state  
11 benchmarks that we maybe play to and not necessarily  
12 anything we hone in on specifically, like our values, for  
13 example, you're not addressing that.

14 MS. JOHNSON: No.

15 MR. WALKER: A benchmark is something you're  
16 trying to achieve, I think that what they're proposing  
17 here is that number of new small businesses created, that  
18 we define the number of small businesses, do we not?

19 MS. JOHNSON: We're not at that point really  
20 yet, I don't think.

21 MR. WALKER: Well, that's what a benchmark is.

22 MS. JOHNSON: Right, but where we are right now  
23 is at the introduction to our Strategic Plan that's saying  
24 the DMV is going to support the governor's goals that are  
25 listed here by addressing these bullets but we're saying

1 in our leading sentence that although we are predominantly  
2 an economic development organization and these are the  
3 benchmarks, there's others that we support as we move  
4 along as we achieve the vision and the mission and the  
5 goals of the DMV.

6 So we're not specifically adopting at this  
7 point the individual goals or measures for achieving  
8 these, we're not to that point yet, so we're still at a  
9 high level at this portion of strategic planning and it's  
10 just trying to identify what are we potentially capable of  
11 achieving. Does that clarify it for you or not?

12 MR. WALKER: I understood what you said but I'm  
13 not sure I'm going to agree with all of these here. I  
14 mean, I don't know that this agency has a whole lot to do  
15 with creation of non-government, non-farm jobs. I don't  
16 see that as a benchmark of this agency.

17 MR. VANDERGRIFF: One of the things that was in  
18 the work group report -- I'll go back and try to find that  
19 quickly.

20 MR. WALKER: I think a benchmark needs to be,  
21 are we going to continue to call it Vision 21, the  
22 development and implementation of the Vision 21 program in  
23 the next five years. That's a benchmark.

24 MR. VANDERGRIFF: One of the things that struck  
25 me when we were reviewing this as a new department to

1 create was that at that time in November of 2008 there  
2 were approximately 40,000 vehicle-related companies doing  
3 business in Texas, including 22,000 trucking companies,  
4 and employing over a million people paying \$40 billion  
5 annually in wages and benefits and contributing 20 percent  
6 of all retail sales activity in Texas, generates 43  
7 percent of all motorists' taxes and fees collected by the  
8 state and generates over \$5 billion in total revenue to  
9 the state through the payment of taxes and fees for  
10 business activities. Related industries were increasing  
11 in size, have a wide range of diverse issues and  
12 challenges and face collective concerns.

13 It would seem that our fair and balanced  
14 combination of regulatory and economic development support  
15 for those industries could mean more jobs, more  
16 businesses, and clamping down on both of those could  
17 obviously hurt the business climate and reduce jobs.

18 MR. WALKER: But tell me how the Department of  
19 Motor Vehicles is going to help to create more jobs in the  
20 State of Texas.

21 MS. JOHNSON: Fewer regulations.

22 MR. WALKER: What regulations do we have?

23 MS. JOHNSON: If you look at our rules, we have  
24 a whole lot of rules.

25 MR. WALKER: We're not a regulatory agency.

1 MS. JOHNSON: I'd say that we are.

2 MR. VANDERGRIFF: We have significant  
3 regulatory functions. We're defined as an economic  
4 development but there will also be some serious  
5 discussion, I'm sure, at the state level, at the  
6 legislature level that we are a regulatory agency.  
7 They'll have to decide in this next session if I'm  
8 correct, and if I'm not, please stop me, that they will  
9 decide sometime between now and the next session a  
10 recommendation of whether we're economic development or  
11 regulatory, and then the legislature will pretty much  
12 stamp that in their next session.

13 MS. JOHNSON: It's more the impact that we  
14 have, Mr. Walker. We do have an impact on new dealerships  
15 opening, on dealerships closing, for an example, and so  
16 although we don't have any control over anybody starting a  
17 new business, we do have control on how easy it is for  
18 them to open that business once they come to the DMV, how  
19 difficult is it to get set up as a dealer in Texas. We do  
20 impact that, and how quickly can we get them operating  
21 based on them working through all that paper. You all  
22 know that paperwork far better than I do, so how  
23 difficult, do we stand in the way of it or do we  
24 facilitate it.

25 MR. VANDERGRIFF: I would also say the question

1 for me is do we dial in more specifically than the general  
2 instructions that were given in the agency's Strategic  
3 Plan instructions. I would agree with you when you say  
4 that, okay, number of employees in targeted industry  
5 sectors, that's a statement, that's not a benchmark, a  
6 number, so how do we dial in more specifically into  
7 something like that. That's definitely, I think, a fair  
8 question.

9 I do go back to, and I know Member Rodriguez  
10 has pointed this out a few times, the Sunset report, I  
11 think also our TxDOT work group report, those are reports  
12 that have kind of indicated what we were created for in  
13 the first place, and it would seem those are benchmarks  
14 that the legislature is particularly going to look to. I  
15 don't know if anybody has any thoughts or comments.

16 MR. CAMPBELL: Well, let me ask you, when you  
17 were saying benchmarks, in studying that a little bit in  
18 school and stuff, we targeted other businesses that we  
19 would benchmark against, they would set the standard and  
20 we'd try to meet that standard. I'm not seeing that when  
21 we just make a statement, a benchmark statement, is there  
22 really a way to measure that to say this is the standard  
23 we're trying to meet. I mean, it's so vague, I don't  
24 understand how you'd measure it, and I think you have to.

25 MS. JOHNSON: Pick one and let's have a

1 discussion about that, because I think that that's exactly  
2 what staff and we need to do. For example, if it's number  
3 of employees in targeted industry sectors -- that's a hard  
4 one -- number of new small businesses created, if the  
5 measurement would be January 2 somebody applies to become  
6 a dealer in Texas, goes through whatever department they  
7 need here to get going, the measure would be how long does  
8 it take before we have that business up and running.

9 MR. CAMPBELL: And you have a specific target  
10 you're trying to hit or do you have another state that's  
11 doing it that's doing it at a high level that you're  
12 trying to target? That to me would be a benchmark. Now,  
13 a good example is I remember a dealer was changing his  
14 license from one city to the next, I don't remember how  
15 long it took but it took longer than the lost his property  
16 over here that he had sold and he was buying a property  
17 over here that he owns, and he had a license over her for  
18 quite a number of years, but to get the license over here,  
19 it took too long. He's really operating illegally because  
20 he can't sell out here because he doesn't have a license,  
21 he can't sell out of here because he sold his property.  
22 And I think Ed and I had discussed this before.

23 Now, I don't know how you measure it against  
24 other states. Now, you can measure it against yourself,  
25 say it's taken 90 days to do a simple license, a guy's

1 been in business 25 years and he's trying to move his  
2 license and we're holding him up.

3 MS. JOHNSON: Well, wouldn't it be appropriate  
4 for us to go back then to when the departments that we run  
5 were under TxDOT, use that as the baseline as this is how  
6 long it used to take for these when we get to the point of  
7 saying what do those need to be or staff recommends that,  
8 versus what we hope it to be. I mean, we compete against  
9 ourselves.

10 MR. CAMPBELL: I agree with that. I think you  
11 can measure that, you can say it took 90 days, it needs to  
12 be taking 15, I don't know. I mean, if he's been in  
13 business for a while, it shouldn't take very long. So  
14 yes, you can measure that, you can quantify it, so you're  
15 going to say you're going to set our goal or our benchmark  
16 that's going to be 15 days or some period of time. Is  
17 that what you mean?

18 MS. JOHNSON: Our specific goal in our agency  
19 in order to prove that we effected that benchmark, yes.

20 MR. CAMPBELL: I've always done this against  
21 other businesses, you know, if this is the target, this is  
22 the level, that's my benchmark so I'm trying to get to  
23 that level. Have we done any type of studies of other  
24 states, how long it takes them, anything that we can  
25 measure against, or are you strictly going to measure

1 against yourself?

2 MR. SERNA: No, sir. If I can, part of the  
3 process will be to, as we hear from the board these are  
4 areas that we want to see measured, we want to establish  
5 benchmarks for, then we the staff will both go to how our  
6 peer organizations are operating in other states, we will  
7 look to national organizations to kind of get a general  
8 consensus, and then we'll simply propose and present to  
9 the board some of our own internals that are both based on  
10 that as well as based on historical ones.

11 MR. CAMPBELL: This is what we were talking  
12 about a minute ago when I said it's got to be quantified  
13 or measurable. You've just created a big job for somebody  
14 to study this, measure it, bring it back to us. That's  
15 why it does make a difference on how many things you add  
16 to it.

17 MR. SERNA: Yes, sir, on the number of items,  
18 but that we need to have those, I think it goes without  
19 question, and since this is our first round through it,  
20 it's probably like all things, that curve is probably  
21 going to be a whole lot higher as we establish the  
22 benchmarks, as we hear back from the board and say these  
23 are the things we want you to concentrate on. For  
24 example, we could hear from the board, and we're talking  
25 about the regulatory aspect or the economic development

1 aspect, what we want to see are clear guidelines and  
2 shorter turnaround time on issuing licenses, issuing  
3 renewals -- I'm speaking for the motor vehicle dealer  
4 right now -- issuing licenses, issuing renewals, we want  
5 to see more prompt responses to consumer issues and  
6 complaints.

7 MR. CAMPBELL: But this is real vague, it's  
8 really not measured very well if you say we're going to be  
9 faster.

10 MR. RODRIGUEZ: Well, that's a difference  
11 between policy and execution of that policy, and our role  
12 up here is policy. And I have a question for the chairman  
13 or for Ed or for the staff, anybody here that can tell me.  
14 My first statement is I think we should look at this  
15 document and review it to make sure that it is in concert  
16 with the policy that we think we want it to be. Former  
17 measures and some of these benchmark numbers, we could be  
18 here all day, all week to figure that out.

19 But I think the policy needs to be consistent  
20 and I posit this question to our staff here, and that is,  
21 if you know, typically this particular document is  
22 prepared how and submitted how by other agencies, if you  
23 know.

24 MS. FLORES: Typically staff, line level staff  
25 compile all this information based on what the mission is

1 for the agency, and so because we're so new, we're  
2 establishing that mission, vision, philosophy, but based  
3 on what an agency's mission is or whether they're  
4 regulatory, whatever, staff then takes the first draft,  
5 compiles a first draft for the commission's or the board's  
6 review, and typically it starts really early in a year,  
7 but really and truly, we'll be doing this again probably  
8 next summer for the following year.

9 But that's where you get some of these  
10 stakeholder meetings, where you get some input from the  
11 people that you're serving to identify some of the things  
12 that you want the agency to improve upon, and so you help  
13 clarify that mission, vision, philosophy. And so staff  
14 puts the plan together, they take it up for review

15 MR. VANDERGRIFF: And correct me if I'm wrong  
16 because you've kind of set this, but at least the state  
17 agencies that I've been made aware of, they typically  
18 reach out to their stakeholder groups, get that input and  
19 the staff then develops kind of the draft for  
20 consideration based upon that stakeholder input, and  
21 that's a process that, unfortunately, we've not been able  
22 to do here.

23 MS. FLORES: Correct. It's usually like a two-  
24 year process.

25 MR. VANDERGRIFF: But before they develop a

1 draft, and by they I mean the staff, with potential board  
2 involvement and listening at least, they're listening to  
3 the industry and getting some feedback from them first.

4 MS. FLORES: Yes, sir.

5 MR. RODRIGUEZ: And in the absence of that, Mr.  
6 Chair, I think we've got plenty of information, I think,  
7 from a department standpoint to develop the document, and  
8 I think it's somewhat developed already. And I guess the  
9 core question I was leading to is typically the executive  
10 director will present this to the board for adoption and  
11 that the board's job simply is consisting of the policy  
12 the board has and leave some of the parameters that we  
13 were discussing here to them for some of them because  
14 they're going to have to. Whatever measures you put in  
15 here, whether we put them in here or they put them in  
16 here --

17 (Mr. Walker laid the podium down.)

18 MR. RODRIGUEZ: Mr. Walker is knocking  
19 furniture down.

20 MR. WALKER: I can't see across and it bothers  
21 me.

22 (General laughter.)

23 MR. RODRIGUEZ: Whatever those measures are,  
24 we'll either be held up to why or why not, we met them or  
25 not met them And so what I'm saying is I think we've got

1 to leave some of those things to staff in terms of what  
2 those numbers are.

3 MR. CAMPBELL: I would agree with you. I think  
4 that we're getting into a lot of detail. I think our goal  
5 is our vision and mission, those statements that we do  
6 need to set, and then the rest of them they can set them.

7 But what I'm trying to say is if we're going to be  
8 looking at it, we've got to quantify it. When we start  
9 looking at it to measure it, I want to be able to.

10 Now, if you use a statement as clear as we're  
11 going to reduce our time that it takes to register a  
12 dealer by 15 percent, now that I can measure and I can say  
13 yes, we can do that or we can't do that, so I would agree.

14 I just want to make sure that you understand we will be  
15 looking at it to measure it.

16 MR. VANDERGRIFF: And if I can kind of just  
17 briefly ask these questions. On economic development, we  
18 started to get into a regulatory discussion. As a board,  
19 are we wanting to stay with the philosophical direction of  
20 economic development as being our watchword? That's what  
21 we currently are under, but we also have a significant  
22 regulatory aspect to us, and the legislature will make the  
23 decisions, independent of us or the governor, exactly  
24 where they want us to be, but I think they will look for  
25 some evidence from us that we're truly an economic

1 development agency or we're truly a regulatory agency.

2 So I think that some general discussion about  
3 that is appropriate, the staff would then refine it, and  
4 whether or not we think that the governor's charge in  
5 economic development and/or regulatory adequately  
6 addresses the specifics that I think Board Member Campbell  
7 and others are looking for that the staff again can  
8 develop those details. So I think that might be an  
9 appropriate policy discussion for us to have as we come to  
10 a conclusion so staff can take that back in the next three  
11 days and craft it just a little bit.

12 MR. WALKER: Hold on. But when do we have to  
13 vote on this? I thought we had to vote today.

14 MR. VANDERGRIFF: We do.

15 MR. WALKER: How is staff going to take this  
16 back and do that?

17 MR. VANDERGRIFF: Anything that we do today  
18 that's any change from this, unless we specifically line  
19 item approve it, today is going to be difficult. And if  
20 we have said, and I've listened to two or three of you  
21 here talk about it's not really our role or our time  
22 constraint, I guess maybe, to develop specific benchmarks  
23 and the like, so how are we going to do that in the course  
24 of the afternoon.

25 MR. WALKER: Well, my suggestion would be to

1 expedite this thing, instead of talking all day about what  
2 we can or can't do, why don't we just identify several of  
3 these benchmarks and target, let's just go through the  
4 list and say this is something we need to benchmark here,  
5 and then let's write down. For example, let's just take  
6 number of new small businesses created. Well, I  
7 personally just don't think that this agency is going to  
8 go out there or needs to be going out there and creating  
9 businesses, I don't think we're tasked with that. But why  
10 don't we come up with a deal that says to facilitate the  
11 quick and hassle-free permitting process to do business  
12 through the Department of Motor Vehicles. That's what  
13 we're tasked to do is to facilitate a streamlined process.  
14 Right?

15 MR. VANDERGRIFF: When we started this  
16 conversation, that was do we take the governor's charge as  
17 directed or do we make some changes to it which is what  
18 you're proposing, and I think that's perfectly great and  
19 acceptable.

20 MR. WALKER: My proposal would be let's go  
21 through it under the economic, let's go through it under  
22 the regulatory, let's grab eight to ten of them, let's  
23 modify them, cater them to specifically fit our  
24 department, and then let's get on with it.

25 MR. VANDERGRIFF: That's wonderful.

1 MR. WALKER: Okay. Well, let's get going.

2 MR. VANDERGRIFF: So you're saying we're both,  
3 we're economic development and regulatory.

4 MR. WALKER: I think we are, and I think we  
5 grab several of the benchmarks out of each one of them and  
6 modify them, and I think that this Vision 21 needs to be  
7 put in there, that we streamline this process and that  
8 that's a benchmark of this agency.

9 MS. JOHNSON: I think we're all saying the same  
10 thing, we're just saying it differently, because that's  
11 exactly what we need to do.

12 So have we gone down and identified the five  
13 under economic development, we're good with that, and then  
14 let staff come back and tell us how we're going to measure  
15 these, get that input from them?

16 MR. VANDERGRIFF: I think that Board Member  
17 Walker is wanting to be specific, for example, on the  
18 number of employees, he's talking about changing that  
19 language for our purposes to facilitate. So I will let  
20 the board members have the floor as they'd like to discuss  
21 these benchmarks. Did we agree that there are five of them  
22 that seem to apply to us generally and those are the ones  
23 we need to review, or do you want to go through each  
24 individual one of these? For example, the number of new  
25 jobs announced as a result of the Texas Enterprise Fund.

1 MR. WALKER: Not applicable.

2 MR. VANDERGRIFF: How about the amount of  
3 capital investment made in Texas as a result of this item  
4 number 2?

5 MR. WALKER: Well, that is applicable.

6 MR. VANDERGRIFF: As a result of grants  
7 provided through the Texas Enterprise Fund?

8 MR. WALKER: I think that that could have some  
9 bearing upon what we do. You have grant money coming in  
10 and we're bringing new businesses. If you're bringing in  
11 a new car dealer, you're increasing capital.

12 MS. JOHNSON: This is a specific grant, though.

13 MR. VANDERGRIFF: This is the Texas Enterprise  
14 Fund, so this is not grants in general, doesn't apply to  
15 us.

16 MR. RUSH: I don't even know what this fund is.

17 MR. BUTLER: Administered by the governor.

18 MR. VANDERGRIFF: It's kind of like incentives  
19 in your local community if you're building a business, so  
20 it has to be significantly bigger than our businesses.

21 All right, the number of employees in targeted  
22 industry sectors.

23 MR. WALKER: Well, employees, would that be  
24 relevant to the businesses? If you create businesses,  
25 you're going to create jobs.

1           MR. VANDERGRIFF: But you had a nice way of  
2 putting that earlier.

3           MR. WALKER: Facilitating the quick, hassle-  
4 free permitting process to do business through the  
5 department. And that's where you can set a benchmark, you  
6 can benchmark how easy it is to through the process here,  
7 that you can get an auto dealership permitted in the State  
8 of Texas within 20 days versus 40 days maybe, I don't  
9 know.

10          MR. VANDERGRIFF: And I'll ask the staff this  
11 question. In this area of economic development  
12 benchmarks/regulatory, can we deviate from the governor's  
13 charge, can we be more specific in this? Are they looking  
14 for us to just basically boilerplate back the governor's  
15 charge?

16          MS. FLORES: I would say for the first go-round  
17 they're probably looking for us to boilerplate. However,  
18 I can also tell you from past experience with the  
19 Governor's Office, they're the ones who put this together,  
20 the benchmarks and the goals, they will come and talk to  
21 agencies again in that off-year to ask for their feedback  
22 and their input as to are these benchmarks relevant to you  
23 or not, and how would you change them.

24          MR. VANDERGRIFF: So when are they going to  
25 come back and talk to us since we're in the off year?

1 MS. FLORES: Probably next year.

2 MR. VANDERGRIFF: So that will be two years.

3 Right?

4 MS. FLORES: Yes, sir. Sorry.

5 MR. GILLMAN: Eventually you're going to have  
6 to bear down on these and do like Mr. Campbell wants and  
7 find benchmarks versus Mississippi, Alabama, whoever it  
8 is, and eventually we're going to have to understand what  
9 we can do to help new businesses to create a business.  
10 But right now these are all pretty lofty goals and you  
11 start narrow down on them, that's our internal problems  
12 ourselves. We need to ask ourselves, yes, I want to  
13 create new businesses in the State of Texas, that's a good  
14 goal, I like it, it's a good thing, how can our agency do  
15 that. But as far as trying to sit here today and name  
16 every single thing we can do to create businesses, that  
17 ain't going to happen. But to say motherhood is great, I  
18 like it, and then decide how to work on it, that's what  
19 we're doing here.

20 MR. VANDERGRIFF: I have a suggestion perhaps,  
21 and Mr. Serna made a comment to me privately but it's not  
22 meant that way, it's for public as well, that one of the  
23 problems on the benchmarks, fitting into them, is that  
24 these benchmarks have been developed with other agencies  
25 that are economic development in mind. There are things

1 in here that go to specific agencies, and I guess in off-  
2 year 2012, they will come back to this agency, assuming  
3 we're still in economic development, and asks for us to  
4 list some specific things. Those will then be incorporated  
5 into their draft, I guess in 2013 because by the time they  
6 get around to 2012 to tell us, it may be 2013 before it  
7 shows up, or 2012 if they do it early enough in the  
8 process.

9 MR. SERNA: Right, it will be.

10 MR. VANDERGRIFF: My suggestion, perhaps, to  
11 shortstop a little bit of the discussion, not to end it,  
12 would maybe rather that our priority is that we're an  
13 economic development agency and those priority goals and  
14 then these priority goals in the regulatory side that I  
15 guess we think are appropriate, that maybe that's our  
16 focus. Does that make sense? Those are where we are at  
17 versus these specific benchmarks may be difficult for us  
18 to enunciate at this point.

19 MR. CAMPBELL: Mr. Chairman, are you saying  
20 basically that we just come up with, I guess like the  
21 Captain suggested, the policy and leave this to staff to  
22 kind of develop over a period of time and bring it to us  
23 to vote?

24 MR. VANDERGRIFF: But make that clear in our  
25 comments that these specific benchmarks, we think the

1 philosophy or the concept of job creation, business  
2 creation, those thing apply to us but maybe the specific  
3 wording of these do not. That, for example, we're in the  
4 development of the businesses that we regulate but not  
5 necessarily non-farm jobs. Does that make sense what I'm  
6 saying?

7 MR. CAMPBELL: Sure.

8 MR. VANDERGRIFF: So to clearly indicate we  
9 think we're economic development, if that's the pleasure  
10 of this board, but to leave some of these benchmarks for  
11 another day since it's going to be hard for us to do it.

12 MR. RUSH: So basically a 2,000-foot view right  
13 now.

14 MR. BUTLER: I agree wholeheartedly.

15 MR. WALKER: I'm going to disagree with you.

16 This might be a boilerplate deal here, but this  
17 boilerplate wordage has no meaning whatsoever. Number of  
18 new small businesses created. Can you tell me what that  
19 says?

20 MR. VANDERGRIFF: I'm saying leaving those out,  
21 those benchmarks. We support the economic development and  
22 priority goals that are listed here.

23 MR. GILLMAN: If you look right up here at the  
24 top, stay with the priority, everybody has got to do that  
25 and now it's up to us to figure out how to do it.

1 MR. WALKER: And leave the bottom stuff out.

2 MS. JOHNSON: We don't have to include them  
3 then? There isn't a need, if we identify the goal, we  
4 don't have to identify the benchmark or any specific  
5 bullet under that? If we can skip it, great.

6 MR. VANDERGRIFF: Well, I think you have to say  
7 that we believe these benchmarks generally apply to us but  
8 not necessarily the specifics. For example, we are about  
9 job creation.

10 MR. WALKER: So why wouldn't it say creation of  
11 new small businesses?

12 MR. VANDERGRIFF: I think we can say that, and  
13 if they're looking for us to peg number of employees in  
14 targeted industry sectors, we haven't either done the  
15 research for that or know exactly how to word it. If I  
16 understood the executive director correctly, and/or Linda,  
17 those are things that they will come around and ask us,  
18 assuming we stay in economic development, before they  
19 issue instructions I 2012. They didn't ask us this time  
20 out. These specifics, my guess is, based on what I'm  
21 told, is that they apply specifically to other agencies  
22 that are under economic development because they have  
23 asked for this type of charge.

24 MR. RUSH: And you're basically saying we don't  
25 know what we're under yet, do we.

1           MR. VANDERGRIFF: One, we do not, that is for  
2 sure. They could change us, we have a very strong  
3 regulatory function. But they'll have to place us one  
4 place or another, so they could decide we're regulatory  
5 versus economic development.

6           MS. JOHNSON: So we don't need to define how  
7 we're going to achieve those benchmarks but do we need to  
8 list those benchmarks that we believe affect us and then  
9 come back at a later time when we're doing the Legislative  
10 Appropriations Request we're going to have to specifically  
11 define how we're going to achieve these at that point, do  
12 we not?

13           MS. FLORES: The instructions I'm reading on  
14 page 20 of the instructions indicate: A Strategic Plan  
15 must be developed in a manner consistent with the  
16 statewide element. Applicable goals and benchmarks should  
17 be reprinted in the final plan.

18           MS. JOHNSON: And so we have to take it just  
19 like they've presented it if we think it applies to us for  
20 now for this part of the report. As we get into more  
21 budgeting and even further back here, we're going to talk  
22 about how what we do may affect these.

23           MR. CAMPBELL: Well, I think we can remove  
24 ourselves even a step further and just get the visions and  
25 their goals and objectives, that kind of stuff set, and

1 then they can come back to us because they can also  
2 identify which ones are not applicable.

3 MS. JOHNSON: And the reason that I backed up  
4 is because we did come up with a draft vision-mission-  
5 philosophy-goals, but that's after we identify those  
6 benchmarks and we identify. But in order to achieve that,  
7 let's say that we decide that the goal for the DMV is just  
8 going to be to facilitate business and that's our vision,  
9 that's fine but it does accomplish many of these things,  
10 and so we need to go ahead and include these.

11 We can go through these bullets real quick  
12 forget about measuring it, ask them does this apply to the  
13 DMV, we have enough staff here. And I'll leave with a  
14 question that's very leading: Charles, should we be  
15 putting in public safety and criminal justice hoping to  
16 affect the preventing and reducing of terrorism and crime  
17 with the money that you're giving away to accomplish that?

18 So that wouldn't apply so we can cross off public safety  
19 and justice. Right?

20 MR. WALKER: Where are we?

21 MS. JOHNSON: That was under a different item.

22 So then we go back to regulatory.

23 MR. WALKER: Where?

24 MS. JOHNSON: That one was under public safety,

25 page 43.

1 MR. WALKER: So why are we going over to public  
2 safety now?

3 MS. JOHNSON: I went through every single one  
4 of these to see where might the DMV fit in. So open-  
5 minded, knowing that we're economic development, but are  
6 there other things that we affect, and we do, and that's  
7 where we are now with regulatory and government. Right?

8 MR. VANDERGRIFF: With all due respect, I would  
9 say that we're going to either be an economic development  
10 agency or we're going to be a regulatory agency or general  
11 government, so we could go into one of those three, and I  
12 would suggest that if go in every different one of these  
13 categories, we could really be here a very long time, and  
14 also send a very confusing message across the street.

15 MR. SERNA: Mr. Chairman and board members, can  
16 I make a suggestion? Going back to the original document  
17 that we started with which is our Draft Strategic Plan on  
18 page 8 where we have the yellow highlights, what I'd like  
19 to propose we do is start with economic development and  
20 all this is is a restatement of the governor's wording, so  
21 we don't get to wordsmith any of that, start with that,  
22 add a statement that says In addition, the department  
23 believes that its activities support aspects of the  
24 priority goals for regulatory and general government as  
25 follows.

1           We would list those two priority goals and then  
2 a few of the statewide benchmarks that we've talked about,  
3 I think there's probably about three or four in each of  
4 those two categories, and then we clearly state that these  
5 are the relevant statewide goals -- since is the first  
6 time we're going through it -- these are the relevant  
7 statewide goals and benchmarks that the department  
8 believes it falls under, so you can clearly see it's  
9 economic development, general government, regulatory. And  
10 then we could move into the agency's vision, mission, et  
11 cetera, et cetera

12           And the only reason I'm proposing that is what  
13 I'm hearing in the conversation which is very constructive  
14 for me, is that this agency has so many aspects to what it  
15 does. It does have regulatory implications, it does have  
16 general government implications, for example, the number  
17 of services accessible by the internet, the total savings  
18 realized in state spending. So if you would allow us, and  
19 Mr. Walker, you raised a very good point earlier, since we  
20 are needing a vote from the board, I can propose the words  
21 that we'll use on this page and if you agree with it, then  
22 staff will insert those words on this page, you know what  
23 you'll be writing right up here to ultimately give you  
24 comfort to approve our plan.

25           So what I'm saying is what I'd like to propose,

1 if it's acceptable, is we'll leave the language that's  
2 here, of course we'll take off the comments, but we'll  
3 leave the language that's here concerning economic  
4 development. Staff has indicated three benchmarks that we  
5 believe generally and at a very high level -- 1,000-foot  
6 was a absolute perfect way to describe it, Mr. Rush --  
7 that we believe we fall under. I'd like to add the  
8 statement: In addition, the department's activities  
9 support aspects of the priority goals for regulatory and  
10 general government. We'll list those governor's  
11 statements and then the benchmarks for each of those two  
12 that we believe we fall under as well.

13 And again, if you are good with that, I think  
14 the one thing we need to do is to make sure that I  
15 understand, that I get your concurrence as to what those  
16 statewide benchmarks are so I list them appropriately, and  
17 then we kind of get to the vision/mission priority of the  
18 department that we've gotten feedback from some of you on,  
19 and you can get a vote on.

20 MR. VANDERGRIFF: What's the pleasure of the  
21 board?

22 MR. WALKER: Well, I'm going to be somewhat in  
23 agreement with him on this economic development, but when  
24 it comes down to these benchmarks here, I don't think  
25 you're answering the question out of the Governor's Office

1 that you set some benchmarks. For one, for example, I  
2 think it's absolutely vital that this agency establishes a  
3 benchmark on the implementation of Vision 21.

4 MR. SERNA: I agree.

5 MR. WALKER: That's not in here anywhere.

6 MR. SERNA: No, sir. You're absolutely right.

7 MR. WALKER: So that needs to be a benchmarks,  
8 it's a huge benchmark.

9 MS. JOHNSON: That's a goal, that's further  
10 back here; we haven't gotten there yet.

11 MR. BUTLER: It's a goal, it's not a benchmark.

12 MR. WALKER: So where is that? Do we have  
13 another section?

14 MR. SERNA: Well, what I was going to say is  
15 these benchmarks that are indicated here were developed by  
16 the Governor's Office, they're intended to be statewide,  
17 not agency or project specific, so these are the  
18 governor's goals for state government, we're an agency of  
19 state government

20 MR. WALKER: Then why didn't they just write  
21 this for us?

22 MR. SERNA: Well, they did the statewide one,  
23 they haven't the specific one. And earlier Mr. Campbell  
24 was talking about, and you've been talking about, Mr.  
25 Walker, very specific measures or benchmarks for us as an

1 agency. Those are things that we can include later in  
2 this report, though I'm uncertain where, or very clearly  
3 point out as we move through -- and by the way, this is  
4 sort of step one or step two of the appropriations  
5 process, step one was the communications plan -- as we  
6 move through that process, what we do then is begin to  
7 talk very specifically about things like our turnaround  
8 time in issuing licenses, the implementation of Vision 21,  
9 how much we put on the internet for the consumers versus  
10 business, et cetera, et cetera, in very measurable terms.

11 But I think, unfortunately, some of the what  
12 I'm going to describe as frustration is that the words  
13 that we're looking at under the benchmarks are statewide  
14 words intended to convey the governor's thoughts  
15 concerning the operation of state government versus a  
16 specific agency, and that's that "Mom and Apple Pie" kind  
17 of thing.

18 MS. JOHNSON: And if you turn to Part 3 and  
19 Part 4, you'll see where we will absolutely be defining  
20 far more specifically from what we are right now, we're  
21 not there yet. So if we can get through, we've decided on  
22 economic development, I thought we came up with five  
23 bullets, and then we go to regulatory and we come up with  
24 those bullets, then we'll go through the rest, we'll do  
25 our vision and our mission, go through the rest of this

1 text as much as we might need to or want to, then we get  
2 to Part 3 and 4 where we're going to be critical to  
3 defining more specifically what we intend for or what we  
4 see for the DMV.

5 So if you're comfortable with that, the  
6 chairman had recommended five benchmarks or five of these  
7 to look at to consider.

8 MR. VANDERGRIFF: At least to look at. I don't  
9 know that we do job training, I don't know that we issue  
10 technology -- I'm not sure what the wording was.

11 MS. JOHNSON: Number of emerging technologies.

12 MR. VANDERGRIFF: I'm not sure we do that but  
13 that was for discussion purposes. I think the point here  
14 is simply that this is the place where you do inject some  
15 boilerplate from the Governor's Office that comes in here  
16 and it doesn't necessarily fit us yet.

17 I want to ask one question of staff before we  
18 move to kind of get some consensus on this. If we are an  
19 economic development agency, then I would think, this is a  
20 general statement by me, not necessarily fact, then I  
21 would think that the odds of staying in Fund 6 are higher.

22 If we are classified as a regulatory or general  
23 government agency, would the odds not be much higher that  
24 they would move us out of Fund 6 which is an economic  
25 development fund into the General Revenue?

1           MR. SERNA:  There I've got to plead ignorance.  
2           I know that there are other agencies that receive Fund 6,  
3           one in particular that is heavily funded from Fund 6 that  
4           is not in the Economic Development article.  Again, since  
5           this is the first pass-through with the department, there  
6           are other agencies in Article 8 that are economic  
7           development that are not Fund 6.  So I don't feel  
8           comfortable saying that where we're at would link us to  
9           the source of funds.

10           MR. VANDERGRIFF:  Can I ask the consensus of  
11           the board, the position that the executive director took,  
12           is that something that you have objection to, can we move  
13           forward in that direction?  I see some nodding of heads,  
14           so I don't know if we take a formal vote on this sub-part  
15           of it, or if we want to have further discussion on this.

16           MR. CAMPBELL:  My only comment is that you  
17           normally start out with you vision and mission statement  
18           and then you get that first, and then you go through the  
19           rest of the stuff.  I mean, I've just never seen it done  
20           any other way.

21           MS. JOHNSON:  And it's just the layout of the  
22           report.  They started with state benchmarks that we're  
23           supposed to do before we talk about the agency.  We talked  
24           about he state, now we're talking about the agency, high  
25           level Governor's Office, this is where we think that we

1 can help accomplish the state goals, now this is the DMV.

2 MR. VANDERGRIFF: I think the theory was on the  
3 governor's perspective -- and correct me if I'm wrong, any  
4 member of the staff -- they set the relevant state goals  
5 and benchmarks which then drive your vision and mission,  
6 that's really what that is.

7 MR. CAMPBELL: So I have no objection either  
8 way you do it.

9 MR. VANDERGRIFF: I'm not sure how the board  
10 feels on this. Do we move forward as Mr. Serna has  
11 suggested on this?

12 MR. BUTLER: Mr. Chairman, I make a motion we  
13 move forward as the executive director suggests.

14 MR. RUSH: I second that.

15 MR. VANDERGRIFF: We have a motion and a  
16 second. Do we have any further discussion?

17 (No response.)

18 MR. VANDERGRIFF: This is, again, just for the  
19 sub-part of this. All those in favor, raise your right  
20 hand.

21 (A show of hands.)

22 MR. VANDERGRIFF: That's everybody.

23 With that, I think we're heading into the  
24 agency vision and mission and philosophy.

25 MR. SERNA: Yes, sir. On page 8 of our plan,

1 right under the highlighted area you'll see a draft of the  
2 vision, a draft of the mission and a draft of the  
3 philosophy statement. All three of these statements are  
4 open for board input, wording, rewording, modification as  
5 appropriate. These are the statements that clearly  
6 describe the board's philosophy, the board's direction,  
7 and that staff will key off of as we move forward through  
8 this.

9 MR. VANDERGRIFF: And can you point out, for  
10 the purposes of the rest of the board as a whole, where  
11 these originally came from in their revised form?

12 MR. SERNA: We did receive feedback from  
13 various board members concerning the original draft that  
14 was presented that Ms. Flores had put together. We  
15 received feedback, refinement, staff did. We modified the  
16 document to incorporate some of that feedback, and so this  
17 does have input from a few board members but not all the  
18 board members and that's why we're presenting it. We  
19 requested feedback and that's what we got, but here's  
20 where we get more feedback, so to speak.

21 So with that, I'll hand it off to the board.

22 MR. VANDERGRIFF: I guess I'd like to have some  
23 discussion. We can take them however you'd like to go.  
24 Typically values which I guess is our philosophy to drive  
25 mission and vision, but we can certainly go with the

1 vision, what we want to be when we grow up, or the  
2 mission, what we do today, or the philosophy.

3 MS. JOHNSON: I would like to add a word or  
4 change a word.

5 MR. VANDERGRIFF: What are we working on?

6 MS. JOHNSON: On vision. We have an efficient,  
7 transparent customer-driven agency. Effective, I'm seeing  
8 that used a lot on the statewide documents, do we want to  
9 put effective in there? I don't want to take out  
10 efficient, but that was the only word, if we're just going  
11 to add a word, I would ask that we see if we can get  
12 effective in there, to where it would be: The Texas  
13 Department of Motor Vehicles will be the most efficient,  
14 effective, transparent and customer-driven agency in  
15 Texas, providing excellent services to all.

16 And the reason I'm adding those two words and  
17 changing the one is that's what I saw repeated through  
18 every state document I saw was they were focusing on  
19 effective, they were focusing on excellence. So I would  
20 propose changing exemplary to excellent and add the word  
21 effective in that list.

22 MR. SERNA: Between efficient and transparent?

23 MS. JOHNSON: That would be fine.

24 MR. SERNA: Yes, ma'am.

25 MR. CAMPBELL: So restate it again.

1 MS. JOHNSON: The Texas Department of Motor  
2 Vehicles -- and if we can in the final document, at least  
3 in our vision statement, spell it out -- will be the most  
4 efficient, effective, transparent and customer-driven  
5 agency in Texas providing excellent services to all.

6 MR. WALKER: Exemplary is out and excellent is  
7 in?

8 MS. JOHNSON: Yes. Are we good with that? We  
9 have a vision.

10 MR. CAMPBELL: We might want to separate it out  
11 and go ahead and vote on it since we've got one, or get  
12 through discussion and vote on it, Mr. Chairman.

13 MR. VANDERGRIFF: That would be fine if you'd  
14 like to vote on this.

15 MR. RUSH: So moved.

16 MR. VANDERGRIFF: We have a motion from Board  
17 Member Rush to approve the vision as created.

18 MS. JOHNSON: I'll second that.

19 MR. VANDERGRIFF: Second from Vice Chair  
20 Johnson. Do we have any discussion? If not, please raise  
21 your right hand in approval.

22 (A show of hands.)

23 MR. VANDERGRIFF: Motion carries unanimously.  
24 I want to let the record note that Board Member Rodriguez  
25 did not vote on this or the previous motion, he left the

1 room a few minutes before.

2 We're on the mission, and the mission as worded  
3 here is: To promote and protect the interests of the  
4 motoring public.

5 MS. JOHNSON: Mr. Chairman, I'd like to move  
6 that we adopt the mission as written.

7 MR. WALKER: I'll second that motion.

8 MR. VANDERGRIFF: We have a motion and a  
9 second. Any discussion on it?

10 MR. BUTLER: I have a suggestion. I would  
11 propose that to the motoring public add "and all the  
12 citizens of the State of Texas." There's a few of them  
13 that don't have cars.

14 MS. JOHNSON: But do we have anything to do  
15 with them?

16 MR. BUTLER: By having a more efficient agency,  
17 we help the whole state.

18 MS. JOHNSON: That's very good.

19 MR. VANDERGRIFF: Mr. Walker, do you accept  
20 that amendment?

21 MR. WALKER: I do.

22 MR. VANDERGRIFF: You do?

23 MR. WALKER: I do accept that.

24 MR. VANDERGRIFF: And Ms. Vice Chair, do you  
25 agree with that?

1 MS. JOHNSON: Yes.

2 MR. CAMPBELL: Restate it, please.

3 MR. SERNA: What I have is: To promote and  
4 protec the interests of the motoring public and all the  
5 citizens of the State of Texas.

6 MR. VANDERGRIFF: Any further discussion? Yes,  
7 Member Walker.

8 MR. WALKER: Do we need the motoring public in  
9 there if you say all citizens, because all citizens would  
10 be the motoring public then.

11 MR. BUTLER: But by it being mentioned first,  
12 it means it would be priority first, and then second would  
13 be the citizens.

14 MR. GILLMAN: Can't we go through each one of  
15 these and then vote once?

16 MR. VANDERGRIFF: We could, but I think Member  
17 Campbell asked to vote on this.

18 (General talking and laughter.)

19 MR. VANDERGRIFF: Just trying to follow the  
20 will of the members and he suggested it so let him do it.

21 MR. WALKER: WE have a motion and we have an  
22 amendment to that motion.

23 MR. VANDERGRIFF: Any further discussion?

24 (No response.)

25 MR. VANDERGRIFF: Seeing none, I ask you to

1 raise your right hand in approval.

2 (A show of hands.)

3 MR. VANDERGRIFF: The mission is approved.

4 Next is the philosophy of the Texas Department  
5 of Motor Vehicles.

6 MR. SERNA: What we have down so far is: To  
7 earn the trust and faith of all citizens of Texas by being  
8 transparent and accountable, cost-effective, customer-  
9 centric, trustworthy, performance-driven, and progressive.

10 MR. GILLMAN: I move that we adopt.

11 MR. BUTLER: I second.

12 MR. VANDERGRIFF: We have a motion and a  
13 second. Do we have any discussion on the philosophy as  
14 it's written? The second was by Member Butler.

15 MR. CAMPBELL: That customer-centric, give me  
16 the definition of centric.

17 MS. JOHNSON: Centered.

18 MR. BUTLER: Centers on customer service.

19 MR. CAMPBELL: But I mean, wouldn't you use  
20 centered?

21 (General talking and laughter.)

22 MR. VANDERGRIFF: We have a motion and a  
23 second. Any further discussion?

24 (No response.)

25 MR. VANDERGRIFF: Seeing none, I'd call for

1 your vote. Raise your right hand in approval.

2 (A show of hands.)

3 MR. VANDERGRIFF: Thank you. The philosophy  
4 has been approved.

5 Mr. Serna, do you want to direct us to the next  
6 area?

7 MR. SERNA: Linda, where else are we in the  
8 Strat Plan?

9 MS. FLORES: The cover.

10 MR. SERNA: If we go to the tab that's entitled  
11 Draft Covers -- it's item 2 under the first blue tab -- we  
12 have three options.

13 MS. JOHNSON: Is that all we're going to do on  
14 the Strategic Plan, because there's a lot of other stuff  
15 here.

16 MR. SERNA: We'll continue with the Strat Plan.

17 MR. CAMPBELL: I think we can get a vote on  
18 this and get it fast, though.

19 MS. JOHNSON: Because there is a lot that we  
20 need to go over here.

21 MR. SERNA: Yes, ma'am. Sorry.

22 MS. JOHNSON: That's okay, I just wanted to  
23 make sure I didn't miss something.

24 MR. WALKER: Are we looking at colors here?

25 MR. SERNA: The difference between the two

1 green is the first one has got the state outline in the  
2 background and then there's the obvious difference between  
3 the green and the goldenrod, whatever color that is, is  
4 just the color. So one is color, and two is whether you  
5 want Texas in the background or Strategic Plan faded in  
6 and out of the background there.

7 MR. WALKER: Why do we have so many buses on  
8 here and less trucks? We've got one tandem truck on this  
9 whole picture here and we have three buses.

10 MS. JOHNSON: Can somebody add some trucks for  
11 Mr. Walker?

12 MR. SERNA: We will replace the school bus  
13 that's at the top there with another tandem truck.

14 (General talking and laughter.)

15 MR. RODRIGUEZ: Mr. Chairman, do we need to  
16 vote on this?

17 MR. VANDERGRIFF: I would hope not, actually.

18 MR. SERNA: This is more just instruction from  
19 the board.

20 MS. JOHNSON: If I can make one comment, is  
21 there some reason we have Texas Department of Motor  
22 Vehicles in a black bar? Because I like this cream-  
23 colored one with the Texas in the back, but I'd really  
24 rather see less color and just do it all blue at the top  
25 or all black at the top, one or the other. It's just a

1 little bit too busy the way it is.

2 MR. VANDERGRIFF: I'd really would not like on  
3 the record that we sat and voted on a cover.

4 MR. SERNA: Staff has adequate instruction.

5 So back to the Strategic Plan, the next open  
6 item.

7 MR. VANDERGRIFF: I'll ask the pleasure of the  
8 board, do you want to break for lunch or plow through?

9 MR. CAMPBELL: How long is your plowing going  
10 to take, Mr. Chairman?

11 MR. VANDERGRIFF: I have no idea.

12 MR. BUTLER: I propose we have a short break  
13 for lunch.

14 MR. VANDERGRIFF: Okay. Why don't we break for  
15 lunch. And it is 12:26, and we will be adjourned for 25  
16 minutes and we'll be back here at roughly ten till 1:00.

17 MR. RODRIGUEZ: Just lunch, not executive  
18 session?

19 MR. VANDERGRIFF: Yes, just lunch, no executive  
20 session. We're recessed.

21 (Whereupon, at 12:26 p.m., the meeting was  
22 recessed, to reconvene this same day, Monday, June 28,  
23 2010, following a lunch recess.)

24 MR. VANDERGRIFF: It's approximately one  
25 o'clock p.m. on June 28, 2010 and the Board of the Texas

1 Department of Motor Vehicles is now in open session.

2 MR. SERNA: We only had a few things we wanted  
3 to point out with regard to the rest of the Strategic  
4 Plan. The majority of this document or the rest of the  
5 document are normally described as forms or fixed formats  
6 that are prescribed by the Governor's Office and the LBB  
7 in their instructions, things like geographic aspects,  
8 agency workforce, legislation that impacts the department,  
9 et cetera, et cetera.

10 Just a couple of things that I want to make  
11 sure that you are aware of, and I'll hand out copies  
12 because there's a big hole in your report. What I'm  
13 handing out is the agency workforce section of the  
14 Strategic Plan, it basically describes a breakdown of our  
15 department as well as in here these are some statements  
16 concerning our Historically Underutilized Businesses plan  
17 which basically is intended to promote the use of  
18 historically underutilized businesses, describe to the  
19 leadership how the department intends to promote its  
20 historically underutilized businesses, those businesses  
21 that interact with us.

22 This is provided as information only. Of  
23 course, we'll take any comments, but it is provided as  
24 information only and replaces the rough drafts that are in  
25 the plan before you.

1           In addition, I'd like to draw your attention to  
2 page 26 of the plan which is a section entitled "Impact of  
3 Federal, State and Legal Actions."

4           MR. CAMPBELL: Did you say 26?

5           MR. SERNA: I'm sorry. Page 26.

6           MR. CAMPBELL: We go from 24 to 49.

7           MR. VANDERGRIFF: You're back in the main  
8 report.

9           MR. CAMPBELL: Okay.

10          MR. SERNA: The actual Draft Strategic Plan.  
11 I'm sorry, I went back to the plan, I shifted on you, page  
12 26 of our Draft Strategic Plan.

13           One thing I wanted to point is staff chose to  
14 only highlight two pieces of recently passed legislation  
15 as having significant impact on the department. The  
16 first, of course, is 3097 which created the department.  
17 The second, we did not really get this from the title, but  
18 House Bill 2553 was significant to the department in that  
19 it simplified the registration fee structure allowing us  
20 to go from a stack of paper that was about a inch to an  
21 inch and a quarter thick, to a fee structure that's about  
22 three-quarters of a page, period. We believe that those  
23 are the two most significant pieces of legislation.

24           And the most significant legal case we had was  
25 Meyers v. Texas which had to do with handicapped placards,

1 cost the state about \$24 million to the attorneys and \$20  
2 million to be disbursed to individuals that filed claims.

3 So these are the only things that the  
4 department was showing, and I don't know if any of you had  
5 any feedback or thoughts on that.

6 MR. VANDERGRIFF: On 2553, why would you not  
7 have been more specific about the simplified fee  
8 structure?

9 MR. SERNA: Yes, sir. What we'll do is we'll  
10 add parenthetically a statement that outlines why it's  
11 significant.

12 MS. JOHNSON: And if I could add one other  
13 comment, I know that we don't address federal here but  
14 there's a lot happening, can we add a statement that we're  
15 monitoring federal activities as well on anything that  
16 might affect us locally?

17 MR. SERNA: Yes, ma'am. Appreciate the  
18 feedback. Staff will add a statement that says that we  
19 will continue to monitor federal legislation as well as  
20 any federal court action that could impact the operations  
21 of the department. We'll add that statement as well.

22 MS. JOHNSON: Excellent. Thank you.

23 MR. SERNA: Linda, is there anything else in  
24 the Strat Plan that we need to point out to them?

25 MS. FLORES: No, sir.

1           MR. SERNA: From the board's perspective, one  
2 thing I'd like to point out, we talked about this earlier,  
3 it's sort of in conclusion, from my perspective, talked  
4 about this earlier that we will work with the board to  
5 develop specific measures, benchmarks that are targeted to  
6 our department and not just statewide level, and we  
7 understand that very clearly.

8           With that, Mr. Chairman, that's all staff has  
9 to present on the Strategic Plan. I would like to note  
10 for the record that Linda Flores has done an outstanding  
11 job developing the Strategic Plan and going through the  
12 iterations of it, Dawn and other staff members as well,  
13 we've got some staff borrowed from TxDOT who have also  
14 contributed and worked long hours to try to get the  
15 document done by the deadline, but all the directors have  
16 done really well, but Linda especially in leading this  
17 effort.

18           So with that, if there's anything else the  
19 board wants to discuss on the Strategic Plan, we'd be more  
20 than glad to bring those up.

21           MR. VANDERGRIFF: I believe the vice chair had  
22 some questions or discussion items.

23           MS. JOHNSON: Ms. Flores, do you feel like you  
24 need input on Part 3, Current Activities and Opportunities  
25 for Improvement, or Part 4, Goals, Objectives and

1 Strategies?

2 MS. FLORES: Board Member Johnson, I did read  
3 your e-mail regarding some of the Sunset provisions,  
4 findings that were in that report, and I did draft a few  
5 things perhaps that might relate back to DMV activities  
6 for the next five years that kind of fall in line with  
7 that report. I did send it out for review and so I have  
8 not heard back yet, but if there's anything in particular  
9 that you want to ensure that we are focusing on in that  
10 portion of the plan, I'd be more than happy to.

11 MS. JOHNSON: And I didn't bring copies of  
12 that, and what Ms. Flores is talking about is I took the  
13 most recent report that we received for February 2009 that  
14 was the Sunset review which, as a result of that review,  
15 we were created, and I went through and there are several  
16 issues that are pertinent to the DMV and it makes sense to  
17 me that we look at that as we're developing our goals and  
18 plans because the legislature, in my view -- and I could  
19 be wrong -- is going to expect us to correct things that  
20 were identified clearly in the Sunset process.

21 And so we need to consider whether these are  
22 issues that we need to direct staff to be focusing on and  
23 become a part of this, and I think it's going to say a lot  
24 for us if when the legislature looks at the Strategic Plan  
25 they see we're being mindful, that we're not reinventing

1 the wheel, we already have a set of issues that were  
2 identified clearly, and that we're going to address them,  
3 doesn't mean that we're going to solve them but that we're  
4 working to correct them.

5 MS. HEIKKILA: Mr. Chairman, if I might?

6 MR. VANDERGRIFF: Please.

7 MS. HEIKKILA: For the record, my name is Dawn  
8 Heikkila, I'm the chief operating officer for the DMV.

9 Member Johnson, in regard to your e-mail, what  
10 we did, Linda and I and staff --

11 MS. JOHNSON: Sorry to send that you on Sunday  
12 morning.

13 (General laughter.)

14 MS. HEIKKILA: That's okay. It keeps us off  
15 the streets.

16 We went back and we looked through the Sunset  
17 recommendation report on the chapter where they were  
18 reviewing the Department of Transportation, specifically  
19 issues 6, 7 and 8 which address the creation of the  
20 Department of Motor Vehicles, it talked about salvage  
21 dealers, it talked about motor carriers and household  
22 goods movers and then several other areas, and we went  
23 back and reviewed each and every one of the  
24 recommendations and findings for each of those issues and  
25 addressed in a narrative that I think Linda has passed

1 around probably electronically -- again over Sunday night  
2 so you probably have not read it yet -- but we've gone  
3 back and looked at all of the issues where we actually  
4 have the authority to implement something to address those  
5 issues and then talk about those to be included.

6 MS. JOHNSON: Excellent.

7 MS. HEIKKILA: And it kind of ties how those  
8 issues and recommendations relate to what we do and how we  
9 do what we do, so it's kind of tying the recommendations  
10 to our Strategic Plan.

11 MS. JOHNSON: Excellent. Thank you. And I had  
12 sent this to them in a Word document and it wasn't perfect  
13 and when I scanned it, it didn't get all the words exactly  
14 wright, but those are the ones that it looked to me might  
15 be things that we should look at, at least, and actually,  
16 there were action items there for us. Let me see if I can  
17 find the one.

18 MR. VANDERGRIFF: While she's looking, did you  
19 do the same thing with the Vehicle Work Group report?

20 MS. HEIKKILA: Yes, we did.

21 MS. JOHNSON: And I went through that as well.

22 On issue number 7 that required the new Texas Department  
23 of Motor Vehicles, and this was from the Sunset Review,  
24 and it was issue 7: More information is needed to improve  
25 regulation of oversize and overweight vehicles to prevent

1 damage to roads and bridges. Well, we're not concerned  
2 with the impact on roads and bridges.

3 MR. RODRIGUEZ: It's the third blue tab, the  
4 Sunset report.

5 MS. JOHNSON: Thank you.

6 MS. JOHNSON: But it's requiring the DMV to  
7 review and report on improving the regulation of oversize  
8 and overweight vehicles obviously is something that we've  
9 been told to do, at least by Sunset. Now, it's not an  
10 action that we've been mandated to do, but it seems like  
11 it's something we should be responsive to.

12 MS. HEIKKILA: Right, it was a recommendation,  
13 and that program area did not transfer, it's still under  
14 TxDOT's authority.

15 MS. JOHNSON: Are we going to try and address  
16 what the impact that that would have on us if it did come,  
17 or not? We don't need to do that? Is that just asking  
18 for trouble? Because it's specific to require the DMV to  
19 review and report on improving the regulation.

20 MR. SERNA: Yes, ma'am, and that's why we're  
21 kind of in a quandary in that that function, I think  
22 Sunset's recommendation originally was for all of Motor  
23 Carrier Division to move, but the ultimate legislation  
24 didn't move the oversize/overweight piece of it, and I  
25 think it's best that we not attempt to address how we're

1 going to do that since we don't know that that will ever  
2 move. That's my recommendation.

3 MS. HEIKKILA: In our review of the Sunset  
4 report, we did make a statement that we've addressed the  
5 issues that we have the authority to address.

6 MS. JOHNSON: Okay. Then I probably just need  
7 to look at that.

8 MS. HEIKKILA: Yes.

9 MS. JOHNSON: I will. Thank you.

10 MR. VANDERGRIFF: Do the members have any other  
11 questions or comments about Part 3 and Part 4 or any other  
12 part of the Strategic Plan as presented by the staff?

13 MR. RODRIGUEZ: Mr. Chairman, do we need a  
14 motion to approve this draft or otherwise?

15 MR. VANDERGRIFF: I think we do need a motion.  
16 We did approve specific parts of it earlier as  
17 subsections but that doesn't include the entire report, it  
18 was just the vision, mission, philosophy and the statewide  
19 goal on the benchmarks.

20 MR. RODRIGUEZ: Are you ready to take a motion  
21 on this?

22 MR. VANDERGRIFF: Unless there's any other  
23 additional questions of the staff.

24 MR. GILLMAN: You're going to move to accept  
25 this with the changes.

1 MR. VANDERGRIFF: That's correct. Well, I'm  
2 assuming, I'm not making the motion.

3 MR. RODRIGUEZ: I so move that we authorize the  
4 executive director to submit the Strategic Plan with  
5 guidance provided today.

6 MR. VANDERGRIFF: Do I have a second to that?

7 MR. GILLMAN: Second.

8 MR. VANDERGRIFF: I have a motion by Member  
9 Rodriguez and a second by Member Gillman. Do I have any  
10 discussion on it?

11 MS. JOHNSON: Me, of course. Sorry.

12 MR. VANDERGRIFF: No, please.

13 MS. JOHNSON: Having served on a school board  
14 where we had to direct staff to make sure they understood  
15 what our vision was, what our mission was, and then give  
16 them goals so that they could go off and do what they need  
17 to do, then our role became making sure the resources were  
18 available to accomplish those goals, so I take this very  
19 seriously.

20 I'm concerned about voting for this at this  
21 point. I know that when we were looking at our goals when  
22 we submitted the early budget documents that there were  
23 things there that we have no control over that we're going  
24 to be judged on. For example, the number of  
25 administrative hearings that are held, or however many

1 were resolved. Well, we have no control over that because  
2 they've now gone to SOAH. So is this the point that we  
3 would be able to do something different, or is that when  
4 we're doing LAR?

5 MR. SERNA: I think it's more when we're doing  
6 our Legislative Appropriations Request than in the  
7 Strategic Plan. And the reason I say that is, and I  
8 apologize for this very brief history kind of level-  
9 setting, for all other agencies, that cycle kind of ends  
10 when the Appropriations Bill is passed but they would have  
11 had comment into the LAR and then they'll build their  
12 Strat Plan from that bill. It's just kind of where we're  
13 at in the session.

14 MS. JOHNSON: So it's coming.

15 MR. SERNA: Yes, ma'am, that's the bottom line.

16 MR. VANDERGRIFF: Any further questions?

17 (No response.)

18 MR. VANDERGRIFF: I would ask you to raise your  
19 right hand in approval.

20 (A show of hands.)

21 MR. VANDERGRIFF: Motion carries unanimously.

22 With that, I will turn it back to Mr. Serna.  
23 Unfortunately, it looks like it was left off the agenda.

24 MR. SERNA: It's been blended into that second  
25 agenda item, but all the staff wanted to do, as part of

1 this entire process what the staff wanted to do was  
2 simply -- and the document is included in the board  
3 book -- simply alert the board that we are beginning the  
4 appropriations process.

5 We'll have a committee meeting, Mr. Campbell,  
6 Finance and Audit Committee meeting on the 7th, where  
7 we'll begin detailed discussions about the Legislative  
8 Appropriations Request and the Fiscal Year 2011 Operating  
9 Budget. We did want to let the board know that with  
10 regard to the Legislative Appropriations Request, that  
11 document will more than likely be due August 30, so we'll  
12 have another meeting or another couple of meetings where  
13 staff will present the document.

14 What you have in your board book is a skeletal  
15 format of what that document is going to look like, and  
16 you're going to see just a lot of forms that in some  
17 cases, at least to me, don't make a lot of clear sense  
18 because it looks like there's repetition or a re-  
19 presentation of the same information in a different  
20 format. We just wanted to begin to familiarize the board  
21 members with what those forms look like.

22 Linda has put together, working with Linda  
23 Castro, who we have on loan from TxDOT, and we appreciate  
24 that from TxDOT, but the Lindas have started working on --  
25 I think you've got to be named Linda to work on the LAR

1 this year -- have put together a summary where we begin to  
2 point out to you these are the kinds of issues that are  
3 going to come up.

4 Two significant issues, there's no action,  
5 we're not necessarily expecting anything at all, we can't  
6 get anything at all from you today, but two issues that we  
7 want to point out that we will discuss, we begin  
8 discussions on the 7th, will be one, the 10 percent budget  
9 reduction that legislative leadership is requiring all  
10 agencies to go through for General Revenue, and keep in  
11 mind the majority of our agency is funded from Fund 6, the  
12 Highway Fund, not from General Revenue, but we will want  
13 to talk to the board about the philosophy concerning where  
14 we take that 10 percent cut.

15 And then second concerns exceptional items.

16 MR. CAMPBELL: That 10 percent is like 5  
17 percent for '12 and 5 percent for '13. Is that right?

18 MR. SERNA: Yes, sir.

19 MR. CAMPBELL: Or any combination.

20 MR. SERNA: It can actually be distributed  
21 however we want, but it's for the biennium, yes, sir, and  
22 staff will be recommending 5 percent each fiscal year to  
23 kind of try to level-set the reduction, but it's that kind  
24 of discussion we want to have.

25 And also things called exceptional items, and

1 exceptional items, when an agency begins the development  
2 of its appropriations request, it starts with its previous  
3 biennium's appropriation. Well, we don't have one but we  
4 kind of know what it would have been so we're starting  
5 with that base number for the DMV. We do have at least  
6 three exceptional items that we'll be presenting, there  
7 may be more things. One of them will be for facilities,  
8 one of them will be for Vision 21 additional funding, and  
9 the other will be for vehicles. And again, a lot of this  
10 is highlighted in the documents that are in your board  
11 book.

12           With regard to the vehicles, the state has a  
13 standard that it sets on when a vehicle can be replaced,  
14 TxDOT has a little bit more of a conservative standard, we  
15 will be adhering to that more conservative standard. At  
16 least that's what the staff will be presenting to the  
17 board. The board can certainly give us guidance on  
18 changing that.

19           But I did want to let you know that we will be  
20 proposing three exceptional items but that doesn't mean  
21 that they have to be there, that's board feedback that we  
22 want in the future, and then also on the 10 percent, how  
23 we address that.

24           MR. RODRIGUEZ: I have actually two questions.  
25 You say 10 percent: five one year and five the next

1 year. Is that five on top of five and then that's less  
2 than ten.

3 MR. SERNA: It's a flat five, so I we'll take 5  
4 percent reduction on the General Revenue in what we're  
5 requesting for Fiscal Year 2012, and then another five for  
6 Fiscal Year 2013.

7 MR. RODRIGUEZ: I'm saying that nets out to  
8 less than ten.

9 MR. SERNA: Yes, sir, I understand what you're  
10 saying. I'm sorry I'm not being clear.

11 MR. RODRIGUEZ: And I think I know what you're  
12 saying and I understand, I'm just saying if you do like  
13 you're saying, then that may net to less than ten.

14 MR. SERNA: Yes, sir.

15 MR. RODRIGUEZ: The other thing I had, I  
16 noticed the vehicle fleet schedule and some vehicles in  
17 there apparently wouldn't meet the more conservative  
18 standard right now, we may lose the use of the vehicles.  
19 Is that possible?

20 MR. SERNA: Actually, we'll continue utilizing  
21 the vehicles, if they don't meet the more conservative  
22 standard, we'll simply continue to use them past the state  
23 standard. When I say more conservative standard, right  
24 now TxDOT is holding on to vehicles longer than eleven  
25 years, more than 110-?

1 MS. HEIKKILA: It depends on the vehicle class.  
2 For passenger vehicles it's 110,000.

3 MR. SERNA: And so we're talking about holding  
4 it a little bit longer.

5 MR. RODRIGUEZ: You've got some eight- or nine-  
6 year-old vehicles with 23,000 miles.

7 MS. HEIKKILA: We have some vehicles that are  
8 over twelve years old.

9 MR. RODRIGUEZ: And again, you have 22-, 23-,  
10 24,000 miles.

11 MR. CAMPBELL: And our conservative plan was  
12 when it burns up we get another one.

13 (General laughter.)

14 MR. WALKER: If we have a vehicle that's twelve  
15 years old with 20,000 miles on it, we don't need the  
16 vehicle.

17 MR. RODRIGUEZ: And that's the point, that's  
18 what I'm trying to bring to attention to take a look at  
19 that.

20 MR. SERNA: Right, we are.

21 MS. HEIKKILA: If I might, some of the vehicles  
22 that are low mileage but are relatively aged, if you will,  
23 these are the vehicles that were transferred. TxDOT went  
24 out and selected the vehicles to transfer to the DMV and  
25 now the DMV has the responsibility for maintaining that

1 fleet, ensuring we're complying with the minimum use  
2 requirements and rotating the fleet around to make sure  
3 that all the vehicles are hitting the amount of mileage  
4 they need and tracking the use of alternative fuels and  
5 repair costs and that kind of thing.

6 So when we talk about replacing some of our  
7 fleet assets, we'll be looking at not only how many miles  
8 are on them but how old they are, what the repair costs  
9 are. Because if you have a vehicle that's twelve years old  
10 and only has 50,000 miles but it's in the shop three weeks  
11 out of every month, it's not really an asset that you want  
12 to continue to dump money into.

13 MS. JOHNSON: So we inherited some boat  
14 anchors.

15 MR. GILLMAN: But they're low mileage. How do  
16 you get a vehicle that's got low mileage on it?

17 MS. JOHNSON: Sitting in the shop.

18 (General talking and laughter.)

19 MR. VANDERGRIFF: We might ought to, so the  
20 record can properly reflect, just talk one at a time.

21 MR. GILLMAN: On a serious note, how do you get  
22 a twelve-year-old vehicle with 50,000 miles on it?

23 MS. HEIKKILA: Some of these vehicles that we  
24 have assigned that are aged with low mileage were assigned  
25 for a specific purpose, and the work group that was

1 assigned that vehicle either didn't use it or didn't use  
2 it as often as they thought they were going to use it,  
3 there's any number of reasons why it doesn't have miles on  
4 it.

5 MR. SERNA: TxDOT has a standing practice and a  
6 policy that if a vehicle has low mileage on it in a  
7 particular district or if it's assigned to a division,  
8 then it gets reassigned, and in some cases even then the  
9 vehicle is still used very little. For example, having  
10 been at TxDOT and generally over the area of fleet  
11 management, if you have a vehicle assigned to an area  
12 engineer but that engineer's office is only an mile from  
13 the construction site -- that's the case in Dallas,  
14 Houston, San Antonio, here in Austin -- you're not going  
15 to put a lot of miles getting from your office to that  
16 construction site.

17 I guess the upside is we have vehicles with low  
18 mileage, the downside is we have old vehicles with low  
19 mileage that begin to fall into the third category which  
20 is wearing down from age. That's a challenge that we'll  
21 have to face and that's why we're going to propose using  
22 the more conservative replacement policy that TxDOT has  
23 versus the state's replacement policy. But that's a  
24 discussion we'll have in detail, initially with the  
25 committee but ultimately with the entire board, because it

1 will affect the number of vehicles that we recommend  
2 replacing.

3 MR. VANDERGRIFF: Have you been in some of  
4 these high-age, low-mileage vehicles? We are not well  
5 represented in the community.

6 MR. SERNA: I understand and I do not disagree.

7 That's all that we wanted to present with  
8 regard to the Legislative Appropriations Request and just  
9 point out to the board that we do have material in here,  
10 we're beginning work on that now that we've got the Strat  
11 Plan. Once we make the changes that the board  
12 recommended, we've got the Strat Plan behind us. Staff  
13 does appreciate the board's attention to the Strategic  
14 Plan and we'll get that document submitted on time which  
15 is this coming Friday, and then we'll move on to the next  
16 deadline in the appropriations process which is the LAR.

17 That's all I have, Mr. Chair.

18 MR. VANDERGRIFF: Any board members have any  
19 comments on this?

20 MR. WALKER: Just one comment, make sure that  
21 this LAR can be done and voted on at a regular scheduled  
22 board meeting and not a special called one.

23 MR. VANDERGRIFF: I think you've indicated to  
24 me you might have to have a specially called meeting in  
25 this process. Do you want to elaborate?

1           MR. SERNA: Depending on how far we can  
2 progress, we have two regularly scheduled board meetings  
3 between now and the due date, the due date is August 30,  
4 we have two regularly scheduled board meetings. I would  
5 anticipate or I would recommend that the board plan on at  
6 least one special called meeting in August for approval of  
7 the LAR unless we can get approval and enough feedback  
8 from the board where you kind of sign off on things as  
9 we're moving forward, kind of like this where you've given  
10 us instruction on what to change, we're going to go change  
11 it and get it submitted but we don't have to meet again  
12 before we get the Strat Plan in.

13           MR. CAMPBELL: But we have two meetings, we  
14 have July 7 and the regular board meeting, and we could  
15 have an additional meeting before our next board meetings,  
16 so that gives us two work sessions for it. You don't  
17 think we'd be able to pass it in August?

18           MR. RODRIGUEZ: Let me just ask this question,  
19 the LAR is a little bit more mechanical than the Strategic  
20 Plan so we ought to be able to, being it's a matter of  
21 FTEs and numbers.

22           MR. VANDERGRIFF: I think you're putting us on  
23 notice if you can't get the numbers together, you're  
24 concerned about at least being apprised of the potential  
25 for a late August meeting, I would suspect.

1                   MR. SERNA: Yes, sir. To answer Mr.  
2 Rodriguez's question, as well as Mr. Campbell's and Mr.  
3 Walker's request, I believe that we can get it done in  
4 regularly scheduled meetings, however, I mentioned earlier  
5 we have two staff dedicated to it and we have other staff  
6 that we are drawing on, it's just the logistics of being  
7 able to build the documents, we have all the information,  
8 presenting it to you, explaining it, getting the board  
9 members to sign off in the committee and the full board  
10 meeting.

11                   As much as the staff, as much as I would like  
12 to commit that we will do it only in a regularly scheduled  
13 meeting, if we can't get it done by the regularly  
14 scheduled meeting at the beginning of August, then we may  
15 need one just for that, and again, unless the board  
16 approves what they see and say go make these changes and  
17 just get it done and submit it.

18                   MR. RODRIGUEZ: What I'm saying is it's less  
19 objective.

20                   MR. SERNA: Yes, sir, there's less objectivity.  
21 There are forms that Linda and her staff person will fill  
22 out and less, like today, things to discuss. And that's  
23 why we wanted to include those documents in here, you will  
24 see it's like a tax return, it's nothing but a set of  
25 forms that we're going to be filling out, pulling numbers.

1 I believe we can get it done but it's just the physical  
2 logistics of getting it done.

3 MR. GILLMAN: Give it a good whirl.

4 MR. SERNA: Yes, sir.

5 MS. JOHNSON: But I'm going to jump in here  
6 again and ask isn't that where we're going to define  
7 specific strategies?

8 MR. SERNA: The measures, yes, ma'am.

9 MS. JOHNSON: The measures, and so Mr.  
10 Campbell, in your committee, I guess that's going to be  
11 the key part of it. I hope that your committee spends  
12 some time focusing on that and then perhaps you should  
13 solicit what do you see as things, several items were  
14 discussed today, of things that we want to see happen, and  
15 so somehow we have to incorporate those. Because we're  
16 strapped right now with things that don't have anything to  
17 do with the us that we see today, and so it's going to be  
18 real important for the direction in the future to get  
19 those correct.

20 MS. FLORES: If I can jump in here, with  
21 regards to the mechanics of the Legislative Appropriations  
22 Request, we have to work with what we've already submitted  
23 to the Legislative Budget Board and we can also talk with  
24 our LBB analyst, Tomas Galvan, about other measures that  
25 we would like to include, but as far as the submission

1       itself, it's what we've got so far.

2                   MR. VANDERGRIFF:   Which is what we did in April

3                   MS. FLORES:   Right, yes, sir.

4                   MS. JOHNSON:   But even then we had defined, and  
5       I said it several times, the SOAH issue, it's not an  
6       appropriate measure because we're not in control of the  
7       results.

8                   MS. FLORES:   And I can tell you we can relay  
9       that information to our analyst.  They don't really like  
10      to see too much change but it's something that we can,  
11      again, take before them for their consideration.

12                  MS. JOHNSON:   Do you think that if there was  
13      ever an opportunity for change as a new agency that this  
14      is it

15                  MS. FLORES:   Absolutely, and we can continue  
16      the process during the legislative session as well.

17                  MS. JOHNSON:   Excellent.  Thank you.

18                  MR. VANDERGRIFF:   And this process does not  
19      prevent us from considering other items such as self-  
20      directed, semi-independent agency.

21                  MS. FLORES:   No, sir, it does not.

22                  MR. VANDERGRIFF:   With that, I'll ask if  
23      there's any other questions.

24                  The only last thing I would like to note as an  
25      observation as a continuation of one I made at the last

1 meeting and it's more of what I would call would fall in  
2 the category of hopeful and perhaps helpful commentary  
3 versus even criticism because I recognize, perhaps even  
4 more than some of the other board members, that we are  
5 limited in staff. For example, our finance office  
6 consists of Linda, ably assisted by Dawn, and there's very  
7 few there that are able to do the work.

8           Having said that, I do think that we missed an  
9 opportunity to do what some state agencies I believe have  
10 done to their benefit and that is engage their  
11 constituents in actually providing input that leads up to  
12 a Strategic Plan that is developed along the lines that  
13 Member Rodriguez suggested, from the staff to the board as  
14 a policy. And I would just encourage that in future  
15 Strategic Plans, whether we're all here or not together,  
16 that the staff do look at making sure we get out in a more  
17 timely manner so you have that kind of discussion. I  
18 think the industry would appreciate it and they would be  
19 better served for it, and it gives us more time to perhaps  
20 do what we need to do is really spend time as a board on a  
21 vision, mission and values that circumstances didn't allow  
22 us to do this time.

23           MR. SERNA: Yes, sir. Linda, can you point out  
24 in your experience at TCEQ, had you been here in November,  
25 when would you have started this process?

1 MS. FLORES: A year before that.

2 MR. VANDERGRIFF: So it means you'll be  
3 starting the next one here pretty soon.

4 MS. FLORES: Yes, sir.

5 MR. VANDERGRIFF: Very good.

6 MR. SERNA: Yes, sir. I and the staff did hear  
7 comments and observations of the board and one of the  
8 things that Linda pointed out is had we been an ongoing  
9 operation, we would have started this summer before with  
10 stakeholder, with a lot of board involvement even before  
11 the instructions came out, so that by the time we got to  
12 here, we would have had all that material. So we  
13 understand completely.

14 MR. VANDERGRIFF: And the only concern I have  
15 on that is that I continue to receive questions from  
16 legislators kind of wanting to know about us, what's  
17 different, what are we going to do that's different,  
18 that's positive, so we have to be mindful of that. But  
19 with that, if there's no other further comment, I would be  
20 pleased to entertain a motion to adjourn.

21 MR. RUSH: I make a motion.

22 MR. VANDERGRIFF: We have a motion by Member  
23 Rush. Do we have a second?

24 MR. CAMPBELL: Second.

25 MR. VANDERGRIFF: Second by Member Campbell.

1 And with that, all those in favor.

2 (A show of hands.)

3 MR. VANDERGRIFF: We are adjourned. Thank you  
4 very much.

5 (Whereupon, at 1:37 p.m., the meeting was  
6 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Department of Motor Vehicles  
LOCATION: Austin, Texas  
DATE: June 28, 2010

I do hereby certify that the foregoing pages, numbers 1 through 88, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

\_\_\_\_\_  
(Transcriber) 07/06/2010  
(Date)

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