

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Thursday,  
June 6, 2019

Lone Star Room  
Building 1  
4000 Jackson Avenue  
Austin, Texas

BOARD MEMBERS:

Guillermo "Memo" Treviño, Chair  
Charles Bacarisse (absent)  
Stacey Gillman  
Brett Graham (absent)  
Tammy McRae  
John Prewitt  
Paul Scott  
Shelley Washburn

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P R O C E E D I N G S

1  
2 MR. TREVIÑO: Good morning. My name is  
3 Guillermo Treviño, and I'm pleased to open the Board  
4 meeting of the Texas Department of Motor Vehicles.

5 It is approximately 8:01 a.m., and I am now  
6 calling the Board meeting for June 6, 2019 to order. I  
7 want to note for the record that the public notice of this  
8 meeting, containing all items on the agenda, was filed  
9 with the Office of Secretary of State on May 23, 2019.

10 Before we begin today's meeting, please place  
11 all cell phones and other communication in the silent  
12 mode, and please, as a courtesy to others, do not carry on  
13 side conversations or other activities in the meeting.

14 If you wish to address the Board or speak on an  
15 agenda item during today's meeting, please complete a  
16 speaker's sheet at the registration table. Please  
17 identify on the sheet the specific item you are interested  
18 in commenting on and indicate if you wish to appear before  
19 the Board and present your comment or if you only wish to  
20 have your written comment read into the record.

21 If your comment does not pertain to a specific  
22 agenda item, we will take your comment during the general  
23 public comment portion of the meeting.

24 In accordance with department administrative  
25 rule, comments to the board will be limited to three

1 minutes. To assist each speaker, a timer has been  
2 provided. The timer light will be green for the first two  
3 minutes, yellow for one minute, and then red when your  
4 time is over. Individuals cannot accumulate time from  
5 other speakers. Comments should be pertinent to the  
6 issues stated on the comment sheet. When addressing the  
7 Board, please state your name and affiliation for the  
8 record.

9           Before we begin today, I'd like to remind all  
10 presenters and those in attendance of the rules of conduct  
11 at our Board meeting. In the department's rules, Section  
12 206.22, the Board chair is given the authority to  
13 supervise the conduct of the meetings. This includes the  
14 authority to determine when a speaker is being disruptive  
15 of the meeting or is otherwise violating the timing or  
16 presentation rules I just discussed.

17           Okay. So we will now have agenda item 1 which  
18 is the roll call.

19           Board Member Gillman?

20           MS. GILLMAN: Present.

21           MR. TREVIÑO: Board Member McRae?

22           MS. McRAE: Present.

23           MR. TREVIÑO: Board Member Prewitt?

24           MR. PREWITT: Here.

25           MR. TREVIÑO: Board Member Scott?

1 MR. SCOTT: Here.

2 MR. TREVIÑO: Board Member Washburn?

3 MS. WASHBURN: Here.

4 MR. TREVIÑO: And let the record reflect that  
5 I, Guillermo Treviño, am here too. We have a quorum.  
6 Also, let the record reflect that Members Graham and  
7 Bacarisse are absent today.

8 So we will now all stand for the Pledge of  
9 Allegiance and the Texas Pledge.

10 (The Pledge of Allegiance and the Texas Pledge  
11 were recited.)

12 MR. TREVIÑO: Moving on to agenda item 3, which  
13 is the chair's report.

14 The chair's report largely consists of  
15 remembering Gary Painter. It is with a heavy heart that I  
16 share with the Board the news of the loss of Member Gary  
17 Painter. His sudden passing reminds us of the fragility  
18 of life and the honor and a life well spent in the service  
19 of others. I'll miss Sheriff Painter's warm words of  
20 encouragement, wise counsel, and the sense of purpose he  
21 brought to everything he did. He was a good man and will  
22 be sorely missed.

23 And I would like to invite any members of the  
24 Board to share any thoughts or anecdotes that they have  
25 about Sheriff Painter.

1 MR. PREWITT: I'd like to just point out that  
2 we have a cowboy hat at Sheriff's Painter's post today in  
3 memory of him. And he was a kind soul, but he was just so  
4 much more than that. He was a warrior for our country,  
5 serving in Vietnam, he was sheriff in Midland County for  
6 over 30 years, he as a family man, he was a man of God,  
7 and we were blessed to have him.

8 And the last conversation I had with Sheriff  
9 Painter was when we were talking about one of his deputies  
10 was hit by a train, and the Burlington Northern Santa Fe  
11 engineer didn't want to give him his driver's license.  
12 And Sheriff Painter says, Well, we can always arrange for  
13 hotel space for you in my jail downtown if you don't want  
14 to give us your license. And so they gave him their  
15 license.

16 But he had a sense of humor, he was a  
17 thoughtful person, and I'm going to miss him.

18 MR. TREVIÑO: Thank you, John. Thank you for  
19 those very beautiful words.

20 Okay. It's impossible to encapsulate a life,  
21 anyone's life, but especially a life of a so much larger-  
22 than-life person that Sheriff Painter was in just a few  
23 words. At the August meeting the Board and the department  
24 staff are planning to recognize Sheriff Painter by  
25 presenting the Governor's proclamation and the Texas flag



1 which has been flown over the State Capitol in his honor,  
2 to his wife, Mrs. Patsy Painter, and his family.

3 At this moment, I would like to call roll  
4 again, with your indulgence.

5 Member Gillman?

6 MS. GILLMAN: Present.

7 MR. TREVIÑO: Member McRae?

8 MS. McRAE: Here.

9 MR. TREVIÑO: Member Prewitt?

10 MR. PREWITT: Here.

11 MR. TREVIÑO: Member Scott?

12 MR. SCOTT: Here.

13 MR. TREVIÑO: Member Washburn?

14 MS. WASHBURN: Here.

15 MR. TREVIÑO: Member Painter? Member Painter?

16 Member Gary Painter?

17 Let the record show that on Sunday, May 26,  
18 2019, Member Gary Painter's service to the State of Texas  
19 ended, and he will be greatly missed. Gary Painter was a  
20 preeminent public servant.

21 From the moment he enlisted in the United  
22 States Marine Corps in 1966, he began a lifetime  
23 commitment to serve and protect others, first around the  
24 world and then back home throughout his distinguished law  
25 enforcement career in Midland County.

1                   Please join me a moment of silence for Member  
2 Gary Painter.

3                   (A moment of silence was observed.)

4                   MR. TREVIÑO: Okay. And going on with the  
5 chair's report, today is a day of somber remembrances. On  
6 the 75th anniversary of the Normandy landings, I would  
7 like to recognize the heroism of all those who have stood  
8 up to tyranny.

9                   The sacrifices made by so many troops on the  
10 beaches of France cannot be forgotten if we hope to  
11 continue to enjoy the luxury of freedom, and we should  
12 take it as a north star for all of us to follow in our  
13 attempts to serve the State of Texas and all the citizens.

14                   Okay. So with that, we move on to executive  
15 director's report.

16                   MS. BREWSTER: Thank you, Mr. Chairman. Good  
17 morning. Good morning, members. For the record, Whitney  
18 Brewster, executive director.

19                   As you all know, we have recently completed the  
20 efforts, legislative efforts on Sunset, and this was a  
21 very, very heavy lift for the agency. Although we are not  
22 done, we are now into the implementation phase of both the  
23 management and legislative recommendations made by Sunset.

24                   This was an agency-wide effort, but I do want  
25 to recognize one person who helped ensure that information

1 was flowing to Sunset and from Sunset to the agency and  
2 coordinating the things that we needed to make sure that  
3 we provided to the legislature so that they could  
4 ultimately make the decisions that they did.

5 And I wanted to recognize publicly Sarah  
6 Swanson, in our Office of General Counsel, for her  
7 efforts. She did a fantastic job. She worked well with  
8 staff, as well as Sunset and legislative members, and we  
9 certainly could not have been as successful as we were  
10 without Sarah.

11 So if you would join me in recognizing Sarah  
12 for a job well done.

13 (Applause.)

14 MS. BREWSTER: I also want to just bring  
15 attention to an initiative going on within the agency, and  
16 that is around something very, very important. Governor  
17 Abbott implemented an initiative in the state for all  
18 State of Texas employees to complete a training video  
19 released by the Office of the Attorney General, and it's  
20 called "Be the One in the Fight Against Human  
21 Trafficking."

22 Our agency recognized the importance of this  
23 training, we wanted to align ourselves with this  
24 initiative, and we required all of our employees to take  
25 it, and now all of our employees within the first 30 days

1 of employment are required to take it so that our  
2 workforce is aware of this very important initiative.

3 Our goal is that every TxDMV employee completes  
4 this training, and it is our hope that they are better  
5 equipped in recognizing potential exploitation that was  
6 previously hidden in plain sight, and that possibly they  
7 also share that information with their friends and family  
8 because this is certainly a huge epidemic within our  
9 state.

10 And so we were recognized by the Governor for  
11 our efforts and we were presented with this certificate,  
12 and we will find a prominent place in the lobby to hang  
13 this. But I just wanted to bring attention to this, let  
14 the Board be aware of our efforts when it comes to  
15 fighting human trafficking in Texas, and say a job well  
16 done to the workforce for taking the training. Thank you.

17 I also want to recognize -- again, as I stated,  
18 our legislative efforts are not completed but the  
19 legislative session ended on Memorial Day -- I want to  
20 recognize our legislative coordinators throughout the  
21 agency.

22 There were dozens of people involved to ensure  
23 that we had fiscal notes done, legislative analyses done.  
24 It was an agency-wide effort, but I do want to recognize  
25 our Government and Strategic Communications Division.

1 Caroline Love is the leader of that division, and also,  
2 her team, her legislative analysts, Matthew Miller, Taurie  
3 Randerman, and Creighton Root, for a job well done. It  
4 was a very heavy lift, there are thousands of bills that  
5 got through a legislative session, hundreds of which  
6 impact this agency, so making sure that we provide good,  
7 relevant, timely information is imperative, or else we get  
8 left by the roadside.

9 So I very much appreciate Caroline and her team  
10 for a job well done. If you'll join me in thanking her  
11 and her team.

12 (Applause.)

13 MS. BREWSTER: And you will see the legislative  
14 analysts back there in the corner but we can't see them  
15 because of the pole, so if you could come around, don't be  
16 shy. Matthew Miller and Taurie Randerman, thank you.

17 Last but certainly not least, we recognize our  
18 employees who reach a major service milestone within the  
19 agency. We celebrate these employees as a show of our  
20 appreciation for their years of service to the citizens of  
21 Texas.

22 Chairman Treviño and members, if you will join  
23 me at the front of the dais to recognize our service award  
24 recipients.

25 MS. YANCEY: Good morning. My name is Martha

1 Yancey, Human Resources Division.

2 The following employees have reached 35 years  
3 of state service. The first one, Tim Thompson.

4 (Applause and cheering.)

5 MS. YANCEY: Tim has served as the deputy  
6 director for the Vehicle Titles and Registration Division,  
7 or VTR, since joining the department in October 2011. He  
8 assists with the oversight of the vehicle titling,  
9 registration and license plate related functions for the  
10 State of Texas.

11 Additionally, Tim has been involved with the  
12 agency's ongoing efforts in modernizing programs and  
13 processes, including assisting with the launches of the  
14 webSUB and webDEALER projects, full implementation of the  
15 National Motor Vehicle Title Information System, queuing  
16 systems for the regional service centers, and the kiosk  
17 pilot project for registration renewals.

18 Prior to joining the department, Tim served  
19 over 27 years with the Texas Department of Public Safety.  
20 He retired from DPS in June 2011 as a major in the Texas  
21 Highway Patrol Division.

22 Congratulations, Tim.

23 (Applause; pause for presentation and photos.)

24 MS. YANCEY: And then we have Adrienne Carter,  
25 also with 35 years of service.

1           Adrienne began state service in 1978 with the  
2 University of Texas at Austin in UT's first IT help desk.

3           In 1985 she joined TxDOT as a system operator where she  
4 was part of the team that introduced the first personal  
5 computers to the agency.

6           Adrienne has held multiple roles of increasing  
7 responsibility over the years at TxDOT, and during her  
8 time there, she completed her master's degree from UT with  
9 a 4.0 GPA. Yay. We welcomed Adrienne to TxDMV in 2014 as  
10 the enterprise architect in our Information Technology  
11 Division. In January of this year she became the manager  
12 of the Enterprise Services team in IT.

13           Congratulations on 35 years of service,  
14 Adrienne.

15           (Applause; pause for presentation and photos.)

16           MS. YANCEY: The following employees reached a  
17 state service milestone but were unable to join us this  
18 morning. Twenty years: Mary Dominguez, ABTPA; Jennifer  
19 Wagner, Finance and Administrative Services; Suzanne Long,  
20 Vehicle Titles and Registration. Twenty-five years:  
21 Patti Racicot, Vehicle Titles and Registration. Thirty  
22 years: Martin Brown, Office of General Counsel; Lydia  
23 Sahley, Motor Carrier Division.

24           And last, the following employees recently  
25 retired from the department: Estela Vela, Roseanne

1 Graham, Friend Jackson, Renita Bankhead, Meagan Ahmad, and  
2 Claude Morris.

3 Thank you.

4 (Applause.)

5 MR. TREVIÑO: Okay. Director Brewster, are you  
6 done with your report?

7 MS. BREWSTER: Yes, sir.

8 MR. TREVIÑO: Well, I want to commend you on  
9 this human trafficking award. I mean, it's a piece of  
10 paper, but the lives that it touches are huge, so I have  
11 to commend you and staff for all the hard work that you're  
12 doing.

13 Okay. We're going to move on now to agenda  
14 item number 5, which are contested cases. We have Mr.  
15 Daniel Avitia and Heather Pierce who will now address  
16 agenda item 5.

17 MS. BEAVER: Actually, Mr. Chairman, Tracey  
18 Beaver, general counsel, for the record.

19 I just wanted to let the Board know that Mr. Wu  
20 is going to go after Mr. Avitia in the presentations, and  
21 each will have ten minutes for their initial presentation  
22 and five minutes for rebuttal. If a question from the  
23 Board is asked, the speaker will tell you when it's not in  
24 the record, and if it's not, then you won't be able to  
25 consider it in this decision.



1 Thank you.

2 MR. TREVIÑO: Great. Thank you very much,  
3 Ms. Beaver.

4 MR. AVITIA: Chairman, with your permission,  
5 I'd like to make a few general comments about both cases  
6 that the Board is about to hear, essentially to provide  
7 some context with regard to how we got to this point and  
8 the process involved.

9 MR. TREVIÑO: Please, Mr. Avitia, that would be  
10 very helpful.

11 MR. AVITIA: All right. Thank you.

12 Chairman, members, Ms. Brewster, good morning.

13 For the record, Daniel Avitia, director of the Motor  
14 Vehicle Division.

15 Today we have two contested cases to present to  
16 the Board. Both cases concern applicants with recent  
17 criminal histories and whether these applicants are fit to  
18 be licensed.

19 The Motor Vehicle Division takes our agency's  
20 mission to protect the public very seriously. I was  
21 frankly surprised and disappointed by the proposals for  
22 decision on these two cases, as they are not consistent  
23 with any we have previously received for licensure  
24 contested cases.

25 Although many of you are new to the Board, you

1 may recall the contested licensure case at our last  
2 meeting. The recommendation on that case was consistent  
3 with prior SOAH and Board decisions to deny licensure. I  
4 believe the administrative law judge's, or ALJ's  
5 recommendations in both cases you will review today are  
6 too lenient to protect the public. In these cases the ALJ  
7 found that the Board has the authority and the legal  
8 grounds to deny licensure.

9 As background information, the Motor Vehicle  
10 Division has a licensing committee which carefully reviews  
11 applicants' criminal histories and evaluates applicants  
12 for fitness. Committee members include the licensing  
13 manager, the background research analyst, three Motor  
14 Vehicle Division attorneys, and myself as the director of  
15 the division.

16 The committee's mandate is to apply standards  
17 and existing statutes, rules and department guidelines  
18 objectively and consistently for all applicants and  
19 license holders. To do so we have to focus on not what  
20 the applicants say but rather on objective criteria. For  
21 example: how much time has passed since the last criminal  
22 conviction; will licensing the individual enable the  
23 activity to continue at their place of licensure; what  
24 documentation did the applicant provide that proves their  
25 fitness.

1           In these two cases, both individuals had recent  
2 felony convictions, one was on probation when he applied  
3 for his license renewal, and the other has only been  
4 released from jail one year prior to submitting their new  
5 application.

6           As you will see, in both cases, among other  
7 issues, the committee felt that not enough time has passed  
8 to show rehabilitation given the very serious nature of  
9 the applicant's criminal conduct. Moreover, the crimes  
10 committed by both individuals are directly related to the  
11 licensed occupation.

12           As a result, the Motor Vehicle Division is  
13 asking the Board to issue a final order in both cases,  
14 modifying the ALJ's recommendations so that the public is  
15 protected and the outcome is consistent with prior SOAH  
16 and Board decisions.

17           Now, Chairman, with your permission, I'd like  
18 to move to the first case.

19           MR. TREVIÑO: Certainly, Mr. Avitia. Please.

20           MR. AVITIA: Again, Daniel Avitia, for the  
21 record. With me this morning, is Ms. Heather Pierce. Ms.  
22 Heather Pierce provided the very capable legal  
23 representation at the State Office of Administrative  
24 Hearings on this case.

25           Agenda item 5, which can be found on page 6 of

1 your board books, is the contested case regarding the  
2 Texas Department of Motor Vehicles v. Discount Auto  
3 Brokers.

4 The ALJ found that the Board has the authority  
5 and legal grounds for denying the application due to the  
6 respondent's criminal history. However, this ALJ  
7 misapplied the law and proposed a sanction of probation.  
8 This sanction is too lenient to be effective and conflicts  
9 with prior SOAH recommendations and Board decisions.  
10 Accordingly, staff is asking the Board to issue a final  
11 order denying the renewal application and revoking  
12 Discount Auto Brokers' salvage dealer and GDN license.

13 The facts for denying the licensure in this  
14 case are very clear. Mr. Tabatabaei was warned about  
15 unlawful vehicle inspections in 2015 when two of his  
16 employees were arrested at his licensed location for  
17 conducting false emission tests. Police investigators  
18 found that 38 percent of all inspections conducted at the  
19 respondent's business location were fraudulent in a  
20 three-month period ending December of 2014.

21 Despite this warning, in 2015 Mr. Tabatabaei  
22 not only allowed the unlawful activity to continue but to  
23 increase again at his licensed business location. In this  
24 new investigation and surveillance, police found that 281  
25 vehicle inspections for the six-month period ending April

1 2016, representing 59 percent of all vehicle inspections  
2 conducted at his place of business, were fraudulent. In  
3 this second surveilled investigation, Mr. Tabatabaei  
4 allowed an employee to use his personal vehicle inspector  
5 license to perform fraudulent inspections.

6 On November 15, 2016, Mr. Tabatabaei pled  
7 guilty to the felony tampering with government records,  
8 and confessing that he unlawfully, intentionally and  
9 knowingly allowed false information to be entered into the  
10 system used by the state vehicle inspectors to document  
11 motor vehicle emissions and safety inspections.

12 This criminal activity was recent, Mr.  
13 Tabatabaei was on probation when he submitted his renewal  
14 applications, the fraud that occurred was conducted at Mr.  
15 Tabatabaei's licensed business location, so continued  
16 licensure would provide him with the opportunity to  
17 continue and repeat this conduct.

18 Therefore, staff requests the Board issue an  
19 order adopting the ALJ's corrected findings of fact and  
20 conclusions of law as recommended, denying all  
21 applications, and revoking the respondent's salvage dealer  
22 and GDN licenses, as this is the only sanction that would  
23 be consistent with current law and prior SOAH  
24 recommendations and Board decisions.

25 Mr. Tabatabaei and his counsel are present

1 today, and Mr. Wu would like to address the Board .

2 Members, that concludes my remarks. I'm happy  
3 to answer any questions.

4 MR. TREVIÑO: Any questions from Board members?

5 (No response.)

6 MR. TREVIÑO: Hearing none, I guess we proceed  
7 with Mr. Wu's presentation.

8 MR. WU: Good morning. My name is Jonathan Wu.  
9 I appreciate you guys letting us come today and say a few  
10 words.

11 I want to talk about a couple of different  
12 things with regard to the PFD and why we're here today.  
13 We believe, first of all, that the PFD should be adopted  
14 in full, the first thing. The second thing is that it's  
15 very clear in terms of what the Board's authority is with  
16 regard to the findings of facts, the conclusions of law  
17 and the recommended sanctions.

18 Now, we agree, as is I think spelled out in the  
19 draft order that the Board should have a copy of as well,  
20 the staff's draft final order, and in that draft final  
21 order we agree that the category of sanctions, the  
22 recommendation of sanctions, the ultimate determination of  
23 what the sanctions should be is fully within the Board's  
24 purview, and it is only a recommended sanction that comes  
25 from the PFD from the ALJ. But there is a reason why that

1 is a distinction or that the authority that the Board has  
2 with respect to sanctions is different than that for the  
3 findings of facts and conclusion of law.

4 Specifically under the Administrative  
5 Procedures Act, as well as decided in the board case,  
6 Texas State Board of Dental Examiners v. Brown, this is  
7 Section 2001.058(e), states that it permits a state agency  
8 to change an ALJ's finding of fact or a conclusion of law  
9 or vacate or modify an ALJ's order when the agency  
10 determines that -- and I believe that the actual language  
11 of the rule states that it's only when the agency  
12 determines: (1) that the ALJ improperly applied or  
13 interpreted applicable law, agency rules or policies or  
14 written statement of applicable rules and policies, or  
15 prior administrative decision; (2) the ALJ based her  
16 decision on a prior administrative decision that is  
17 incorrect or should be changed; (3) a finding of fact  
18 contains a technical error that should be changed.

19 I would venture that the second and third  
20 provisions there don't apply in this case. It would  
21 appear to me that the first condition there -- or the  
22 first requirement is the requirement on which the staff is  
23 attempting to justify the conclusion of law being changed.

24 Now, I will just direct you to the specific  
25 changes that the Board staff is recommending. Board staff

1 is recommending to delete conclusions of law 8 and 13, and  
2 8 and 13, if we actually look at the conclusions of law,  
3 what they are -- let's look at 13 first, I don't 8 is  
4 really that big of a deal -- 13, the department should  
5 renew Respondent's licenses, suspend them for two years,  
6 and probate the suspensions so long as Mr. Tabatabaei and  
7 respondent do not engage in misconduct during the  
8 suspensions.

9 I would agree that's a sanction. It's  
10 characterized as a conclusion of law but that's a  
11 sanction, that's a recommended sanction. So I don't think  
12 I have a problem with the Board saying ultimately that  
13 it's determined that regardless of what the findings of  
14 fact are and the conclusions of law, that's the  
15 appropriate sanction or that it's not.

16 But let's look at 12 which the Board is  
17 attempting to -- or would purport to amend. Conclusion of  
18 law number 12 states in the PFD: "Mr. Tabatabaei is fit  
19 to perform the duties and discharge the responsibilities  
20 of a used and salvage vehicle dealer, but some sanction is  
21 warranted given that his crime occurred at respondent's  
22 place of business."

23 Let's just look at that first clause. That is  
24 not a sanction. The first clause is a conclusion, it is a  
25 conclusion that the ALJ ultimately reached after listing



1 out a -- sort of it's listed out in the findings of fact.

2 In other words, the ALJ's approach here was appropriate,  
3 the ALJ set out the applicable law.

4 In this case the overwhelming framework that  
5 the ALJ operated under was whether Mr. Tabatabaei is fit,  
6 whether he is fit to perform the duties and discharge the  
7 responsibilities of a used and salvage vehicle dealer.

8 Now, it's my opinion that that's exactly what  
9 the Board staff would like for you to change, and as I  
10 mentioned, if that's the case, if Board staff believes  
11 that that should be changed, then it should only be  
12 changed if there's been a misapplication of the law, and  
13 that is not the case here.

14 If you look at the findings of fact and you  
15 read through the PFD, the ALJ made a very careful and  
16 methodical list of the things that factored into whether a  
17 person is fit to hold a license, to carry out the  
18 responsibilities and duties of a salvage vehicle dealer,  
19 and ultimately his conclusion, the conclusion of law was  
20 that he is fit, he is fit.

21 And I just want to circle back now. If the  
22 ultimate determination the ALJ made is there's all these  
23 factors involved, there's whether the crime that we're  
24 talking about was committed in relation to the license  
25 that he holds, how long ago it was, what has been his sort

1 of -- what has occurred since that time, how has he shown  
2 the ability to maintain sort of a productive life, both in  
3 terms of his license as well as outside.

4 He weighed all of those factors, he weighed all  
5 of those factors, and ultimately arrived at the decision  
6 that, yes, he's fit, he's fit, and because of that, his  
7 ultimate recommended sanction -- which the ALJ, I believe,  
8 notes that is correctly within the purview of the Board --  
9 is that in this case revocation is not appropriate because  
10 he is fit, that some other sanction is, something less  
11 than a revocation, something less than denial.

12 And so just to conclude, I would say that,  
13 again, we have no qualms, we have no dispute that the  
14 Board has the ultimate authority about what the  
15 recommended sanction is, but what the Board staff is  
16 recommending is not just a change of the recommended  
17 sanction, what the Board staff is recommending is that we  
18 change the entire conclusion of what the judge -- we  
19 change the judge's ultimate conclusion without changing  
20 any of the underlying facts, without really describing or  
21 articulating what the misapplication of the law would be.

22 I have not seen that in any of the responses from Board  
23 staff, and I would submit that there's a reason for that.

24 Thank you.

25 MR. TREVIÑO: Thank you, Mr. Wu.

1 I guess staff has some time for rebuttal. Is  
2 that correct?

3 MS. BEAVER: Five minutes for rebuttal.  
4 General Counsel Tracey Beaver, for the record.

5 MR. TREVIÑO: And before, are there any  
6 questions for Mr. Wu? Do we have questions from Board  
7 members before you respond? Does anybody have any  
8 questions for Mr. Wu?

9 MS. WASHBURN: Can we ask questions after?

10 MR. TREVIÑO: After?

11 MS. BEAVER: Yes, you may ask questions after  
12 both parties have presented their case for ten minutes,  
13 and then given five minutes for rebuttal each, then the  
14 chairman may call for questions.

15 MR. TREVIÑO: Great. No questions.

16 Then Mr. Avitia.

17 MR. AVITIA: Chairman, again for the record,  
18 Daniel Avitia, director of the Motor Vehicle Division.

19 Mr. Wu has done a fantastic job trying to  
20 represent his client, but having listened to what he just  
21 said, nothing that he has just stated has compelled me to  
22 change my mind, and I don't think anything that he has  
23 stated this morning would compel the committee that  
24 reviewed the application, the underlying crimes, would  
25 change their mind.

1           Mr. Wu spoke to the misapplication of law as a  
2 way of deterring the focus of what the crime was.

3           Essentially, and going back to my opening statements, Mr.  
4 Tabatabaei pled guilty to unlawfully, intentionally and  
5 knowingly allowing false information to be entered into a  
6 state system at his place of business which we license.

7           Corrections for Mr. Wu's information is the  
8 judge did misapply the law. The judge recommended  
9 probation for Mr. Tabatabaei. This agency does not have a  
10 compliance or probation division. The TxDMV is the  
11 ultimate decider in determining action that should be  
12 taken, and that's what we're requesting this morning.

13           Again, the respondent pled guilty to the crime,  
14 the crimes were not youthful offenses, he was not 15, 16,  
15 17 or 18, Mr. Tabatabaei was 39 when this occurred. The  
16 ALJ cannot determine the sanction as far as the crimes  
17 relate, the Board can determine what those sanctions are.

18           So again, members, I ask you to look at the  
19 underlying facts of the case, and the facts are that Mr.  
20 Tabatabaei has a history of committing this crime over and  
21 over again. Essentially, with his conviction he put 281  
22 vehicles on the road with you, with me, with our families,  
23 with everybody in the state of Texas, that probably should  
24 not have been on the road because they're unsafe.

25           Members, that concludes my remarks. I seek

1 your favorable consideration.

2 MR. TREVIÑO: Thank you, Mr. Avitia.

3 Now Mr. Wu has five minutes. Is that correct?

4 MS. BEAVER: Yes. Tracey Beaver, general  
5 counsel, for the record. Mr. Wu now has five minutes for  
6 rebuttal.

7 MR. TREVIÑO: Thank you, Ms. Beaver.

8 MR. WU: Thank you for the opportunity to say a  
9 few words in response. I just have a couple of points  
10 with regard to what staff indicated.

11 First, I would respectfully submit that it's  
12 not for the Board to determine facts here today. The  
13 finder of fact in this case was the judge. The only  
14 purview or the only authority the Board has in terms of  
15 changing what those findings of facts are were to  
16 disregard those facts, or authorized by the section I  
17 mentioned previously under the Administrative Procedures  
18 Act, specifically, if there's been some reliance on a case  
19 that was inappropriate, whether there was some clear  
20 misapplication of the law with respect to a conclusion of  
21 law. None of those occurred here, and to my ears the  
22 Board staff has not articulated what basis there would be  
23 for determining that there's been a misapplication of the  
24 law.

25 The judge ultimately arrived at the conclusion

1 that all of the facts that Board staff articulated, all of  
2 those things factored into what the judge ultimately found  
3 was that the licensee in this case, Mr. Tabatabaei, is  
4 fit, and so if the Board were to disregard that conclusion  
5 and determine that he should be revoked anyway, we have  
6 nothing to say to that regard.

7           However, if the Board is attempting to change  
8 the underlying basis to justify the revocation by saying  
9 that he is, in fact, unfit, that would not be authorized,  
10 in my opinion, based on the rules or the Administrative  
11 Procedures Act.

12           I would like to turn over the rest of my time  
13 just to have my client say a couple of words, if that  
14 would be okay.

15           MR. TREVIÑO: General Counsel Beaver, that's  
16 fine for him to yield his time to Mr. Tabatabaei?

17           MS. BEAVER: Yes, Chairman Treviño, that's fine  
18 if Mr. Wu would like to cede his time to his client.

19           MR. TREVIÑO: Great.

20           MR. WU: Thank you, Board.

21           MR. TREVIÑO: Mr. Tabatabaei, welcome.

22           MR. TABATABAEI: My name is Seyed Tabatabaei.  
23 I am not a good speaker. I'm the owner of Discount Auto  
24 Brokers. Just for the answer for Mr. Daniel for what they  
25 said that I willingly did whatever illegally that

1 happened. I am -- like I said, in the court, I did not do  
2 nothing willingly. According to the court, what I said at  
3 the court, I just plead guilty because I let my people use  
4 my license, not I willingly did something or wanted to or  
5 knew about it and I willingly did it.

6 Second thing that I want to say, I just want  
7 from you guys just a chance, you know, have a chance to  
8 take care of my family and my elderly parents. I try to  
9 be a better person, I try to do everything according to  
10 the books since this happened.

11 That was bitter experience for me, but again, I  
12 wish there was a chance that I could go back and, you  
13 know, stop whatever happened or reverse it and get it  
14 fixed, but unfortunately, there is no way for me to go  
15 back and fix whatever wrong happened.

16 So I just ask you guys to give me the chance to  
17 take care of my family and my elderly parents. Thank you  
18 very much.

19 MR. WU: Jonathan Wu for the respondent in this  
20 case.

21 I just want to clarify one thing that my client  
22 mentioned. Regarding the ALJ, in case the Board is  
23 wondering or in case maybe it passed them by during  
24 reading through the PFD, the judge actually looked at  
25 specifically the allegation of how much culpability my

1 client had in terms of the actual inspections that we're  
2 talking about, and the judge made a specific finding in  
3 that regard.

4 The judge specifically noted, I believe in  
5 findings of fact 10 that Mr. Tabatabaei knowingly allowed  
6 one of his employees to use the vehicle inspector license  
7 to perform vehicle inspections at respondent's place of  
8 business, but the judge makes very clear through the PFD  
9 and takes careful and noted time to make a determination  
10 that he was not responsible specifically for performing  
11 those inspections.

12 And so I just want to clarify that my client  
13 takes full responsibility for his part, and as the ALJ  
14 described, was a lapse in judgment, poor judgment,  
15 especially given the history, but that does not mean that  
16 he was ultimately the one performing the inspections at  
17 issue, and I think that's an important distinction, and  
18 the ALJ did exactly that.

19 Thank you.

20 MR. TREVIÑO: Thank you Mr. Wu and Mr.  
21 Tabatabaei.

22 Now do we have any questions from Board members  
23 for staff or for Mr. Tabatabaei and Mr. Wu?

24 Member Washburn.

25 MS. WASHBURN: Mr. Avitia, I have a couple of



1 questions for you.

2 So you started off by saying that based on  
3 prior Board recommendations, this was the recommendation  
4 that you would make, so it's my understanding that this  
5 happened about 2-1/2 years ago, right, or he pleaded  
6 guilty 2-1/2 years ago, which isn't very long ago. Right?

7 But he did do probation. Am I right?

8 So in general, with prior Board decisions, is  
9 there a time frame, a general time frame that we have made  
10 decisions on in the past to say, okay, at this point we  
11 feel like somebody would have demonstrated that they won't  
12 do it again?

13 MR. AVITIA: Member Washburn, to answer your  
14 question, yes. When we're looking at criminal activity,  
15 criminal convictions, we look at the various types of  
16 criminal convictions. There are some that are really,  
17 really bad and then there are some that are what we would  
18 consider not so bad. Right?

19 For example, youthful indiscretions, you're  
20 caught drinking underage, you're with some friends and  
21 you're a teenager or a young adult, you smoke marijuana,  
22 everybody gets arrested, spends the night in jail.

23 This is very different. This is 281  
24 different -- 281-plus different opportunities that Mr.  
25 Tabatabaei had the opportunity to make the right decision.

1                   And I'd also like to correct the record. I  
2 know this isn't part of your question, but it will lead to  
3 the answer. Although he stated he didn't know, that he  
4 didn't willingly do this, the record shows that he did, he  
5 was present, he was surveilled, surveilled with his staff,  
6 standing next to them running the clean scanning  
7 operation.

8                   And I'll tell you what, if you were find out  
9 that there was surveillance going on at the Avitia  
10 household, I think you'd be concerned. Right? If you  
11 found out I had a felony, I probably wouldn't be fit to be  
12 sitting in this chair, making this decision and speaking  
13 to you all about criminal convictions.

14                   So the answer is yes, we do consider the amount  
15 of time that has passed between criminal convictions.

16                   MS. WASHBURN: And at what point could he  
17 reapply for a license?

18                   MR. AVITIA: For a situation like this we'd be  
19 looking at minimum of five years of -- again, going with  
20 the Occupations Code, five years of no issues.

21                   Now, I will say what the judge is recommending  
22 is that we probate his licenses, essentially revoke and  
23 probate but let him operate for two years. Again, we  
24 don't have a probation office set up in this department.  
25 There's nobody for him to report to monthly or quarterly

1 or whatever.

2           Again, the facts of the case remain. He  
3 admitted guilt and that's on the record, 281-plus times.  
4 He was warned in 2014 that this was happening at his place  
5 of operation. 2015 comes around, it's still continuing  
6 but only increased, it didn't stop. He had 281-plus times  
7 to make the right decision and he didn't.

8           Does that answer your question?

9           MS. WASHBURN: Yes. Thank you.

10          MR. WU: May I have an opportunity to respond  
11 to that?

12          MS. BEAVER: Mr. Chairman, there was a little  
13 bit of extra presentation in that answer, so I do think it  
14 would be fine for Mr. Wu to have an additional couple of  
15 minutes.

16          MR. TREVIÑO: Thank you, Counsel.

17          Mr. Wu, go ahead.

18          MR. WU: Thank you.

19                 I just wanted to -- I'll read directly from the  
20 proposal for decision: "Importantly" -- and this is on  
21 page 11 of the PFD -- "staff did not prove that Mr.  
22 Tabatabaei knew or even should have known that Ms. Barrios  
23 was using his inspector license to conduct illegal  
24 emissions inspections by clear scanning. The officer's  
25 conclusion regarding the level of Mr. Tabatabaei's

1 involvement in Ms. Barrios's illegal activity is  
2 speculative. There was no evidence presented to support  
3 the assertions of Officer Martinez's report."

4 He goes on: "Mr. Tabatabaei admitted that he  
5 allowed Ms. Barrios to use his vehicle inspector license  
6 to perform inspections and enter information regarding  
7 inspections into the TINS, however, he testified that he  
8 did not know until he was arrested that Ms. Barrios had  
9 used his license to enter false information regarding  
10 those inspections into the TINS. The ALJ finds this  
11 testimony credible."

12 That's what's in the record. Thank you.

13 MR. TREVIÑO: Thank you, Mr. Wu.

14 Mr. Avitia.

15 MR. AVITIA: Chairman, thank you for the  
16 opportunity to respond to that.

17 Mr. Wu again is incorrect and misstating facts  
18 that are already in the case. The facts are that Mr.  
19 Tabatabaei has been convicted. Staff did not have to  
20 prove a conviction for the action. Their surveillance  
21 record is on the record. That's clear and the fact is  
22 there.

23 It doesn't get any clearer than that for me.  
24 He committed these crimes, he's being surveilled for  
25 months on end, it's not just a day or two, he was

1 surveilled for months on end in order to reach the  
2 conclusion of the conviction.

3           Again, nothing that Mr. Wu has said is making  
4 me change my mind.

5           MR. TREVIÑO: Thank you, Mr. Avitia.

6           Any other questions?

7           MR. PREWITT: So Discount Auto Brokers is owned  
8 by who? Is this gentleman the sole owner?

9           MR. WU: Yes, sir, 100 percent.

10          MR. PREWITT: And so you're the sole applicant  
11 for the license?

12          (Mr. Tabatabaei spoke from audience.)

13          MS. BEAVER: I'm sorry. Tracey Beaver, general  
14 counsel. If we could have Mr. Tabatabaei come up to the  
15 podium so that he has the microphone to make sure that his  
16 answers get into the record.

17          MR. PREWITT: Thank you.

18          MR. TREVIÑO: Mr. Tabatabaei, would you come to  
19 the podium, please.

20          MR. PREWITT: Yes, sir. If I may repeat again.  
21 So you own 100 percent of the company. Is that correct?

22          MR. TABATABAEI: Yes, sir.

23          MR. PREWITT: And you're the sole applicant for  
24 the license that was given to you?

25          MR. TABATABAEI: Yes, sir.

1 MR. PREWITT: Okay. That's all I have for  
2 questions.

3 MR. TREVIÑO: Members, any other questions?  
4 (No response.)

5 MR. TREVIÑO: Mr. Avitia, one more time, so the  
6 sanctions your staff is suggesting are more consistent  
7 with past infractions or cases of this kind. Is that  
8 correct?

9 MR. AVITIA: Correct, Chairman, yes, sir. The  
10 sanction that we're recommending is revocation. Again,  
11 going back to the committee review of information, we try  
12 very hard -- even though all crimes are different and  
13 committed differently, we try very hard to make our  
14 decisions consistently and objectively.

15 There are other cases where we have revoked  
16 licenses where an instance of clean scanning only occurred  
17 one or two times in conjunction with other criminal  
18 activity, one or two times. This was 281-plus times.

19 Again, we seek your favorable consideration.

20 MR. TREVIÑO: All right. Thank you.

21 Any other questions for Mr. Wu or Mr.  
22 Tabatabaei or Mr. Avitia?

23 (No response.)

24 MR. TREVIÑO: Hearing none, I would like for a  
25 motion.

1 MR. PREWITT: Mr. Chairman.

2 MR. TREVIÑO: The chair recognizes Member  
3 Prewitt.

4 MR. PREWITT: I move that the Board enter  
5 staff's proposed final order which modifies the PFD by:  
6 one, deleting conclusions of law 8 and 13 because the ALJ  
7 misapplied the law; two, amending conclusion of law number  
8 12 because the ALJ misapplied the law; and three, denying  
9 the respondent's renewal applications and revoking  
10 existing GDN and salvage dealer licenses; and finally,  
11 four, the sanction in the PFD of a probated license is too  
12 lenient to be effective, the sanctions of denial of  
13 respondent's application for renewal and revocation of  
14 respondent's GDN license and salvage dealer license is  
15 appropriate and consistent with prior Board administrative  
16 decisions. The Board, not the ALJ, is the decision-maker  
17 concerning sanctions in a contested case.

18 MR. TREVIÑO: We have a motion from Board  
19 Member Prewitt. Do we have a second?

20 MS. McRAE: I second that motion.

21 MR. TREVIÑO: We have a second from Member  
22 McRae.

23 Any further discussion? Would anybody like to  
24 make any further statements or any discussion?

25 (No response.)

1 MR. TREVIÑO: Hearing none, I call for the  
2 vote. All those in favor please signify by raising your  
3 right hand.

4 (A show of hands.)

5 MR. TREVIÑO: All those opposed same sign.

6 (No response.)

7 MR. TREVIÑO: Let the record reflect that there  
8 were one, two, three, four, five, six votes for, and zero  
9 votes against. The motion carries unanimously.

10 Mr. Tabatabaei, it gives this Board no  
11 pleasure, but the motion carries. Thank you.

12 MR. TABATABAEI: Thank you.

13 MR. TREVIÑO: Okay. We'll move on to agenda  
14 item number 6, Daniel Avitia and Brian Coats will now  
15 address this contested case.

16 MS. BEAVER: Mr. Chairman, Tracey Beaver,  
17 general counsel, for the record.

18 MR. TREVIÑO: Yes.

19 MS. BEAVER: I believe Ms. Barriga is here as  
20 well so that she will be able to present on her case. Mr.  
21 Avitia will start, he'll have ten minutes, Ms. Barriga  
22 will have ten minutes, and then they'll each have five  
23 Minutes for rebuttal.

24 MR. TREVIÑO: Great. Thank you very much,  
25 General Counsel.



1 MR. AVITIA: Chairman, may I proceed?

2 MR. TREVIÑO: Yes, please. Mr. Avitia, please  
3 go on.

4 MR. AVITIA: Thank you.

5 Chairman, members, Ms. Brewster, again good  
6 morning. For the record, Daniel Avitia, director of the  
7 Motor Vehicle Division.

8 With me this time on this case is Mr. Brian  
9 Coats. Mr. Coats provided, again, the legal and very  
10 capable representation at the State Office of  
11 Administrative Hearings.

12 Agenda item 6, which can be found on page 49 of  
13 your board books, is contested case regarding the Texas  
14 Department of Motor Vehicles v. Brianna Barriga, Discount  
15 Auto Sales.

16 On this matter the ALJ found that the Board has  
17 the authority again and legal grounds for denying the  
18 application due to Ms. Barriga's criminal history,  
19 however, again the ALJ misapplied the law and based on  
20 flawed fitness factors analysis recommended Ms. Barriga be  
21 licensed.

22 The ALJ recommendation conflicts with prior  
23 SOAH recommendations and Board decisions again.  
24 Accordingly, staff is asking the Board to issue a final  
25 order denying the application for a general distinguishing

1 license.

2 The facts for denying licensure in this case  
3 are clear. Ms. Barriga has a pattern of adult criminal  
4 activity. Over a five-year period, she had seven criminal  
5 convictions, with six pertaining to illegal drugs, and all  
6 are recent.

7 The criminal activity includes: June 2011,  
8 possession of marijuana; October 2013, possession of  
9 marijuana; January 2014, criminal trespassing; October  
10 2014, possession of a controlled substance; October 2014,  
11 possession of a dangerous drug; October 2014, possession  
12 of marijuana; and March 2015, possession of a controlled  
13 substance.

14 Additionally, Ms. Barriga falsified her State  
15 of Texas licensure application when she submitted it. She  
16 did not disclose six of her convictions until after the  
17 Motor Vehicle Division conducted a criminal background  
18 investigation which uncovered the additional convictions.

19 Ms. Barriga was sentenced to two years  
20 confinement for her most recent conviction and was  
21 incarcerated until March 2017. She applied for a license  
22 only one year later. One year is insufficient time, as  
23 six of the convictions occurred less than five years  
24 before her application date and the longest time gap  
25 between convictions was approximately 2.5 years.

1 Ms. Barriga offered no proof of rehabilitation,  
2 provided no exhibits of proof of anything in the trial,  
3 for that matter. Ms. Barriga did not participate in  
4 support groups or other rehabilitative activities while  
5 incarcerated or after release or provided other evidence  
6 such as recent drug tests.

7 The recommendation letters provided by Ms.  
8 Barriga that were submitted are of limited value. A  
9 letter from her mother carries limited weight because of  
10 the close relationship. The reference letter from her  
11 attorney is also limited as this attorney only represented  
12 her in the last criminal conviction.

13 Ms. Barriga did not provide evidence of steady  
14 employment, rather, she provided two pay stubs showing she  
15 worked for only about 4.3 months in late 2017 and in 2018.

16 Ms. Barriga did not provide evidence that she financially  
17 supports anyone. Ms. Barriga did not provide any  
18 documents showing she paid any or all court fees.

19 Therefore, staff requests the Board issue an  
20 order adopting the ALJ's findings of fact and conclusions  
21 of law, as recommended by staff, again, denying Ms.  
22 Barriga's GDN application. We believe this is the only  
23 sanction that would be consistent with current law and  
24 prior SOAH recommendations and Board decisions.

25 Ms. Barriga is present this morning and would

1 like to make comments to the Board.

2 Members, that concludes my remarks. I'm happy  
3 to answer any questions you have.

4 MR. TREVIÑO: Thank you, Mr. Avitia.

5 Any questions from the Board at this point?

6 (No response.)

7 MR. TREVIÑO: No. At this point I guess we  
8 will ask Ms. Barriga to please come to the podium.  
9 Welcome.

10 MS. BARRIGA: Hello. Okay, where to start. In  
11 all these charges, I was an adolescent. I'm only 26 years  
12 old as of now. I was confined from March 2015 to March  
13 2017, and that was my rehabilitation while I was in there.

14 I'd like for y'all to consider that. Now since I've been  
15 out I've had a steady, I've kept a steady job, I maintain  
16 my own household with me and my eight-year-old son.

17 The reason why I want this license is I grew up  
18 in this business with my parents, I've been around it,  
19 they had the license for over 20-plus years. They're  
20 getting old, my dad is sick, and he handed it down to me  
21 and this is going to be my career. Like what happens  
22 today will determine like the rest of my life, for me, my  
23 son, my parents. I just hope y'all take that like into  
24 consideration.

25 And there was more factors than denials on the

1 proposal that was sent to me. It's not that I didn't want  
2 to send all of my convictions through the application, it  
3 was just it only let me submit one. I did keep in touch  
4 with -- I'm not sure her name off the top of my head, but  
5 I kept in touch for this whole year, I've been checking up  
6 on it, I've been consistent with it. She sent me a thing  
7 back letting me know how to put the rest of my convictions  
8 on there. It's not that I didn't want y'all to know, it's  
9 that I didn't know how to do it.

10 I take full responsibility for all of my  
11 charges. I have changed, and I'm asking for a second  
12 chance. I know everyone deserves a second chance,  
13 everyone needs a second chance, and if I didn't want it  
14 this bad, I would have just let it go a year ago. I've  
15 been working on this since 2018 March. I have changed and  
16 just hope y'all take that into consideration.

17 Since I've been out for 28 months I have not  
18 been in no trouble, not even a minor traffic ticket,  
19 nothing at all, like anything at all, and I just hope  
20 y'all take that in consideration, and just give me a  
21 chance and let me show y'all that I can do what I need to  
22 do and I can abide by the law.

23 And my charges were when I was young, I didn't  
24 know no better, I've learned my lesson, and just trying to  
25 grow, want this as my career.

1                   And that's all I have to say for now. Thank  
2 y'all for having me here.

3                   MR. TREVIÑO: Thank you, Ms. Barriga, for  
4 coming to speak with us today.

5                   MS. BARRIGA: Yes, sir.

6                   MR. TREVIÑO: Any questions for Ms. Barriga?  
7 Does anyone on the Board have any questions?

8                   (No response.)

9                   MR. TREVIÑO: Mr. Avitia, there's some time for  
10 rebuttal, I believe.

11                   MR. AVITIA: Yes, Chairman. Thank you for the  
12 time.

13                   I do applaud Ms. Barriga not having any  
14 additional criminal convictions in the last 20-plus  
15 months. That is significant. I don't take these  
16 decisions lightly, it's a very difficult decision, but  
17 nonetheless, my job is to uphold the standards of the law  
18 with regard to licensure for this department.

19                   Again, I feel like not enough time has passed  
20 in this situation. It's not to say never, but just not  
21 right now.

22                   MR. TREVIÑO: Thank you, Mr. Avitia.

23                   Any questions for Mr. Avitia?

24                   (No response.)

25                   MR. TREVIÑO: Ms. Barriga, you have a few

1 minutes for rebuttal. You have a few more minutes if  
2 you'd like to say anything else.

3 MS. BARRIGA: I know much time hasn't passed,  
4 but I know myself and I know how much I have grown as in a  
5 person and as in a mother, as in a daughter, just overall,  
6 and I hope y'all give me this opportunity so I can  
7 continue to move forward.

8 These charges, they stopped me from so many  
9 things in my life since I've been out and it's been pretty  
10 crazy for me, but I'm not going to give up. Even if I get  
11 denied today, whenever I can reapply a year from now, I'm  
12 going to do it again.

13 My five years -- my last charge was in 2015,  
14 March 2020, it's been five years. If I've got to wait  
15 that long, I'll wait that long, but I hope y'all could  
16 give me the chance to show y'all that I have changed and I  
17 can continue my parents' business.

18 That's all I'd like to say.

19 MR. TREVIÑO: Thank you, Ms. Barriga.

20 MS. BARRIGA: Thank you.

21 MR. TREVIÑO: Do any of the members of the  
22 Board have any further questions for either Mr. Avitia or  
23 Ms. Barriga?

24 MS. WASHBURN: I have a question. So you're  
25 applying for a new license. Correct?

1 MS. BARRIGA: Yes, ma'am. This business was  
2 handed down to me.

3 MS. WASHBURN: I'm not sure who I'm supposed to  
4 be asking this question to, so I apologize. Does somebody  
5 have a license today?

6 MS. BARRIGA: No, ma'am. My parents, like I  
7 said, my dad, he's old, so they no longer have the license  
8 and they pretty much just handed it down to me.

9 MS. WASHBURN: Thank you.

10 MR. TREVIÑO: Any other further questions?

11 (No response.)

12 MR. TREVIÑO: Hearing none, I would entertain a  
13 motion from the floor.

14 MR. SCOTT: Mr. Chair.

15 MR. TREVIÑO: The chair recognizes Member  
16 Scott.

17 MR. SCOTT: I move the Board adopt staff's  
18 entire proposed final order, including the denial of the  
19 GDN license application.

20 MR. TREVIÑO: We have a motion from Member  
21 Scott. Do we have a second?

22 MR. PREWITT: Second.

23 MR. TREVIÑO: Second by Member Prewitt.

24 Any further discussion? Any further comments?

25 The chair recognizes Member Scott.



1 MR. SCOTT: I think the application should be  
2 denied, but Ms. Barriga should feel free to reapply.

3 MR. TREVIÑO: Your mic, Member Scott.

4 MR. SCOTT: Oh, I'm sorry.

5 MR. TREVIÑO: Thank you.

6 MR. SCOTT: I think the application should be  
7 denied in this case but Ms. Barriga should feel free to  
8 reapply after more time has passed. I think we should see  
9 more evidence of rehabilitation, a demonstration of  
10 continuous employment, and a longer period where there  
11 have not been any convictions.

12 MR. TREVIÑO: Thank you, Member Scott.

13 Any other comments or thoughts on that?

14 (No response.)

15 MR. TREVIÑO: Hearing none, I would call for  
16 the vote. All those in favor of Member Scott's motion  
17 please signify by raising your hand?

18 (A show of hands.)

19 MR. TREVIÑO: All those opposed, same sign.

20 (No response.)

21 MR. TREVIÑO: The motion carries six votes for  
22 and zero votes against. The motion is unanimous.

23 Again, this gives the Board no pleasure but the  
24 motion carries. But, Ms. Barriga, the one thing that I  
25 would suggest is that this isn't the destination, today

1 isn't the destination, it's another step on a long  
2 journey, a very difficult journey for you.

3 This Board understands the challenges that  
4 you've faced in many ways and we would encourage you to  
5 continue on this and not give up. The steps you've taken  
6 are admirable, and we would just encourage you, please, to  
7 stay on that track and hopefully we see you here soon.

8 MS. BARRIGA: Yes, sir. Thank y'all.

9 MR. TREVIÑO: Thank you, thank you.

10 MR. AVITIA: Members, thank you.

11 MR. TREVIÑO: Thank you, Mr. Avitia.

12 And that's it for contested cases. Right,  
13 General Counsel?

14 All right. We'll now move on to agenda item  
15 number 7, rules review, the adoption of rule review. I'll  
16 turn it over to our general counsel, Ms. Tracey Beaver.

17 Ms. Beaver.

18 MS. BEAVER: Thank you, Chairman and Board  
19 members. For the record, Tracey Beaver, general counsel.

20 The first item, number 7, before you for rule  
21 review starts on page 113 of your board books. This is  
22 the adoption of three chapters of rule review.

23 Every four years after a rule is adopted, a  
24 state agency must review and consider for readoption those  
25 rules and determine whether the reasons for initially

1 adopting those rules continue to exist, and that's what's  
2 called rule review under the Government Code  
3 Administrative Procedures Act, so those are the chapters  
4 that are before you today. Following that rule review,  
5 the agency will readopt the rules, propose rules for  
6 amendment, or repeal them in a separate rulemaking.

7 At the February 7, 2019 Board meeting, staff  
8 presented proposed rule reviews for these same chapters,  
9 Chapters 208, 209, and 210. On March 1, 2019 the  
10 department published its notice of intention to review  
11 these rules and the comment period closed on April 1 of  
12 2019. No comments from the public were received.

13 Following its review, the department has  
14 determined that the reasons for initially adopting those  
15 rules continues to exist and therefore recommends that we  
16 readopt these rules without amendments. If the Board  
17 adopts the rule reviews today, staff anticipates  
18 publication of adoption of the rule review in the June 28,  
19 2019 issue of the *Texas Register*.

20 Item 7.A. on the agenda, the first, Chapter  
21 208, Employment Practices, includes sick leave pool and  
22 employee training and education; item 7.B. on the agenda  
23 relates to the notice of readoption of Chapter 209  
24 regarding Finance; and item 7.C. on the agenda relates to  
25 the notice of readoption of Chapter 210 regarding Contract

1 Management.

2 As a result of the department's review of  
3 Chapter 210, the department may propose amendments to  
4 Subchapter A of that chapter in future rulemaking under  
5 the Texas Administrative Procedures Act to correct an  
6 outdated citation and remove some unnecessary language.  
7 So none of those items would prevent us from recommending  
8 readoption because we can suggest those amendments in a  
9 future rulemaking.

10 So staff today recommends Chapters 208, 209,  
11 and 210 for Board approval.

12 MR. TREVIÑO: Any comments or questions for Ms.  
13 Beaver from the Board?

14 (No response.)

15 MR. TREVIÑO: Hearing none, do I have a motion?

16 MS. GILLMAN: I move that the Board approve the  
17 readoption of Chapters 208, 209, and 210, as recommended  
18 by staff.

19 MR. TREVIÑO: Great. We have a motion from  
20 Member Gillman. Do we have a second?

21 MR. SCOTT: Second.

22 MR. TREVIÑO: A second from Board Member Scott.

23 Any further discussion?

24 (No response.)

25 MR. TREVIÑO: Hearing none, I'll call for the

1 vote. All those in favor please signify by raising your  
2 hand.

3 (A show of hands.)

4 MR. TREVIÑO: All opposed?

5 (No response.)

6 MR. TREVIÑO: Motion carries six-zero. Thank  
7 you very much. The motion is unanimous.

8 We'll now move on to number 8. Before the Board  
9 considers items 8 and 9, our general counsel, Ms. Tracey  
10 Beaver, will brief the Board on the informal rule process.

11 Ms. Beaver.

12 MS. BEAVER: Thank you, Chairman. Tracey  
13 Beaver, general counsel, for the record.

14 Before Mr. Avitia presents these rules for your  
15 consideration, I'd like to explain the informal rule  
16 process. Posting informal working drafts of rules on our  
17 website for public comment prior to formally proposing  
18 rules is a new process for this agency.

19 The purpose of posting informal working drafts  
20 of rules on our website is to have a more inclusive and  
21 transparent process. It allows us to more fully vet  
22 issues and develop rules with stakeholder feedback early  
23 on in the process prior to the formal proposal, and  
24 informal rules provide an additional opportunity for the  
25 public and stakeholders to provide feedback and provide

1 comments to the agency so that we can ensure that there  
2 are no unintended consequences in our rules and make them  
3 a better product prior to formally proposing them.

4 And today staff is requesting Board approval to  
5 post some informal working draft rules on the department's  
6 website for informal comment, so I wanted to give you a  
7 brief overview prior to staff's presentation.

8 I'm happy to answer any questions.

9 MR. TREVIÑO: Does anybody have any questions  
10 for Ms. Beaver?

11 (No response.)

12 MR. TREVIÑO: Well, it sounds like a more  
13 efficient process, so great.

14 So we'll move on now to agenda item 8 regarding  
15 informal rules for Chapter 215 and 221, and I will turn it  
16 over to Mr. Daniel Avitia.

17 Mr. Avitia.

18 MR. AVITIA: Chairman, thank you. Again, good  
19 morning.

20 With your permission, I'm happy to take up 215  
21 and 221 together.

22 MR. TREVIÑO: Please.

23 MR. AVITIA: Again for the record, Daniel  
24 Avitia, director of the Motor Vehicle Division. Today I'm  
25 asking the Board's approval to post informal working

1 drafts of updates and revisions to Chapter 215 and Chapter  
2 221 on the TxDMV's website for public comment.

3 The modifications to 215 clarify that the  
4 department may take into consideration a person holding  
5 any ownership interest in a licensed entity, not those  
6 just holding 50 percent. This would make our rule  
7 consistent with law; currently it is not. As well as some  
8 cleanup to update citations and correct grammar in 215.

9 The additions to Chapter 221 Salvage will  
10 implement the Sunset Advisory Commission's recommendation  
11 number 4.6, which directs the department to adopt criminal  
12 history evaluation rules and guidelines for salvage  
13 industry regulation.

14 I believe these changes will conform the  
15 department's rules to existing state policy to the way the  
16 other motor vehicle licensees are regulated. This will  
17 ensure fair and objective evaluation of criminal history  
18 that directly connects specific types of crimes to the  
19 salvage industry.

20 Members, this concludes my remarks. Again, I'm  
21 just asking for permission to post these informally on our  
22 website. Happy to answer any questions.

23 MR. TREVIÑO: Any questions for Mr. Avitia?

24 (No response.)

25 MR. TREVIÑO: I have a question for Ms. Beaver,

1       though. This process, though, is new to our agency. Is  
2       this also new to other state agencies as well?

3               MS. BEAVER: Thank you, Chairman. Tracey  
4       Beaver, general counsel, for the record.

5               Other state agencies in Texas also post rules  
6       informally on their website. Other agencies such as the  
7       Health and Human Services Commission, Texas Department of  
8       Insurance, Railroad Commission, and Department of Workers  
9       Compensation are a few that I'm aware of.

10              MR. TREVIÑO: Great. Okay. Well, it sounds  
11       like a great new process, and thank you for your efforts  
12       here.

13              So any questions, any other questions?

14              (No response.)

15              MR. TREVIÑO: Then the chair would entertain a  
16       motion from the floor. Do I have a motion?

17              MS. McRAE: Yes. I would move that the Board  
18       approve the informal working drafts for Chapters 215 and  
19       221 for posting on the department website for informal  
20       public comment, and if needed, meetings with the  
21       stakeholders and the public.

22              MR. TREVIÑO: Great. Thank you.

23              We have a motion from Board Member McRae. Is  
24       there a second?

25              MS. WASHBURN: Second.



1 MR. TREVIÑO: A second from Member Washburn.

2 Any further discussion?

3 (No response.)

4 MR. TREVIÑO: Hearing none, I'll call for the  
5 vote. All those in favor please signify by raising your  
6 hand.

7 (A show of hands.)

8 MR. TREVIÑO: Six votes for.

9 And all those against.

10 (No response.)

11 MR. TREVIÑO: None against. The motion  
12 carries unanimously.

13 Thank you very much, Mr. Avitia.

14 MR. AVITIA: Members, thank you.

15 MR. TREVIÑO: Get those things posted, get it  
16 out there.

17 We'll now move on to agenda item 10, Finance  
18 and Audit. First we will hear from Ms. Linda Flores and  
19 then from Ms. Ann Pierce on the interagency contract,  
20 agenda item 10.A. Great to have you here.

21 Ms. Pierce, good to see you. Thank you for  
22 taking such good care of this place. I think I speak for  
23 the Board when I say thank you very much for all the hard  
24 work you do. I know it's a tough one.

25 MS. PIERCE: Thank you very much, sir.

1 MR. TREVIÑO: Great. Ms. Flores.

2 MS. FLORES: For the record, Linda Flores,  
3 chief financial officer for the Texas Department of Motor  
4 Vehicles. And to my right is Ann Pierce. She's the  
5 assistant division director for Finance and Administrative  
6 Services.

7 And as Chairman Treviño indicated, Ms. Pierce  
8 oversees the management of all things that others don't  
9 want to or cannot manage for our core function. So she  
10 manages the scanning group, we scan digital images for the  
11 agency. We have a mailroom staff. We recently hired two  
12 folks to take care of facilities, along with a manager.  
13 We have one more posting we're about to complete and  
14 that's a first for this agency, we've never had a facility  
15 group.

16 We also have a fleet manager, we have one fleet  
17 manager who oversees 43 vehicles plus ten more surplus, so  
18 over 50 vehicles. And she does that with limited  
19 resources, if you can imagine, so kudos to Ms. Pierce and  
20 her group. I know she's got some staff that she's wanting  
21 to recognize at the end of this presentation.

22 So with that, I will turn to agenda item 10.A.  
23 This agenda item is an amendment to the current  
24 interagency agreement between Texas Department of Motor  
25 Vehicles and the Texas Department of Transportation. This

1 interagency agreement was set in place several years ago  
2 when the agency was created. As you know, we reside on  
3 property that's owned and managed by TxDOT, so the  
4 interagency agreement lays our responsibilities for both  
5 agencies, and there's some give and take on both sides for  
6 things that we'll provide to them, things that they will  
7 provide to us.

8 The last major piece for this relationship  
9 between the two departments is basic maintenance of this  
10 campus, and we have a not-to-exceed amount in the contract  
11 for a million dollars. I'm here today to request approval  
12 to increase that to \$1.1 million. That is to ensure that  
13 we have sufficient funds in the contract for work that we  
14 anticipate to occur through the end of this fiscal year.

15 That increase is associated with some projects  
16 that we have underway, such as some electrical repairs  
17 that's in need, some security services that we've actually  
18 seen an increase in coverage for the folks who monitor our  
19 campus as well as here in the lobby, and finally, we have  
20 a rear warehouse door that we're asking TxDOT to help  
21 replace. So there's several things in there that would be  
22 part of that \$100,000, and I ask for your positive  
23 consideration of that request.

24 MR. TREVIÑO: Great. Thank you very much, Ms.  
25 Flores, and thank you for all you do for the State of

1 Texas too, by the way.

2 Any questions?

3 (No response.)

4 MR. TREVIÑO: How long has that \$1 million  
5 ceiling been in effect?

6 MS. FLORES: The original contract was set at  
7 \$3 million back in the day, and that was, I would say, at  
8 least six years ago, I believe, and then once we  
9 transitioned the IT portion, which was the majority of  
10 that, and I would say that was at least 2-1/2 years ago,  
11 that \$3 million went down to \$1-, so we made significant  
12 strides once we got the IT servers out of Building 6.

13 MR. TREVIÑO: Okay. Very good.

14 Any other questions for Ms. Flores?

15 (No response.)

16 MR. TREVIÑO: Okay. Hearing none, the chair  
17 would entertain a motion from the floor.

18 MS. WASHBURN: I move that the Board authorize  
19 the agency's executive director to negotiate and execute  
20 an amendment to fiscal year 2018 and fiscal year 2019  
21 interagency contract between the Texas Department of  
22 Transportation and the Texas Department of Motor Vehicles  
23 to modify the not-to-exceed amount from \$1 million to \$1.1  
24 million.

25 MR. TREVIÑO: We have a motion from Member

1 Washburn. Do we have a second?

2 MR. PREWITT: Second.

3 MR. TREVIÑO: We have a second from Member  
4 Prewitt.

5 Any further discussion?

6 (No response.)

7 MR. TREVIÑO: Hearing none, I'll call for the  
8 vote. All those in favor please signify by raising your  
9 hand.

10 (A show of hands.)

11 MR. TREVIÑO: And those opposed?

12 (No response.)

13 MR. TREVIÑO: Motion carries unanimously, six  
14 to nothing.

15 Okay. There you go, Ms. Flores. Use that  
16 money wisely. I know you will.

17 Next we'll hear from Ms. Flores and John  
18 Ralston on agenda item 10.B.

19 Ms. Flores.

20 MS. FLORES: Thank you.

21 Again, Linda Flores, chief financial officer.  
22 And to my right at this time is John Ralston. He is our  
23 lead analyst for the budget section. Normally Renita  
24 Bankhead would be to my right; Renita retired in May after  
25 more than 35 years with the State of Texas.

1           So today the material that we'll be covering  
2 starts on page 179 of your board book, and this is a  
3 preliminary operating budget, there is no action required  
4 of the Board at this time.

5           We will be back in front of you in August where  
6 we'll ask for your approval to implement the recommended  
7 operating budget. The reason is that our appropriations  
8 are still kind of in play until the Governor's veto period  
9 expires on June 16, so until that happens, we don't want  
10 to make any commitments that we can't keep with regards to  
11 our budget.

12           So on page 179 this lays out how we fared  
13 during the 86th Legislative Session. We identified what  
14 we asked for and what was approved through conference at  
15 the end of Memorial Day. So we asked for \$321.5 million,  
16 but what was approved was \$309.4 for the next two years.

17           The department was successful in getting a few  
18 things through that we had requested for consideration,  
19 specifically when it came to full-time equivalents, FTEs,  
20 staffing. We were approved to increase our staffing  
21 levels by 21 people, and that's pretty major in the state  
22 when they're not very open to increasing workforce. Those  
23 FTEs were associated with two programs exceptional items.

24           The IT development staffing that Mike  
25 Higginbotham mentioned yesterday, we received twelve new

1 staff, along with the Consumer Service Enhancement  
2 Division, they received nine staff to improve the call  
3 center, eight call takers and one trainer. We also  
4 received money for a consumer tracking protection system  
5 that was part of our Sunset bill. \$2.7 million for  
6 infrastructure in IT, again, that was part of our Sunset  
7 recommendation.

8 We received increased funding for something  
9 that's called Statewide Cost Allocation Plan. These are  
10 things that agencies that are not general revenue, such as  
11 us, reimburse the State of Texas for services provided by  
12 the Attorney General's Office, the State Library Archives,  
13 so all those other agencies that are GR, we reimburse them  
14 for services that they provide to us, and it's expensive.

15 And we also received \$500,000 in capital to  
16 help renovate a couple of regional service centers out in  
17 our area. We're trying to standardize the look and feel  
18 of all of our service centers, and this will go a long way  
19 in helping us with that.

20 We were not fortunate in some other things, as  
21 you can see up on the screen. We currently have \$9.8  
22 million for headquarters maintenance and we were asking  
23 for another \$9.8-, and \$5.1- was not approved, but I will  
24 mention -- and you'll see this on the next slide -- they  
25 did give us some flexibility when it comes to

1 headquarters, so we're not too bad off.

2 We also were not successful in achieving an  
3 increase to the Auto Burglary and Theft Prevention grants.

4 They were so close this session, there seemed to be a lot  
5 of support for that program. Again, I think the next  
6 go-round in the 87th we might see that turn around. We've  
7 been asking for an increased level of funding for that  
8 program since the inception of this agency and it hasn't  
9 worked out, but I think maybe next time.

10 We also received some new riders, and these are  
11 also as well as up on the screen, they are in your board  
12 book on page 181.

13 Since the agency was created back in 2010-11,  
14 we've been asking for some of these authority to carry  
15 forward unspent dollars and it's not lightly given by the  
16 legislature. A lot of times they hold back on that  
17 because they want to make sure that the agency is read,  
18 that they're not just going to be lapsing dollars because  
19 they know they can carry forward into the next year, so  
20 the fact that we've actually received that authority this  
21 go-round says a lot for this agency.

22 Not spending your state match for a federal  
23 grant and being able to carry forward into the next year,  
24 that's big for us. We only have one grant but a lot of it  
25 is tied to capital items and operating dollars, so if you



1 don't spend it in one year, that state match normally  
2 lapses.

3           The first UB that we you see up on the screen  
4 allows us to carry forward that unspent state dollar to  
5 match the grant going forward, so that's pretty  
6 significant. The other one, and this is what's going to  
7 help us with the headquarters maintenance projects -- the  
8 next two actually -- one is for the HQ security and  
9 badging system, and then the maintenance dollars.

10           Right now everything that we use, our cards to  
11 access the building is run on TxDOT applications, so the  
12 security and badging system will be totally separate in  
13 the next year or so. We'll have our own staff to run it,  
14 we'll have our own application, our own cameras to take  
15 pictures, and so that's another step in becoming  
16 independent, if you will.

17           The maintenance dollars, again, this gives us  
18 the flexibility that's going to make up for that \$5.1-  
19 that wasn't approved. So we anticipate that we're going  
20 to be carrying forward almost \$4.2 million into FY20, so  
21 we will use this UB authority to cover some of the things  
22 that we would have taken care of that are currently in the  
23 works, if you will.

24           Then the last one is really major for this  
25 agency. Being able to carry forward just any operating

1 dollar that isn't spent in year one into year two, that is  
2 very significant. We normally lapse \$11 million every  
3 year, so the fact that we can carry that forward into the  
4 next year is going to help us with some of the activities  
5 that are coming out from that TOAP program, some of our  
6 strategic planning, that will go a long way in helping us  
7 achieve our goals.

8           If you'll turn to page 182 of your document,  
9 I'll give you a really brief overview of our  
10 appropriation. This agency, again, it started -- all the  
11 legislatures have numbers, the 81st was what actually  
12 helped to create this agency, and that was in '10 and '11,  
13 and as Matthew indicated, I'm one of the 50 percent, I  
14 think, that's been here since the inception of the agency;  
15 I'm one of those.

16           But what you don't see is several years back I  
17 think our appropriations were like about \$125 million a  
18 year, so we've grown significantly. In '14-15, the two  
19 years prior to that was when Motor Carrier came over, so  
20 that 763, think about one chart next to that, our staffing  
21 levels were at the 600s. Jimmy's Motor Carrier group,  
22 Oversize/Overweight came over, boom, we moved up to 763,  
23 and we were kind of steady until this current biennium.  
24 We peaked in '18-19, we actually got 13 staff for  
25 Compliance and Investigations Division, that was

1 significant, and our appropriations for the biennium were  
2 \$322-, now we're back down to \$309-.

3 But one of the major differences between the  
4 two bienniums is when we created the TxDMV Fund, we had a  
5 certain business model that we were assuming we would put  
6 in place when we were assessing the processing and  
7 handling fee at \$4.75.

8 The business model that we thought we would  
9 implement was they would deposit the whole P&H fee into  
10 the DMV Fund and we'd have to pay them for their service,  
11 because there's a \$2 surcharge on that fee. Instead, they  
12 just peel it off of the revenue and then they distribute  
13 the rest of the money to the State of Texas.

14 So the major difference between this biennium  
15 and that biennium is that I think we were assuming to pay  
16 them about \$13 million a year, so we're not going to feel  
17 that difference, and the fact that we were able to get  
18 some of those exceptional items funded leaves us in a very  
19 good place coming up.

20 As always, we can't do anything without having  
21 sufficient revenue, and so this chart is on page 185 of  
22 your document, along with 187 gives you more detail. Our  
23 revenues continue to climb steadily.

24 This is just an outcome of the State of Texas  
25 economy and the number of registrations that we see from

1 year to year. It continues to go up, we always exceed our  
2 estimates, and we have no issues providing the level of  
3 revenue we need to cover our costs, as well as provide  
4 significant dollars for construction of roads for TxDOT.

5 MR. TREVIÑO: Ms. Flores, again, what is the  
6 number that we contribute every year to the State of  
7 Texas?

8 MS. FLORES: It's a billion nine just in  
9 registration.

10 MR. TREVIÑO: Roughly \$2 billion. Thank you.

11 MS. FLORES: As I mentioned, we as an agency  
12 are a revenue-generating agency, and we established the  
13 DMV Fund back in FY17, so for the most part I would say  
14 about 90 percent of our programs are funded out of the  
15 fund, with the exception of the Auto Burglary and Theft  
16 Prevention Program, which will have a name change coming  
17 up. It is going to be the Motor Vehicle Crime Prevention  
18 Authority, otherwise, you'll hear another acronym, MVCPA.  
19 So I think I was going to challenge Bryan to sit for the  
20 CPA test and see if he can pass it, and then he can truly  
21 be a CPA. All joking aside. I'm sorry, Bryan.

22 (General talking and laughter.)

23 MS. FLORES: On the left side you see the fund  
24 collections of \$173 million but we're also estimating to  
25 have a fund balance of over \$124 million, so that's pretty

1 significant to cover obligations of \$181 million.

2 So that tells you that we're doing very well as  
3 an agency and ensuring that we're good stewards of our  
4 dollars. That fund balance is available for future budget  
5 requests in case we ever want to perhaps build a parking  
6 garage on the campus, which would be very helpful to our  
7 staff.

8 And with that, I'm going to turn it over to Mr.  
9 Ralston and he's going to quickly cover the agency's  
10 preliminary operating budget.

11 MR. TREVIÑO: Thank you, Ms. Flores.

12 Mr. Ralston.

13 MR. RALSTON: For the record, I'm John Ralston.

14 I am the budget team lead. The slide that you see on the  
15 power point begins on page 191 of your board book.

16 The total preliminary budget for FY20 is \$168.6  
17 million, and we've grouped that into five major  
18 categories:

19 Program administration, which is \$90.4 million,  
20 covers our major core programs such as Vehicle Titles and  
21 Registration, Motor Vehicle, Motor Carrier, Consumer  
22 Relations, ABTPA and Motor Carrier and CRD.

23 Next chart, information technology at \$17.8  
24 million, that covers the administrative oversight and  
25 management of all of our technology functions for the

1 department.

2 Then agency-wide at \$11.2 million, that covers  
3 specialized programs such as our payments for the MyPlates  
4 vendor, credit card service fees and agency reserves and  
5 also the newly funded Statewide Cost Allocation Plan  
6 funding.

7 The capital projects, which we'll discuss on  
8 the next side, is \$37.8 million, and those include  
9 automation, data center consolidation, county technology,  
10 growth and enhancement, and it also includes some other  
11 projects that we mentioned, the HQ maintenance and vehicle  
12 replacement and the regional service center upgrades that  
13 Ms. Flores mentioned.

14 And then the last item, the last grouping,  
15 central administration is \$11.4 million and that covers  
16 the Executive Management, Finance and Administrative  
17 Services, General Counsel, Government and Strategic  
18 Communications, Internal Audit, and Board support.

19 The total budget of \$168.6 million combines the  
20 legislative approved amount from HB 1 plus our estimated  
21 UB carry forwards for automation and HQ maintenance.

22 Detailed information for the preliminary  
23 capital budget begins on page 199 of your board book and  
24 the chart on the screen is found on page 200 of the board  
25 book. The preliminary capital budget for FY20 is \$37.8

1 million. We divide the capital budget into four major  
2 categories.

3 Automation funding for FY20 is approximately  
4 \$6.5 million, and that's allocated to, at the moment, RTS  
5 enhancements and enhancements for the RTS batch cycle  
6 process.

7 Other technology projects total \$18.8 million.

8 The primary projects of that include our data center  
9 consolidation, county technology support, agency growth  
10 enhancements, PC replacement, and cybersecurity. That  
11 category also includes two new items that Ms. Flores  
12 mentioned in our exceptional item funding that includes IT  
13 infrastructure improvements and the consumer protection  
14 and tracking.

15 The other capital projects total \$4.6 million,  
16 with the major project in that category being the HQ  
17 maintenance, which is funded by the estimated UB from '19-  
18 20 of approximately \$4.2 million.

19 Then the last category is automation  
20 carryforward from FY19 and FY20. That's estimated right  
21 now at \$7.8 million, and that includes carryforward of  
22 current automation initiatives such as webLIEN, RTS tools,  
23 software acquisition, call center upgrades and the kiosk  
24 pilot project.

25 MS. FLORES: So that concludes the preliminary

1 operating budget, and as I mentioned, we will be back in  
2 August for final consideration and approval of the  
3 agency's operating budget. With that, I conclude our  
4 presentation.

5 MR. TREVIÑO: Great. Thank you, Ms. Flores,  
6 Mr. Ralston.

7 Are there any questions from the Board?

8 (No response.)

9 MR. TREVIÑO: No questions, but I would like to  
10 say that I guess it's a dangerous thing to divine the will  
11 of the legislature, but allowing you the leeway on the way  
12 you handle your finances I think says something about  
13 their belief that this agency delivers good value for the  
14 money invested and also that it's run fiscally  
15 responsibly, and I would just like to thank you for your  
16 service.

17 MS. FLORES: Thank you, sir.

18 MS. BREWSTER: Mr. Chairman, if I may.

19 MR. TREVIÑO: Yes.

20 MS. BREWSTER: I want to publicly thank Linda  
21 and her team. Unfortunately we had to let Renita retire,  
22 so I include her in my thanks.

23 MR. TREVIÑO: What's up with that?

24 MS. BREWSTER: All of those bills, hundreds of  
25 bills impacting the agency had to have a fiscal impact



1 analysis done and those all went through Linda's team, and  
2 that was a lot of work, and I commend them for that.

3 And I also commend Linda for staying so closely  
4 in touch with the Legislative Budget Board on our  
5 legislative appropriations request. It is because of that  
6 and that cooperation that we really are set up for  
7 success, and I thank you very much for that, and thank you  
8 to your team.

9 MS. FLORES: Thank you very much.

10 MR. TREVIÑO: Great comments. The only black  
11 mark is allowing Ms. Bankhead to retire.

12 Thank you very much, great report.

13 All right. We'll now move on to agenda item  
14 10.C., which is presented by Mr. Sandra Menjivar-Suddeath.

15 MS. MENJIVAR-SUDDEATH: Good morning. For the  
16 record, Sandra Menjivar-Suddeath, Internal Audit director,  
17 and I'm presenting the Internal Audit status update on  
18 page 213 of your board book, and it's also agenda item  
19 10.C.

20 For the June Board meeting Internal Audit  
21 status update, there's just two items, the fiscal year  
22 Internal Audit Plan status and external coordination  
23 efforts.

24 So on a summary level, we're working on eight  
25 internal audit engagements and we're coordinating one

1 external effort. Of the internal engagements, two we  
2 actually issued last week, one is in the reporting phase,  
3 which means we're actually just summarizing information,  
4 preparing it for management review, three are in the field  
5 work phase, and two are in the planning phase.

6 Now, our Internal Audit Plan has ten  
7 engagements, so the fact that we're working on eight right  
8 now may be a little bit of a concern, but we're actually  
9 on target for finishing the audit plan.

10 So this is a comparison, the chart on the TV  
11 shows where we were at this time last year, so the orange  
12 is fiscal year 2018 and the blue is fiscal year 2019, and  
13 as you can tell, we're actually pretty much where we were  
14 last year.

15 Now, we had issued more reports in fiscal year  
16 2018 at this time, but that's expected because we actually  
17 had more audits in the fiscal year 2018 audit plan than  
18 this year. In fiscal year 2018 we actually had twelve  
19 audit reports that we were going to issue, this year we  
20 actually have on the plan ten but we will be issuing  
21 eleven.

22 So as you can tell, we're on track for the  
23 fiscal year. We're actually a little bit ahead than we  
24 were last year. At this point last year we actually  
25 hadn't even started an engagement. We've actually started

1 all our engagements, and the engagements that are in  
2 planning, the three, will be moving to field work within  
3 the next couple of weeks so we're on target for that.

4 So moving on to more detailed information. So  
5 the two reports that have been issued, one is the  
6 enterprise project management advisory service which we  
7 provided information on during the Projects and Operations  
8 Committee yesterday and we'll cover briefly later on  
9 today, and then the information security risk management  
10 confidential audit, that is a confidential audit so we  
11 won't be talking about it here in open session but we will  
12 be discussing it during executive session.

13 In reporting we have the procurement and  
14 contract management audit, so that's looking at our  
15 overall objectives for procurement and contract. We're  
16 actually ahead of schedule. We had anticipated releasing  
17 that in August; we're right now on task for July. The  
18 report is actually with me, I'm reviewing it, and we hope  
19 to have it to the Finance and Administrative Division by  
20 the end of next week.

21 For the field work engagements, we have the  
22 accounts receivable advisory service. Again, this is  
23 looking at overall our receivable function in the agency.  
24 We do anticipate releasing that in August 2019. We're  
25 finishing up our field work now, we should have that done

1 by the end of June and then we'll start reporting.

2 Our fiscal year 2019 Internal Audit follow-up,  
3 again we're also anticipating release in August 2019.  
4 We've actually started working on that report already, and  
5 the fiscal 2020 Internal Audit Plan, so the Internal Audit  
6 Plan will come to you in August for review and approval.  
7 Before that you will get a preview of what we're  
8 proposing, things like that.

9 Right now we've gathered all the risks that we  
10 will potentially look at for next year, and we're  
11 evaluating all those risks to identify what are the  
12 highest needs for the department and for us to focus on.

13 Our two engagements that are in planning, one  
14 is the Compliance and Investigations Division, and the  
15 other one is the payment card industry compliance audit.  
16 Both of those audits are going to be moving to field work  
17 in the next couple of weeks so we are on schedule with  
18 that.

19 And then on the external coordination, we  
20 received notification from the State Auditor's Office last  
21 week that they will be coming in to do a classification  
22 audit. Now, this is different than any audit they've done  
23 before on this department.

24 In previous audits the State Auditor's Office  
25 comes in, looks at our contract management, our

1 procurement processes made and look at some regulatory  
2 processes, they've looked at our enforcement complaint  
3 process. This will focus on our Human Resource Division  
4 and our employees and making sure that they're actually  
5 properly classified.

6 This is part of a larger audit. They're doing  
7 an audit on the entire Article 7 which includes Texas  
8 Department of Transportation, Workforce Commission,  
9 Lottery, to name a few, and they're making sure that all  
10 the information technology positions are properly  
11 classified.

12 So for example, if we have an employee that is  
13 potentially classified as a system analyst and they're  
14 duties actually are more relevant to a business analyst,  
15 the SAO may make a recommendation saying we need to change  
16 the classification.

17 At that point the agency has a couple of  
18 options. We can say, No, this really needs to be a  
19 systems analyst and we'll make sure they do their duties,  
20 or we can update their job duties, or we can actually  
21 change their classification.

22 Now, if we do change their classification,  
23 there may be a fiscal impact and if there is, we'll work  
24 with our Finance and Administrative Division, as well as  
25 with our executive director, to make sure that we're doing

1 what's appropriate for the agency.

2 MR. TREVIÑO: And this is a standard audit.  
3 Right? This is not something that they've identified a  
4 risk that they're trying to --

5 MS. MENJIVAR-SUDDEATH: No. This is a standard  
6 audit. By statute they're supposed to do a classification  
7 audit every few years, and so what they've been doing is  
8 they've been focusing on information technology in several  
9 other agencies, and so I think it was time for our review.

10 MR. TREVIÑO: Great.

11 MS. MENJIVAR-SUDDEATH: So they've started. We  
12 had our entrance conference this week. They will be doing  
13 their field work during the next few weeks, and then by  
14 the end of September they'll wrap up with their field  
15 work, but we won't get a report till December.

16 So that concludes my status. Any questions?

17 MR. TREVIÑO: Any questions from the Board?

18 (No response.)

19 MR. TREVIÑO: I have a couple of questions.  
20 First off, do you have the resources necessary to ensure  
21 the safety and soundness of this organization?

22 MS. MENJIVAR-SUDDEATH: Yes, we do, and you  
23 know, I think when you see our audit plan next year, we  
24 may make some changes to ensure that we can continue to  
25 keep up with the agency and properly research, but at this

1 point we do.

2 MR. TREVIÑO: Thank you very much, because  
3 there's a lot of moving parts to this.

4 And also, staff has been responsive and you've  
5 had no pushback or concerns in how they are working with  
6 you?

7 MS. MENJIVAR-SUDDEATH: No. We have a very  
8 collaborative process here, and if there's any -- I  
9 wouldn't even say disagreement. If we have a difference  
10 of opinion, we talk about it, we work it out, and we find  
11 a common ground where we both feel comfortable with the  
12 resolution.

13 MR. TREVIÑO: But you would bring those  
14 concerns to the Board if those presented themselves?

15 MS. MENJIVAR-SUDDEATH: Absolutely.

16 MR. TREVIÑO: Thank you very much, and it's  
17 always a pleasure to hear your report, Ms. Suddeath.

18 MS. MENJIVAR-SUDDEATH: Thank you.

19 MR. TREVIÑO: Okay. We're now moving on to  
20 agenda item number 11, Projects and Operations Committee  
21 update.

22 I'll turn it over to Committee Chair John  
23 Prewitt in a second, and he'll be assisted by Ms. Whitney  
24 Brewster, Mr. Matthew Levitt, Ms. Sandra Menjivar-  
25 Suddeath, Mr. Mike Higginbotham, Mr. Tom Shindell, and Ms.

1 Linda Flores and Ms. Ann Pierce.

2 But I have to comment on your meeting  
3 yesterday. I attended the whole thing. You did a great  
4 job in moving that forward. You covered a lot of ground  
5 in a very short period of time, and I just have to commend  
6 you on the great job that you did yesterday, Member  
7 Prewitt.

8 MR. PREWITT: Thank you, Mr. Chairman. I  
9 appreciate that.

10 Members, I just want to give the committee  
11 quick update to the full Board, and then turn it over to  
12 the staff, as mentioned by Chairman Treviño, for brief  
13 presentations.

14 The committee met yesterday here at TxDMV  
15 headquarters from 2:00 to 4:17 p.m. I presided over the  
16 meeting, which was also attended by Members McRae, Scott  
17 and Washburn. In this meeting we got the committee  
18 charge, as well as considered seven agenda items. All the  
19 items in the committee meeting were briefings and require  
20 no action by the full Board today.

21 Staff will make brief summary presentations, so  
22 hopefully not two hours and 17 minutes, but it was a very  
23 thorough presentation by staff yesterday and it was really  
24 welcomed and needed by the Board members to really  
25 understand that you guys have a lot going on. I mean, it



1 is a busy, busy place. Staff will be available for any  
2 questions you may have.

3 So with that, I'd like to turn it over to  
4 Executive Director Brewster.

5 MR. TREVIÑO: Thank you, Mr. Prewitt.  
6 Director Brewster.

7 MS. BREWSTER: Thank you. Good morning,  
8 Chairman Treviño, members of the committee.

9 For the record, my name is Whitney Brewster.  
10 I'm the executive director. Thank you for the opportunity  
11 to share some information about the Sunset Advisory  
12 Commission management actions being implemented by the  
13 agency. As I've said in the past, we had 16 management  
14 actions. I'm pleased to report that all of those are  
15 either completed or in flight, so you won't see any red  
16 items on this dashboard.

17 I'd like to draw your attention to page 216 of  
18 your board books, and you can find this dashboard there.  
19 You will receive a briefing from Caroline Love about the  
20 legislative actions that were taken by Sunset in her  
21 report later on, and so she'll give an overview of bills  
22 impacting the agency, including that Sunset bill, SB 604.

23 I draw your attention first to recommendation  
24 1.6, which requires the Board to establish advisory  
25 committees to assist with the rulemaking process and other

1 items considered by the agency. This has a due date of  
2 September 1, 2019.

3 We have received Board approval for posting so  
4 we will be in the final adoption phase in the August Board  
5 meeting, so you will have the opportunity to consider  
6 those rules at that time, so that would address item 1.7.

7 Moving on to 2.2, this item also involves  
8 rulemaking. This item is related to formalizing the  
9 department's current red flag training. We have a very  
10 robust training around red flag, which is identification  
11 of fraud in the transactions that are completed both by  
12 the regional service centers as well as the tax  
13 assessor-collectors, formalizing that through the  
14 rulemaking process, and also establishing a very clear  
15 avenue for tax assessor-collectors to notify the  
16 department if they believe that there is fraud occurring  
17 in their offices. This, too, has already been posted for  
18 public comment and will be considered, hopefully, by the  
19 Board in the August meeting for final adoption.

20 On page 218, recommendation 3.6 is related to  
21 the improvement of our enforcement data tracking in our  
22 existing systems. You heard Ms. Flores report that we did  
23 receive funding through the legislature. We are  
24 cautiously optimistic that we will receive those funds in  
25 FY 2020. Obviously, again, we're still in the veto

1 period. But this would help us to be able to make  
2 enhancements to our existing systems to add additional  
3 fields so that we can track better the enforcement cases  
4 going through the process.

5 Moving on to 3.7, this recommendation is  
6 directly linked, again, to recommendation 3.6, and this  
7 requires the agency to expand its key performance  
8 indicators around our enforcement cases. By being able to  
9 generate that information to the system, in the system we  
10 will be able to have greater visibility into where we are  
11 with our cases, so we will establish key performance  
12 indicators around that new information that we're able to  
13 glean from our system, and this will give us greater  
14 visibility into the effectiveness of the department in  
15 this area.

16 Moving on to recommendation 3.9, this  
17 recommendation directs the department to publish more  
18 detailed enforcement histories of our regulated motor  
19 vehicle and motor carrier businesses.

20 The agency already posts to the agency's  
21 website enforcement actions that we have taken in regards  
22 to our motor carriers, we do not have that for our motor  
23 vehicle licensees. That's what this recommendation is  
24 around, and this, too, we requested funding to be able to  
25 implement and we will receive those funds in FY20.

1           Moving right along to recommendation 4.6, this  
2 recommendation directs the department to adopt criminal  
3 history checks and guidelines for the salvage industry.  
4 You already took action this morning related to this item  
5 through the informal rulemaking process. This item does  
6 not have a specified implementation date, but we are  
7 obviously well underway in addressing item 4.6.

8           Moving on to page 219 in your board books,  
9 recommendation 5.4 directs the department to develop a  
10 comprehensive approach to developing, maintaining and  
11 updating its IT infrastructure.

12           There has been a lot of activity around this  
13 item. Mike Higginbotham, our chief information officer,  
14 will give a more detailed view of this item later on on  
15 the agenda, but there is a great deal going on related to  
16 5.4 in support of that recommendation.

17           And lastly, recommendation 5.5 directs the  
18 department to evaluate and identify further opportunities  
19 to consolidate and modernize its customer service  
20 functions to improve the efficiency and ultimately, and  
21 most importantly, the customer experience.

22           A lot of good things are occurring around this  
23 item. During our evaluation of our customer service  
24 functions, we found three small units within IT that we  
25 have better aligned in other divisions within the agency

1 so that IT can focus on its core skill set, its core  
2 mission.

3 And so those include the five-person customer  
4 help desk for the counties and dealers. We moved that  
5 from IT to our Consumer Relations Division; it's a natural  
6 fit right there; they are used to receiving phone calls  
7 all day on registration and titling.

8 And I am pleased to report that the wait time  
9 for county staff has decreased from an average of 20  
10 minutes to less than two minutes, and dealers now have one  
11 place to call if they have questions of the agency.

12 The financial services for billing and funds  
13 adjustments moved to our Finance and Administrative  
14 Services Division to improve our accountability and ensure  
15 proper oversight.

16 Lastly, our website services moved from IT to  
17 our Government and Strategic Communications Division, so  
18 that we could focus more on the communications and  
19 customer experience when coming to our website.

20 All three business units have transitioned, I  
21 believe, really well, and I'm pleased to report that I  
22 believe that we are better aligned so that IT can focus on  
23 IT-related items. We are also working on several other  
24 items that you will hear more about later on in the  
25 presentation from Dr. Tom Shindell, as well as our chief

1 information officer, Mike Higginbotham.

2 But with that, that concludes my presentation  
3 on Sunset management actions, and I'd be happy to answer  
4 any questions that you have.

5 MR. TREVIÑO: Does anyone have any questions  
6 for Director Brewster?

7 (No response.)

8 MR. TREVIÑO: You know, before we go into all  
9 the other presentations, because there were some great  
10 ones here, I think the Geneva Convention said that two  
11 hours was the maximum people should go without moving  
12 around, so with that, I think we'll go ahead and take a  
13 five-minute break, and it's because I really would like to  
14 give these presentations their full due and that way  
15 people can be focused on it, get a cup of coffee.

16 So I think, Ms. Beaver, any concerns?

17 MS. BEAVER: Not at all. A recess is fine.  
18 Thank you.

19 MR. TREVIÑO: Great. Then we'll have a  
20 ten-minute recess if everyone is in agreement. Thank you.

21 (Whereupon, at 9:55 a.m., a brief recess was  
22 taken.)

23 MR. TREVIÑO: Do we have to say anything about  
24 reassembling, General Counsel?

25 MS. BEAVER: Thank you, Chairman. Tracey

1 Beaver, general counsel, for the record.

2 It would be good to mention who is here and who  
3 is absent, if anybody, and just that we're going back on  
4 the record and the time.

5 MR. TREVIÑO: Great. So it is approximately  
6 10:08 and we are back in session, and I guess we'll do  
7 another roll call again.

8 Member Scott?

9 MR. SCOTT: Here.

10 MR. TREVIÑO: Member Gillman?

11 MS. GILLMAN: Here.

12 MR. TREVIÑO: Member Washburn?

13 MS. WASHBURN: Here.

14 MR. TREVIÑO: Member Prewitt?

15 MR. PREWITT: Here.

16 MR. TREVIÑO: Member McRae?

17 MS. McRAE: Here.

18 MR. TREVIÑO: Great. Memo Treviño, let the  
19 record show that I'm here and we're ready to go.

20 Director Brewster, if you could get us started  
21 again, please.

22 MS. BREWSTER: Thank you, Mr. Chairman. Again  
23 for the record, Whitney Brewster, executive director.

24 I am pleased to be providing you with a summary  
25 update on the TxDMV organizational assessment project. If

1 you will turn to page 221 of your board books, you will  
2 find the materials related to what we affectionately call  
3 this project, TOAP.

4 As the Texas Department of Motor Vehicles  
5 approaches its ten-year anniversary, agency staff is  
6 revisiting the vision that the legislature has for the  
7 agency. We are looking to ensure that we are meeting that  
8 vision and also to ensure that we have a firm foundation  
9 upon which to grow and mature as an organization.

10 The objectives of TOAP are to improve agency  
11 processes, department policies and procedures, to evaluate  
12 and align current technology, to optimize TxDMV  
13 infrastructure and our budget structure, to also improve  
14 our organizational structure and allocation of our vital  
15 human resources, and to improve internal and external  
16 communications.

17 We have identified six workgroups to accomplish  
18 these objectives. Each workgroup has established short-  
19 term and long-term milestones.

20 We have the process workgroup which is  
21 developing a statement of work to contract with a vendor  
22 to examine agency processes, and this is really an effort  
23 to be able to identify inefficiencies, redundancies, gaps  
24 and really opportunities for improvement.

25 They are also reviewing the governance



1 processes and will be providing recommendations on ways  
2 that we can improve those processes on agency-wide  
3 initiatives as well as our capital funding. They're also  
4 looking at the Centralized Accounting and Payroll  
5 Personnel System, CAPPs, and making sure that we are  
6 utilizing that system to its fullest.

7 Finally, they are looking at evaluating and  
8 providing recommendations to improve our delegation of  
9 authority processes so that we don't have a bottleneck in  
10 any one place in the agency when it comes to our  
11 delegation of authority.

12 The legal workgroup is reviewing the  
13 department's policies to identify changes needed to ensure  
14 that we are aligned with statute and best practice. Also  
15 looking at standardization and easy accessibility of those  
16 policies, both by the public as well as agency staff.  
17 They're also reviewing the agency's fraud policies and  
18 looking at the completion of our Sunset-related tasks.

19 And finally, this workgroup is focused on the  
20 flow of the rule development from the time we start  
21 drafting until final adoption and implementation to better  
22 ensure that we have proper review, transparency,  
23 efficiency, and public input into that process.

24 The technology workgroup, they have been very  
25 busy looking at the organizational alignment. I talked a

1 little bit about that earlier in my presentation on  
2 Sunset. They're also creating service level agreements so  
3 internal and external customers really know what to expect  
4 when it comes to IT changes and enhancements to systems.

5 Another milestone for this work group is to  
6 assess application performance and to deploy additional  
7 monitoring tools. They're also looking to improving  
8 visibility into our cybersecurity risks in the agency  
9 through utilization of automated tools, and they too are  
10 looking at governance, the governance around data in the  
11 agency, to improve our performance, to decrease risk and  
12 ensure efficiency and compliance with the use of our  
13 important data within the agency.

14 Another initiative is to review the intake  
15 process when it comes to our IT portfolio and looking at  
16 the development of a weighted matrix so that we can  
17 prioritize those things that we are doing within the  
18 agency when it comes to IT services.

19 This workgroup is also responsible for the  
20 development of a report that lays out the status of our  
21 technology currency and standards. And finally, this  
22 workgroup is currently looking at planning out an  
23 enterprise complaint management system to improve our  
24 cross-division work related to complaints received by the  
25 department.

1 Right now that system does not exist, so  
2 they're looking at planning around what it would take to  
3 implement a system of that type within the agency.

4 The finance and administrative services  
5 workgroup, this workgroup is developing a report of  
6 changes needed to optimize the usage of our facilities.  
7 That's both here at headquarters as well as the regional  
8 service centers, and they're establishing short-term and  
9 long-term, again, milestones for our facilities.

10 They're also evaluating our budget structure  
11 and recommending changes to our budget structure so that  
12 we can have more agility and scalability within the  
13 agency. And finally, they are creating key performance  
14 indicators for our support areas within the agency to  
15 better ensure that we are meeting the mark when it comes  
16 to support services provided to our agency.

17 The organizational preparation workgroup is  
18 very busy reviewing and will be making recommendations  
19 regarding the overall organizational structure, as well as  
20 staff allocations to ensure efficiency in the use, again,  
21 of those resources.

22 They're also looking at development of an  
23 annual plan around classification reviews, and this is to  
24 better ensure equity is consistent across the department.

25 They're also looking for the ability for better

1 recruitment and retention of those employees. They're  
2 also looking at the function of change management in the  
3 department and looking to see how that should work and how  
4 it should be structured within the agency.

5 The organizational preparation workgroup is  
6 also developing policies and procedures around setting up  
7 and implementing career paths within the agency so we can  
8 hold onto those employees who want to have a career here  
9 at the TxDMV.

10 The workgroup is also developing guidelines for  
11 starting salaries and equity for salary increases across  
12 the divisions within the department. And they're also  
13 looking at establishing the next level of our Leadership  
14 Academy to ensure that we are developing leaders, that our  
15 current management has the leadership skills that we need  
16 to move the agency forward, but also those who are  
17 interested in moving into a leadership role that they have  
18 the ability and the training necessary to be able to gain  
19 those skills so that they can move up through the  
20 organization.

21 And last but certainly not least, our  
22 communications workgroup who will be developing a style  
23 guide for the department to include standards for writing,  
24 and this is to better ensure that we are speaking with one  
25 voice at the agency.

1           They're also looking at establishing a  
2 department communications calendar so that we're better  
3 coordinated within the agency and we're prepared when  
4 those communications go out. They're also looking at  
5 standardization of operating procedures pertaining to the  
6 governance of our intranet as well as our website.

7           And finally, the communications workgroup is  
8 developing communication strategies on how we can better  
9 foster stakeholder relationships and get more information  
10 to our stakeholders, as well as how we communicate and  
11 permeate the agency culture throughout the organization.

12           I have shared with you the short-term goals of  
13 the TxDMV organizational assessment project. This project  
14 will formally end at the end of the fiscal year; however,  
15 any of these activities that are not completed will be  
16 considered for the strategic plan as we start into that  
17 process, as well as individual divisional operational  
18 plans so that we can continue the momentum of making  
19 improvements to the organization.

20           It is our sincerest desire to have a solid  
21 foundation within this organization on which to build so  
22 that we can be very successful. Whether additional  
23 responsibilities come to this agency or whether they  
24 don't, the agency will be better off for having gone  
25 through this effort.

1                   With that, I would be happy to answer any  
2 questions that you have.

3                   MR. TREVIÑO: Thank you, Ms. Brewster.

4                   Any questions from the Board?

5                   (No response.)

6                   MR. TREVIÑO: No. But I'd like to commend  
7 staff for this self-reflective process. It's essential  
8 for running a well governed organization, and I commend  
9 you guys for going through this process.

10                  MS. BREWSTER: Thank you, Mr. Chairman. If I  
11 may just acknowledge Thomas Beckley, who is in the  
12 audience -- I'm going to ask you to stand, sir. I  
13 acknowledged him yesterday but we did it rather quickly.

14                  And I'd also like to ask the TOAP working group  
15 chairs to stand up so that we can recognize them for their  
16 hard work.

17                  (Applause.)

18                  MS. BREWSTER: Stay standing, will you? And  
19 then those that are members of the TOAP working groups, if  
20 you could stand, please.

21                  (Applause.)

22                  MS. BREWSTER: Thank you.

23                  Thank you, Mr. Chairman.

24                  MR. TREVIÑO: Thank you, Ms. Brewster. And I  
25 know this process does not always excite a lot of people,

1 but at the end of the day it's so important, this whole  
2 reviewing everything that we do because we may disagree on  
3 a lot of things but running a better agency is not one.

4 So if you think of a Venn diagram where it all  
5 kind of fits together is process, because most people that  
6 I meet generally want to do a good job but there's  
7 something within the process that doesn't allow them to do  
8 a good job.

9 So this area of being self-reflective and  
10 looking at how all these things fit together, I know it's  
11 a lot of work and it's tedious, but for running a great  
12 organization there's nothing better, and my hat's off to  
13 you guys and Member Prewitt for spearheading this and all  
14 the staff, because it is essential for us and I'd like to  
15 really make sure that the record shows how important this  
16 is, as boring as it may be sometimes, how important it is  
17 for everyone, and I think everyone will agree on that.

18 Thank you.

19 Okay. Who's presenting next?

20 MR. PREWITT: Matthew Levitt.

21 MR. TREVIÑO: Mr. Levitt, good to have you in  
22 front of us.

23 And where did you get those photos, by the way?

24 MR. LEVITT: Pardon me?

25 MR. TREVIÑO: We had a couple of staff within

1 HR put those together for me.

2 MR. TREVIÑO: Spiced it up. Please go ahead.

3 MR. LEVITT: Mr. Chairman, members, I'm Matthew  
4 Levitt. I'm the direct of Human Resources.

5 You hear a lot about all of the great work that  
6 this agency does, you heard Daniel talking about the  
7 enforcement work, there's 35 people in his division,  
8 another 80 people working for Corey in Enforcement who are  
9 making those things happen, with Linda talking about the  
10 budget, the accounting, all of the behind-the-scenes,  
11 there's a huge workforce that comes to work every day  
12 committed to making this agency happen, so this is just a  
13 brief overview of what our agency looks like and who these  
14 folks are.

15 The information is in your book on pages 224 to  
16 230, a little different than what you're going to see on  
17 the slides in front of you, but the detail is in your  
18 book.

19 So as Linda said earlier, we have 779 FTEs,  
20 full-time equivalents, that's going up to 800 in the next  
21 year. I want to start talking about our agency turnover.

22 Unfortunately, I'm going to torture you this morning by  
23 looking at fruit turnovers as oppose to employee turnover.

24 In our agency it's been significantly lower than other  
25 state agencies, so compared to the rest of Texas state



1 government, that red line is the average turnover rate  
2 every year across all of Texas state government.

3 You can see that we're looking at about 17.5 to  
4 19.3 percent. If you look at what our historical has been  
5 for the last five years here, it's been significantly  
6 lower, we had far fewer people. This is looking at all  
7 people who leave for any type of reason whatsoever.

8 The State Auditor's Office that tracks this and  
9 records this likes to look at the voluntary turnover,  
10 people who are leaving voluntarily. Again, for the state,  
11 of course, it would be much lower than the overall total  
12 turnover, this is the people who are leaving voluntarily.

13 Again, we see that the turnover her at TxDMV is  
14 significantly lower than that. We have a greater tenure,  
15 we have people who are staying longer, who are not leaving  
16 our agency.

17 So overall, as I said, we've got a fairly good  
18 tenure. Fifty-two percent of our employees have been here  
19 for at least five years. If I counted right, in 148 days  
20 we're going to reach ten years as an agency. About a  
21 quarter of our staff has been here since that inception in  
22 November of 2009.

23 Where are our staff? This is Austin, 70  
24 percent of our staff are working here in the Austin  
25 headquarters. The remaining folks, we have about 200

1 people scattered throughout the state in regional offices.

2 The vast majority of these people are in the Vehicle  
3 Titles and Registration Division, with the remaining  
4 employees in the Compliance and Investigations and  
5 Enforcement, with a couple of people in the Administrative  
6 Services Division. So again, majority of the people here  
7 in Austin and then spread throughout the state.

8 Looking a little bit at the demographics. The  
9 majority of our workforce is female, two-thirds of our  
10 employees are female. For the racial makeup, relatively  
11 comparable to the state as a whole: 54 percent of  
12 employees are white, 20 percent Hispanic, 14 percent  
13 African American, 4 percent Asian and other races, again,  
14 fairly representative of the state's racial makeup.

15 We have a relatively older workforce.  
16 Three-quarters of our employees are over 40. This is  
17 older than the both the workforce overall and when  
18 compared to the rest of Texas state government which, of  
19 course, provides some challenges. People begin to retire,  
20 we need to make sure that we're able to recruit and retain  
21 people to fill those positions.

22 So that's just sort of the demographics which I  
23 ran through fairly quickly. Any questions on that before  
24 I hop into a couple of comments about training?

25 MR. TREVIÑO: Questions?

1 (No response.)

2 MR. TREVIÑO: Go ahead.

3 MR. LEVITT: So there's some mandatory training  
4 that all employees are required to complete within the  
5 first 30 days. By state statute, all employees are  
6 required to complete EEO training, which we're doing.

7 As Whitney mentioned at the beginning of the  
8 meeting, the Be the One in the Fight Against Human  
9 Trafficking training that all employees go through is  
10 another training that our staff go through. We've had a  
11 very strong compliance and people completing this  
12 training.

13 Some other mandatory training that we have is  
14 just for computer security training for all staff,  
15 training through AAMVA through their fraud training for  
16 all staff, the Internal Audit fraud, waste and abuse  
17 training for all staff as well. These are all mandatory  
18 training that employees go through within their first 30  
19 days for all of our staff.

20 Some additional training that we've been  
21 developing is to make sure that we have supervisory  
22 training for all of our staff. We've currently been  
23 conducting training for staff largely to look at a lot of  
24 the operational aspects for staff, things of what can you  
25 ask in an interview, what is considered paid time, doing

1 performance evaluations, things about people have  
2 disability and sickness and leave, really a lot of the  
3 operational tactical aspects.

4 Part of our operational plan that we have is to  
5 be developing leadership training, and this is a piece  
6 that we're starting to really work on and look into and  
7 develop now as something we're going to be having in the  
8 fall. Looking at more of the -- I don't want to call them  
9 soft skills but not so much the specific tactical pieces  
10 you mentioned earlier but some of the process pieces,  
11 Chairman, to really be focused on issues of process  
12 improvement, presentation skills, issues of project  
13 management.

14 These are things we're going to be working on  
15 and developing formal leadership training for our staff.  
16 We really see this as an important piece to be able to  
17 offer our staff opportunities to advance and to grow our  
18 own leaders within this organization.

19 So that's a key piece that we're working on  
20 developing. You'll be hearing more about it in future  
21 Board meetings, but that's one piece that's significant  
22 for the HR division and where we're going with training.

23 So that concludes my presentation. Happy to  
24 answer any questions that y'all might have.

25 MR. TREVIÑO: Mr. Levitt, thank you very much

1 for a very thorough presentation.

2 Does anybody have any questions?

3 (No response.)

4 MR. TREVIÑO: Great. Thank you.

5 MR. LEVITT: Thank you.

6 MR. PREWITT: Thank you.

7 MR. TREVIÑO: And we will now hear from Ms.  
8 Sandra Menjivar-Suddeath and team.

9 MS. MENJIVAR-SUDDEATH: I figured you guys  
10 would like to meet the team that works on these projects  
11 and you can ask them the questions directly.

12 (General laughter.)

13 MS. MENJIVAR-SUDDEATH: For the record, Sandra  
14 Menjivar-Suddeath, Internal Audit director. And next to  
15 me is Jason Gonzalez, senior auditor, and Jacob Geray,  
16 internal auditor. They both worked on the enterprise  
17 management advisory service, which is item 11.D. and is on  
18 page 233 of your board books.

19 To give you a brief summary of what we covered  
20 yesterday, the Information Technology Service Division  
21 requested that we review the enterprise project management  
22 process for the department as that process had been  
23 transferred to them earlier in this fiscal year.

24 As it was an advisory service, we agreed on  
25 exactly what we were going to look at and to provide them

1 information to help better plan for the future for  
2 whatever their endeavors were with the governance process.

3 We were specifically asked to evaluate the  
4 current structure of the governance process, to also look  
5 at roles and responsibilities, and to identify potential  
6 governance models that could be used for enterprise  
7 project management in the future. I want to clarify that  
8 the models that we provide are just informational based,  
9 so the department can definitely choose a different model  
10 or merge something, we just wanted to provide some  
11 information for them till we start having that  
12 conversation for planning.

13 And so our results, the information of the  
14 report begin on page 236, but at a high level, what we  
15 found was from the governance structure we do have some  
16 membership overlap between the governance team and the  
17 executive steering committee.

18 The governance team is over the overarching  
19 portfolio management of all enterprise-wide projects,  
20 while the executive steering committees are more on the  
21 individual projects.

22 So for example, for the refactoring of the  
23 registration and titling system, we have an executive  
24 steering committee that reports up to the governance  
25 model. We found, again, some overlap and some authority

1 issues and some undefined roles that need to be clarified  
2 to help ensure that if we use this model it can be as  
3 successful as possible.

4 We also found some inefficiencies in our  
5 communications, specifically the dashboard. Our dashboard  
6 has 14 different elements that are being communicated, and  
7 an example of the dashboard is on page 242 of your board  
8 book. In that we found there's 14 elements that are  
9 trying to be communicated.

10 Industry best standards talks about about six  
11 different communication elements, and mostly focusing on  
12 risk and issues. I will say we brought this to the  
13 attention of our chief information officer and our  
14 portfolio manager, Mr. Beckley, and they began making  
15 immediate changes with the dashboards which you'll see in  
16 the next presentation.

17 The final part was the governance models, and  
18 so we identified four potential governance models that  
19 could be used. The first one is our current model with  
20 agile principles. Agile principles is a term used to talk  
21 about the type of software development. The software  
22 development agile is more faster, iterative, more  
23 function-based compared to waterfall, which is larger  
24 projects, more long-term items. The first one was a  
25 streamlined governance model with agile principles.

1           We also had an information technology  
2 investment management which the framework provides the  
3 organization with a method to evaluate and assess its IT  
4 resources. It's kind of on a maturity model so there's a  
5 lot of flexibility in that model as you can use different  
6 types of processes in it.

7           We also have the technology business management  
8 framework, which allows a better understanding and more  
9 common terms. The technology business framework starts  
10 talking about cost pools, and so you have a common  
11 language between finance, IT and the business to talk  
12 about the cost of projects and things like that.

13           And the final one is just a simple principle-  
14 based agile governance, which is going completely agile  
15 and using that for the department as a governance.

16           Now, each of these models have benefits and we  
17 have components to implement, but we also have some gaps  
18 which we identify in the report. And we provided this  
19 information to the Information Technology Service Division  
20 in May and they've taken some of the information and have  
21 already started working on that. Chief Information  
22 Officer Mike Higginbotham will probably talk a little bit  
23 more of some those endeavors.

24           Any questions?

25           MR. TREVIÑO: Any questions from the Board?



1 (No response.)

2 MR. TREVIÑO: I'm going to ask Mr. Gonzalez  
3 some questions here, and Mr. Geray.

4 How did you feel working on this report, Mr.  
5 Gonzalez, you first, and Mr. Geray, on this assignment?  
6 Could you tell us a little bit about the work?

7 MR. GONZALEZ: For the record, Jason Gonzalez,  
8 internal auditor.

9 Enjoyed the project. The ITS department during  
10 their transition was very helpful and it was a pleasure to  
11 work with them.

12 MR. TREVIÑO: Great.

13 Mr. Geray, would you like to add a little  
14 texture to that?

15 MR. GERAY: For the record, Jacob Geray,  
16 Internal Audit.

17 I especially enjoyed working with very high  
18 level division directors, and then we also worked very  
19 closely with several of the line staff in the project  
20 management office. It was good to get a variety of  
21 aspects, and I think it really comes through in the  
22 report.

23 MR. TREVIÑO: If you could have staff adopt one  
24 thing from your report, if you could just ask one thing  
25 that you think would pay the most benefits, what would

1 that be?

2 MS. MENJIVAR-SUDDEATH: Don't look at me.

3 MR. TREVIÑO: And that includes asking Ms.  
4 Gillman to lead our scrum team in the next agile sprint.

5 MR. GERAY: Chairman, you're a mind reader.  
6 That was exactly what I was going to say.

7 (General laughter.)

8 MR. PREWITT: That's good, that's quick.

9 MR. TREVIÑO: Well done, well said. Thank you  
10 very much for your efforts here.

11 MS. MENJIVAR-SUDDEATH: Thank you.

12 MR. TREVIÑO: Thank you.

13 All right. We hear from Mike Higginbotham, I  
14 believe, next. Is that correct?

15 MR. HIGGINBOTHAM: Good morning. For the  
16 record, I'm Mike Higginbotham, chief information officer.

17 I'm not really sure how to follow that exactly,  
18 because that was great. But I'm going to try to keep it  
19 brief. Okay?

20 So today what we're going to do is I'm going to  
21 give kind of a brief overview of our technology projects,  
22 kind of an updated status there -- a lot of this we  
23 covered in the committee meeting yesterday -- and then  
24 also kind of an introduction to our technology roadmap.

25 So this in your board materials, this is all

1 starting on page 266, and that's actually the overall  
2 portfolio trend slide, so let's start there. It's kind of  
3 a high-level view of kind of the different aspects of our  
4 projects.

5 The good news here is that we do not have any  
6 projects that are in a red status at this point in time.  
7 The kind of four quadrants that you've got up here on the  
8 screen and in your materials.

9 The upper left corner there, that's the overall  
10 project status, and we've kind of given a history there  
11 going back into 2018 and forward, how things have been  
12 moving and progressing.

13 We also include a budget trend analysis there  
14 just to the right of that, and then a schedule trend down  
15 towards the bottom.

16 So overall, we're in pretty good shape. We've  
17 got a lot of activity that's going on, as Executive  
18 Director Brewster mentioned previously, and the governance  
19 processes that were referred to by Sandra and team are  
20 something that are critical to being able to execute these  
21 things, and we'll talk a little bit more about some of the  
22 efforts that we're taking along governance and kind of  
23 reforming that as we move forward here.

24 If we go on to the next set of slides here,  
25 some of our projects are what are considered major

1 information resources projects. Those are, generally  
2 speaking, those projects that have application development  
3 costs that are greater than a million dollars.

4 And in those cases we have to report those to  
5 the quality assurance team that is made up of a group of  
6 other state agencies: the Legislative Budget Board, the  
7 State Auditor's Office, the Department of Information  
8 Resources, and the Comptroller.

9 And so we provide updates to them on a regular  
10 basis for those contracts, and we have a couple here that  
11 do make that qualification, webDEALER eTITLES is one of  
12 them and webLIEN is another one of those.

13 We'll be going into more detail about those  
14 projects here momentarily, but we provide those monitoring  
15 reports, they have been submitted on time. Optionally, we  
16 selected to give more frequent updates on webDEALER  
17 eTITLES.

18 That has been a project that has been going on  
19 since, I believe, 2012, multiple phases, many different  
20 enhancing scope changes that we've had over the years, and  
21 we'll talk a little bit more about that in a few minutes.

22 But these reports are delivered on time and we continue  
23 to do that.

24 Also, after we have completed projects that are  
25 considered major information projects, there are reviews

1 that are conducted that are called post-implementation  
2 review of business outcomes, or PIRBO, and so that's what  
3 you see on this slide here on the bottom part is where we  
4 talk about some of those projects from the past. Two of  
5 them are at their 24-month or two-year review point, and  
6 those reviews have already taken place or they continue to  
7 be on target.

8 And then another one that's coming up for a  
9 six-month review is for the registration and titling  
10 system. That was a multi-phase, multi-year effort for us  
11 to migrate off of our mainframe into a new more modern  
12 technology that's more client server and distributive  
13 based. We're coming up to our six-month review on that,  
14 and that is on target at this point.

15 Moving right along to the project status, and I  
16 did mention that there were two projects that were major  
17 information resources projects, one of those being  
18 webDEALER eTITLES and the other being webLIEN. These are  
19 currently -- webLIEN is in a good state in terms of  
20 overall project status; however, it has been delayed  
21 because it is dependent on webDEALER eTITLES completing  
22 first, so there's a domino dependency there, and since  
23 webDEALER eTITLES, as you can see is reported as yellow,  
24 it's reported as yellow because it's been over time.

25 It's under budget, still well under budget, but

1 it's been over the time duration on the schedule, and the  
2 reason for that wasn't because we fell behind in the work  
3 that we were doing, we actually added significant  
4 improvement, significant enhancements and scope over the  
5 years.

6           Again, this was a major project that started  
7 back in 2012 and over time, based on feedback that we got  
8 from our stakeholders and then just kind of assessing  
9 things ourselves, we saw that we needed to add some  
10 additional features and functions, and we also had some  
11 legislative mandates that came in.

12           There was the single sticker initiative that  
13 came in from the legislature a few years ago, you may  
14 recall, and so that did also have an impact on the  
15 schedule here. So yes, it is 124 percent over duration  
16 but there's some good reasons for that.

17           Moving right along then into kind of the more  
18 detailed look at the status of these projects, starting  
19 with webDEALER eTITLES. And I do want to say that what  
20 you're looking at in your board materials and what we have  
21 on the screens here, this is a revised view of our kind of  
22 dashboard, our project dashboard.

23           So Sandra and team mentioned previously that we  
24 had another dashboard that had a lot of different elements  
25 on it, I think 16 different elements, and so what we've

1       tried to do is to kind of consolidate those elements into  
2       something that's a little easier to get right at the main  
3       points right off the top.

4               So we've moved key accomplishments, key  
5       activities and status and risks and issues in those first  
6       upper two quadrants that are in the middle of the page  
7       there so they kind of jump out at you and we can get right  
8       to the heart of the issues. And so that's the new format,  
9       so that's part of our governance improvements and changes  
10       that we're already taking as a result of the work that  
11       Sandra and team did.

12              MR. PREWITT: I'd like to interject, Mike, that  
13       if the Board will look at the cost savings, I mean, this  
14       is about \$5 million under budget from original cost  
15       estimates which is just phenomenal. Kudos to Jeremiah,  
16       the whole team, for helping that happen, so thank you for  
17       being good stewards of the funds. Thank you.

18              MR. HIGGINBOTHAM: And this project, so the  
19       last phase is eTITLES and this is to basically allow  
20       titling to be transferred in electronic form and improving  
21       the accuracy of the titling process.

22              This is the last phase of the webDEALER project  
23       and it is on target for completion at the end of this  
24       month, 2019, June. This month we will be able to wrap up  
25       this project which, I do have to say also, is going

1 through testing right now, and as you go through testing  
2 sometimes you find a few things.

3 We want to make sure that this is ready to be  
4 delivered to production, so we're doing a thorough job of  
5 testing there, but we are marching towards the end of June  
6 and testing is in progress as we speak.

7 Moving right along to webLIEN, this is the one  
8 that I mentioned is tied to or dependent on the completion  
9 of webDEALER, and so this one, while we've said that we're  
10 in good shape and some work has begun, I also said that it  
11 was delayed and that's because of the dependency on  
12 webDEALER.

13 What we're looking to do here is this project  
14 will end up going past what we were originally expecting  
15 because of the delay from webDEALER, so we're going to be  
16 looking to re-baseline what that plan looks like going  
17 forward, so we expect to have an update on that coming up  
18 soon, and of course, we will share that through our  
19 governance process and of course to this Board as we give  
20 later updates in the future.

21 Moving along to the call center upgrade, that  
22 is a project to really help shore up our foundation.  
23 You've probably heard that foundational shoring phase used  
24 frequently in the last several presentations, and this is  
25 another example of that. We have to have a good



1 foundation to build from so that we can do many things  
2 going forward, and the call center upgrade is another one  
3 of those.

4 We're basically going to be upgrading our  
5 existing infrastructure for telephony. We did something  
6 similar to this actually last year where we took our non  
7 call center equipment and upgraded it as well, so now this  
8 is kind of a completion of that we're going to have a  
9 solid foundation to add more enhancements to as we go  
10 forward and it makes other things become possible once  
11 we're on current supported levels of call center  
12 infrastructure.

13 Kiosk pilot project, so this is an interesting  
14 one to look at. The project is moving along. We're about  
15 to go into putting out another requests for proposals, so  
16 that's kind of the next part of the operations here on  
17 this one.

18 We're looking at are there options to present  
19 to the motoring public to where they can get, say, certain  
20 services that they walk into an office today or that they  
21 go online for, like getting a registration renewal, can  
22 they do that through a kiosk instead.

23 Now, we haven't quite figured out all the  
24 different places that we would possibly deploy these yet.

25 That's still under further review and discussion. I know

1 some of our county tax assessor-collectors have expressed  
2 some interest in this, so a part of this pilot project  
3 will determine where do we want to deploy those. And so  
4 this project continues to move along.

5 Again, the next part of it will be a request  
6 for proposals solicitation that we'll be putting out, and  
7 that's still moving along according to schedule at this  
8 point.

9 And moving on to our external website, we are  
10 in the process of enhancing and renovating the website.  
11 Since we're coming up on our ten-year anniversary here,  
12 it's kind of a good time to also make some changes to our  
13 website and refresh the look and feel and also take  
14 feedback from stakeholders that we've received over the  
15 years and work no making enhancements to that.

16 So this project is underway. We have already  
17 completed some proofs of concept that we're working with  
18 our vendor on, they've provided those. And kind of the  
19 next steps is we're going to be looking at our focus  
20 groups and reaching out to stakeholders to get more of  
21 that valuable input so that that's part of this renovation  
22 process.

23 MR. TREVIÑO: You guys are doing a thorough  
24 review process of the website. Right? That's a very high  
25 priority.

1 MS. BREWSTER: Yes.

2 MR. TREVIÑO: Great.

3 MR. HIGGINBOTHAM: And enterprise reporting,  
4 this is a project that is really kind of the beginnings  
5 of, I think, something else that we can look at going  
6 forward in terms of being able to improve our use of data.

7 You know, data governance, Executive Director  
8 Brewster mentioned that we're looking at improving our  
9 data governance, and then another part of using data is  
10 part of what this project is looking at.

11 We're specifically looking at a couple of  
12 reports to help Finance with having some information about  
13 title statistics and active registrations and then a few  
14 dashboards as well that cover some of the fees that are  
15 collected and fee revenues.

16 And this, to me, is just kind of the beginning  
17 of what we can do. We've got a lot of data that we  
18 collect through all of the transactions and processes in  
19 this agency, and what you could really start looking at --  
20 and we'll kind of talk about this in the roadmap in a few  
21 minutes -- is starting to focus more on being able to mine  
22 that data and help us predict and make decisions in a more  
23 efficient and improved way, getting into more data and  
24 analytics, and reporting is kind of the first step of  
25 that.

1           So this project here is in good shape, we are  
2 still on target for our current delivery dates later on in  
3 the next couple of months, but this is kind of an exciting  
4 place to be looking, is data and analytics, and it's not  
5 just something that is a Department of Motor Vehicles  
6 thing, this is really kind of an industry-wide trend now  
7 where you see a lot of emphasis being focused on data and  
8 analytics.

9           Last, but certainly not least, we have a  
10 Windows 10 migration, so we're working through our work  
11 stations that are deployed, not only here at headquarters  
12 but also at our regional service centers, and then also  
13 the equipment, the work stations to connect to the RTS  
14 system that are in all of our county offices. We're  
15 migrating from Windows 7 to Windows 10.

16           We've made significant progress here at  
17 headquarters. The first chart there shows that we're  
18 about 82 percent complete with headquarters staff. We've  
19 started to make some progress in the regional service  
20 centers, 35 percent of those are complete.

21           We haven't quite started deploying to the  
22 counties yet, but we're working on a plan for how we  
23 interact and deploy those upgrades because, you know, we  
24 don't want to be disruptive during this upgrade process,  
25 and some of you may have experienced when you've done your

1 own upgrades on your Windows platforms at home, sometimes  
2 it goes seamlessly and sometimes there are a few little  
3 bumps.

4 So we want to make sure that we're accounting  
5 for if there are some bumps that we are not impacting  
6 county operations and that we've planned this well with  
7 our stakeholders in the counties and also with Vehicle  
8 Titles and Registration Division.

9 So we're working through the plan on that. We  
10 are targeting a start of rolling it out into the counties  
11 in July, but again, more to come on the detailed rollout  
12 of that for the counties.

13 So I'm going to just pause right there for a  
14 moment before I jump into the introduction of the  
15 technology roadmap and see if there are any questions.

16 (No response.)

17 MR. HIGGINBOTHAM: Thank you, Mr. Chairman.

18 So we'll now proceed to looking at the  
19 technology roadmap, and as Executive Director Brewster  
20 mentioned earlier, Sunset Commission tasked us with  
21 improving the management of our technology and our  
22 technology infrastructure, and for me, a key part of that  
23 is having a technology roadmap.

24 And a technology roadmap is intended to be high  
25 level and so we're not getting down into detailed project

1 descriptions here and project plans, but the project  
2 plans, when they do move forward, will tie back to this  
3 roadmap. But it gives us a notional idea of some of the  
4 things that we're looking at and where we're going as an  
5 agency.

6           And this is something that is not just the IT  
7 Department in a vacuum deciding what this looks like, this  
8 is something that is really based on the needs of the  
9 business and the needs of our stakeholders, so it's a  
10 collaborative effort, and we really look forward to seeing  
11 how this evolves and getting additional feedback.

12           It's intended to be living and breathing, and  
13 it's something that is not just set in stone, it's  
14 something that moves as business needs change, and as we  
15 move forward here, some of the things are kind of based  
16 and broken out by quarter but things can move and ebb and  
17 flow depending on how business needs change.

18           So the other part that's key about a technology  
19 roadmap -- and Dr. Shindell will talk about this in a few  
20 moments -- is that this is going to be part of our  
21 strategic planning process, because the technology  
22 organization is supporting our business operations, it's  
23 supporting the motoring public of the state and our  
24 stakeholders. So this is a piece of that puzzle but it's  
25 driven by what are the strategies that we're focusing on

1 as a business and as an organization.

2 So this is a multi-year roadmap that we've got  
3 in place here. We developed this back in 2018, so late  
4 last year, and it's going out to fiscal year 2023.  
5 Starting on the first slide fiscal '19, what we have here  
6 is a few items that we've already been able to accomplish,  
7 and I'm going to kind of draw your attention to a couple  
8 of additional items as well.

9 The technology reorganization, I think we have  
10 mentioned that in a couple of other presentations. We  
11 really took an assessment of what are the core  
12 competencies of a technology organization, and so if there  
13 were things and staff that were there that were supporting  
14 that, that was great, but if there were things that are  
15 better aligned with other areas of the department, then we  
16 wanted to make sure we realigned those, and Executive  
17 Director Brewster mentioned those earlier.

18 And I think that with any reorganization you  
19 have to go back and still continually assess it because  
20 that, to me, is not a you set it one time and you forget  
21 it, but you want to continually look at how it's  
22 performing.

23 And as we've said, things are looking overall,  
24 I think, in good shape here, but there could be some needs  
25 for tweaks here and there, and part of our TOAP technology

1 workgroup is actually looking at some of that as well and  
2 seeing where we may need to kind of adjust a few things.  
3 So the technology reorganization took place. That was  
4 effective at the beginning of this year.

5 And then we've worked on a couple of other  
6 things. I mentioned enterprise reporting project and  
7 getting into the data. The fraud data dashboard was  
8 another one of those that will help us identify patterns  
9 of potential fraud. That one was deployed.

10 And then in terms of shoring up our foundation,  
11 we've also been improving our monitoring capability,  
12 performance monitoring. Specifically we've deployed some  
13 tools around our registration and titling system to more  
14 proactively detect performance degradation or slowdown in  
15 advance instead of letting it kind of come to a crawl and  
16 then crashing the system. And so that has been deployed  
17 here recently, and so far we're seeing good results coming  
18 out of that new monitoring tool that's enabling our team  
19 to get in front of issues on a more proactive basis.

20 Moving along to fiscal year '20, here I just  
21 want to call out a couple of things that we're looking at.

22 Again, going back to the foundation and really feedback  
23 that we've received from our stakeholders, we've heard  
24 about the number of outages that occur with the  
25 registration and titling system, and a number of those are



1 due to some of our circuits that go down.

2 Now, the network is something that we do have  
3 other carriers that support us, telecom carriers, but it's  
4 our network that we overall own, including that  
5 relationship with those carriers. Sometimes there's  
6 weather that moves through and it will knock a circuit out  
7 but also sometimes, depending on you also need to look at  
8 what's the age of that network and is it and are we using  
9 the most technologically advanced and capable components.

10 Right now the network that we have is really  
11 based on some older technology, going back a couple of  
12 decades, T-1 lines, so what we're looking at is what can  
13 we do to improve that and make that network more reliable  
14 for our county stakeholders. So that's one of the things  
15 that I think is kind of an interesting one that's out  
16 there on the horizon. Don't have exact dates on that yet  
17 but as we kind of get more information on that, we'll be  
18 able to share that through further updates.

19 The other thing, too, when I think about  
20 interesting advancements in technology, you know, we talk  
21 about chatbots and you've heard about robotic process  
22 automation and taking processes that have been done maybe  
23 by humans but we could put humans towards more  
24 value-adding work instead of doing those kind of rote  
25 tasks.

1                   So robotic process automation and  
2 implementation is something else that we have out there on  
3 the roadmap, and that will be based on the business  
4 drivers and which ones are best qualified for that.

5                   Moving out to the rest of roadmap, fiscal years  
6 '21, '22 and '23, we heard some of this also mentioned  
7 previously about improvements to RTS batch efficiencies.

8                   The processes today, there's a lot of overnight  
9 batch processes that are performed, so what can we do to  
10 improve the efficiency of that, and then even looking  
11 forward in the outer years in terms of '22 and '23, are  
12 there some of those processes that are done by batch that  
13 could be actually moved to more real time so then that  
14 way, instead of having to wait for an overnight process,  
15 you could have it at the time at the point of the  
16 operation. So we're looking at what we can do there to  
17 improve RTS in terms of its architecture and also it's  
18 efficiencies and use for the public.

19                   Looking out to fiscal year '23, there are some  
20 things out there around data where we start really talking  
21 about data warehousing and really getting into the heart  
22 of data and analytics.

23                   There's a lot of data that we have today but  
24 to coalesce all of that and bring it together is not a  
25 small task and it's something that has to be thought

1 through and planned and will likely require some sort of  
2 additional appropriations from the legislature.

3           So we mentioned earlier that we're going to be  
4 getting that process -- and Dr. Shindell will be  
5 mentioning a little bit more about that strategic planning  
6 process soon -- and looking at these types of initiatives  
7 such as a data warehouse or also a case or customer  
8 management or complaint management system, the planning  
9 for that -- even if it's further out and we require an  
10 appropriations request, the planning for it really needs  
11 to take place now, and so that's something that we're  
12 already doing and we're doing as part of the TOAP  
13 technology workgroup as well.

14           So I'm not going to go through every single  
15 item on here, but that is the first introduction to our  
16 technology roadmap, and I will pause there and see if  
17 there are any questions.

18           MR. TREVIÑO: Member Washburn.

19           MS. WASHBURN: If you take a look at your  
20 roadmap on '19 and '20 and think about your stakeholders,  
21 what would you say are the things that would be most  
22 important to solve some of their pain points? I heard you  
23 say the T-1 line. That sounds like maybe one of them.

24           MR. HIGGINBOTHAM: That's one of them, because  
25 to me the network reliability is critical, and not only

1 just the reliability but also making sure that we are on  
2 more recent technology. So that's one of them that I  
3 would talk about.

4 The other, though -- and I didn't actually  
5 discuss this one -- but we have got to look at how do we  
6 improve our throughput in terms of delivering more  
7 technology in a shorter time frame. And so there's a  
8 couple here that I would point out.

9 One, the automated testing tools, and this is  
10 on fiscal year '19. Right now our testing operations are  
11 highly manual and there are some things that really that  
12 kind of slows things down when you're having to go kind of  
13 through that manual testing cycle. And also, there's more  
14 value add if you have that automated through technology so  
15 that you kind of get consistent quality and consistent  
16 results.

17 But the other thing, too -- and this actually  
18 ties to one of the exceptional items that we asked for in  
19 the last legislative session and hopefully, depending on  
20 how the veto cycle goes, everything will work out -- it's  
21 really about our additional development environments.

22 So if you do a lot of programming but then you  
23 have a bottleneck in either testing with manual testing or  
24 you don't have enough development environments to kind of  
25 push it through that software development life cycle, you

1 kind of get stuck with what you can deliver and everything  
2 backs up.

3 So we asked for additional funding for not only  
4 the automated testing tools but also for additional  
5 development environments, and so that will help us with  
6 the foundation so then we can deliver more of the  
7 enhancements and the requests that have been made by  
8 either internal staff or by the county tax assessor-  
9 collectors.

10 MS. WASHBURN: And is all of your development  
11 onshore? Do you do any offshore?

12 MR. HIGGINBOTHAM: At the moment it is, yes.  
13 It's mostly by full-time equivalent staff. We do have  
14 some contractors as well. Previously we did partner with  
15 other third parties, especially with some of our projects  
16 like the RTS re-platforming and moving off of the  
17 mainframe, but right now a large chunk of our development  
18 is all done internally here.

19 MS. WASHBURN: Okay. Thank you.

20 MR. TREVIÑO: Thank you, Member Washburn.

21 Any further questions? Member Scott.

22 MR. SCOTT: I've got a question about kiosks.

23 MR. HIGGINBOTHAM: Yes.

24 MR. SCOTT: So are there other states that are  
25 doing this that are having success? Can you address that

1 for me?

2 MR. HIGGINBOTHAM: Thank you for the question.

3 Yes, there are other states that are participating with  
4 kiosks today. I don't know the exact details of which  
5 states those are.

6 Executive Director Brewster, I think you may  
7 have a little more insight into some of the other states.

8 Would it be possible for you to help answer the question?

9 MS. BREWSTER: Mr. Chairman?

10 MR. TREVIÑO: Ms. Brewster.

11 MS. BREWSTER: Whitney Brewster, executive  
12 director.

13 There are a number of states that are utilizing  
14 kiosks currently: West Virginia, Virginia, Nevada,  
15 Colorado. There are a number of states that have deployed  
16 that technology.

17 The American Association of Motor Vehicle  
18 Administrators has done a great job in terms of providing  
19 information to states on how other states have handled  
20 kiosks, including their procurements, so we do have a lot  
21 of resources available to us regarding kiosks.

22 MR. TREVIÑO: Member Scott, any follow-up?

23 MR. SCOTT: No, no follow-up on that.

24 On webDEALER, when you're talking about  
25 electronic titles and lien releases and that sort of

1 stuff, can you tell us what that -- does that mean that we  
2 will no longer issues a paper title?

3 MR. HIGGINBOTHAM: No. There will still be a  
4 paper title, so that does not go away.

5 Here's Jeremiah Kuntz, our director of Vehicle  
6 Titles and Registration, and he's the owner of this  
7 initiative so I will --

8 MR. KUNTZ: Phone a friend?

9 MR. HIGGINBOTHAM: -- phone a friend. Thank  
10 you.

11 MR. KUNTZ: Jeremiah Kuntz, director of the  
12 Vehicle Titles and Registration Division.

13 So with the webDEALER application, the native  
14 application that you have available in the dealerships  
15 today is for the electronic submission of title paperwork  
16 to a county tax assessor-collector's office.

17 The next phases that we have, the eTITLES phase  
18 of webDEALER will allow for the electronic title transfer  
19 for reassignment in the wholesale market from dealership  
20 to dealership. With that you will not have to use a paper  
21 title if you do not want to. It will facilitate that  
22 electronic transfer completely contained within webDEALER  
23 and then the final submission to the county office  
24 utilizing webDEALER as well.

25 We will always have a dual system until the

1 last paper title is retired, which I foresee will be many  
2 years away from now, but we'll be operating in a hybrid  
3 system for some time because we're not going to recall all  
4 those paper titles that are out there on the streets, and  
5 for private party sales, a paper title is needed, as well  
6 as sales where a vehicle is being sold out of state, so if  
7 a vehicle is being transferred to somebody in another  
8 state or a dealership in another state, a paper title will  
9 still be necessary to facilitate those transactions as  
10 well.

11 MR. SCOTT: What about lien releases? A  
12 customer pays off his vehicle, you release the lien on the  
13 front of the title, do you also then go into the system  
14 and release the lien there?

15 MR. KUNTZ: So that is another phase of, I  
16 guess, the webDEALER suite. We have another project for  
17 webLIEN.

18 Currently today we have what is known as  
19 electronic lien titles, so your large financial  
20 institutions, GMAC Financial, Ford Motor Credit, those  
21 kind of institutions, as well as other large banks, have  
22 available to them an electronic lien system.

23 In that system what we do is we suppress the  
24 printing of the title so when you purchase a vehicle and  
25 let's say it's financed with GMAC Financial, we would send



1       them an electronic title. Once that lien has been paid  
2       off, they would release that lien electronically. When  
3       they do that, it automatically cues us to send a paper  
4       title to the customer that has satisfied the lien.

5               And so in that instance what we've done is  
6       we've saved the state and the lienholder the requirement  
7       to print one title, so we've basically skipped printing  
8       one title, handled it electronically, and then ultimately  
9       when it's paid off, it's turned into a paper title and  
10       sent to the owner of the vehicle.

11              MR. SCOTT: Okay.

12              MR. KUNTZ: And that same thing would be  
13       facilitated in webLIEN for smaller lienholders, so  
14       basically anybody who is financing a vehicle would have  
15       that ability to use webLIEN to track all of their liens  
16       and not have to have paper copies of those titles sent to  
17       them and release them electronically as well.

18              MR. SCOTT: Okay. So if the vehicle already  
19       has a paper title, that doesn't change anything, it  
20       doesn't go back into --

21              MR. KUNTZ: It will not change. You are not  
22       going to be required to turn that paper title in and get  
23       an electronic lien on it. The benefits that the webLIEN  
24       system will provide for lienholders is when we have an  
25       electronic lien on a vehicle, we will not do anything with

1 that title unless that is electronically released.

2 When you're dealing in paper, there's fraud  
3 that we see with somebody falsifying a satisfaction of  
4 lien letter, and so that electronic lien actually gives  
5 you added security as a lienholder to make sure that  
6 nothing happens with that title until you take electronic  
7 action to release the lien.

8 MR. SCOTT: Okay. Thank you very much.

9 MS. McRAE: Chairman, I have a question,  
10 please, for Mike.

11 MR. TREVIÑO: Member McRae, please.

12 MS. McRAE: Okay. Mike, I would like to  
13 commend you and your group for working very closely with  
14 the tax assessor-collectors in small working groups to try  
15 to resolve some of the technology issues that we've had.

16 But with the focus and emphasis on fraud, waste  
17 and abuse lately, and we're all trying to make a more  
18 concerted effort in that area, we are limited as tax  
19 assessor-collectors as to the data that is available to  
20 us, and I know that there's been some discussion about  
21 allowing or developing some reports that would be made  
22 available to the tax assessor-collectors. Can you tell me  
23 what the status of that is?

24 MR. HIGGINBOTHAM: Yes, Member McRae. Actually  
25 on fiscal year '19 on the roadmap we have a project there

1 that we're calling county reporting, and it would be  
2 exactly to address some of those concerns you just raised.

3 So we're looking at kicking that off later this  
4 fiscal year and then it would carry over into fiscal year  
5 '20. So yes, that is something that we are there with you  
6 on that and with the tax assess-collectors and looking to  
7 see how we can help make more of that data available.

8 MS. McRAE: Thank you.

9 MR. TREVIÑO: Great question, Member McRae.

10 MS. BREWSTER: Mr. Chairman, if I may just add.

11 The governance team on the IT technology projects did  
12 vote to make that an official project in the agency, so  
13 planning is underway for that now.

14 MS. McRAE: Thank you.

15 MR. TREVIÑO: Thank you, Director Brewster.

16 Any further questions for Mr. Higginbotham?

17 (No response.)

18 MR. TREVIÑO: Hearing none, Mr. Higginbotham,  
19 in this age of data transformation everywhere, you're the  
20 pointy end of the spear, and so we want to commend you for  
21 the work that you're doing.

22 And one thing I think would be useful for us is  
23 if we're doing some work on the facade here we would  
24 probably get a presentation on what the new facade is  
25 going to look like, but the interaction most people have

1 with our agency is digitally online, so I think at some  
2 point it would be good to see what the plans are for the  
3 website, to have some type of brief overview of what the  
4 website is going to look like.

5 Great. Thank you very much.

6 MR. HIGGINBOTHAM: Thank you very much.

7 MR. TREVIÑO: Great presentation.

8 And now we've got Dr. Tom Shindell. Is that  
9 correct?

10 Welcome, Dr. Shindell.

11 DR. SHINDELL: Good morning, Chairman Treviño,  
12 Executive Director Brewster, and distinguished Board  
13 members. For the record, my name is Tom Shindell and I'm  
14 the department's innovation and strategy analyst.

15 I'm providing a briefing only to update the  
16 full Board on the department's balanced scorecard  
17 strategic initiatives and on the upcoming strategic  
18 planning process you've heard so many other presenters  
19 reference.

20 First, the balanced scorecard initiatives  
21 update: To refresh your memories and to share some  
22 information with the new Board members, TxDMV developed a  
23 balanced scorecard which was finalized in March of 2018,  
24 and you have copies of those available for you on the dais  
25 if you need them.

1           One part of the balanced scorecard is strategy  
2 map initiatives, and these are department-wide projects to  
3 strengthen and support the department and also to help us  
4 implement our strategy map. TxDMV identified three  
5 separate initiatives, and I'll provide a brief description  
6 and status update of each one.

7           The first one is the training alignment  
8 initiative. The goal is to ensure that employees have the  
9 knowledge they need to do their jobs and to support the  
10 department's balanced scorecard.

11           In addition to what Matthew has already  
12 presented previously about the training initiatives that  
13 have already been completed, I also want to let you know  
14 that an RFP was distributed in the first week of May for  
15 proposals for the production of a DMV 101 video.

16           This is a video that would be shown to new  
17 employees as part of the onboarding process to help them  
18 understand the true breadth and depth of everything that  
19 the agency does and also help them see what their role is  
20 inside the agency.

21           The video is an effort that's a joint effort  
22 between Human Resources and our Government and Strategic  
23 Communications Division, and that's scheduled to be  
24 completed by August 31 of 2019.

25           The second initiative is the policy and

1 procedure review. The goal is to ensure that employees  
2 have clear policies, procedures and guidelines to ensure  
3 progress towards implementing the balanced scorecard goals  
4 of accountability, customer service, and consistency in  
5 treatment.

6 This initiative is being led by our Office of  
7 General Counsel, and the current status is that all the  
8 divisions have conducted an inventory of the policies that  
9 they have in place and policies that they need to develop.

10 We also provided policy and procedure  
11 development training to the executive team and selected  
12 staff members in March, and the next steps include  
13 completing all of the policies by August 31 of 2019 and  
14 completing all procedures by February 1 of 2020.

15 The third strategic initiative out of the  
16 balanced scorecard was the organizational survey alignment  
17 initiative, and that was headed up by yours truly, and the  
18 goal was to ensure consistent customer satisfaction data  
19 collection so that we can provide accurate and meaningful  
20 information on our progress towards our goals, as well as  
21 to provide legislative stakeholders with improved  
22 department data. This was also a management suggestion  
23 included in our Sunset Advisory Commission report.

24 The current status is that the executive team  
25 has reviewed several different iterations of our customer

1 satisfaction survey, and we finally agreed on one on April  
2 29 of this year, and right after that the legislative  
3 subsequently passed House Bill 2110 which provides for  
4 state agencies to survey their customers in several  
5 different areas, and it was a much longer list than we  
6 had. They included facilities, staff communications,  
7 internet site, the list goes on.

8 HB 2110 also directed the Legislative Budget  
9 Board and the Governor's Office of Budget and Policy to  
10 provide guidance to state agencies on how they want that  
11 data collected, how there would be a uniform statewide  
12 performance measure for reporting this, and so our next  
13 steps are to revise our surveys on the guidance that we  
14 received and to implement them beginning September 1,  
15 2019.

16 Do you have any questions about the balanced  
17 scorecard strategic initiative update?

18 MR. TREVIÑO: Any questions from the Board?

19 Member Scott.

20 MR. SCOTT: The survey that you came up with  
21 that you finalized in April, did we actually ever use that  
22 survey?

23 DR. SHINDELL: We're in the process of entering  
24 that into a survey software called Survey Monkey, and so  
25 we have our core questions all set up for each division in

1 Survey Monkey.

2 And what the executive team did is we all  
3 agreed on three core questions that we wanted to ask all  
4 of our customers, and then some divisions wanted to ask  
5 additional questions, and that was why we all agreed on  
6 the minimum so that we could have consistent data to  
7 report for each division, and some wanted some additional  
8 questions.

9 So we're in the process of inputting those  
10 additional questions into Survey Monkey and we're going to  
11 start implementing that by September 1. Given the change  
12 with House Bill 2110, we have not actually implemented any  
13 of the new surveys yet.

14 MR. SCOTT: Okay. So the one that we've made  
15 up for ourselves, which we have to modify that and add to  
16 it the things that the House Bill put in. Right?

17 DR. SHINDELL: That's correct.

18 MR. SCOTT: Okay, okay.

19 DR. SHINDELL: Did I answer your question?

20 MR. SCOTT: Yes, you did.

21 The next question I had is on the video, the  
22 new employee video, that sounds pretty interesting. You  
23 said that will be ready by the end of August?

24 DR. SHINDELL: It's scheduled to be completed  
25 by August 31 of 2019. That was the last update that I



1 got.

2 MR. SCOTT: Okay. So let's say that it's ready  
3 September 1, are you going to go back then, the people  
4 that were hired this year or back 18 months and watch the  
5 video? Just interesting.

6 DR. SHINDELL: I imagine that we would have  
7 some kind of agency-wide unveiling so that everybody could  
8 see it.

9 I don't want to speak for Matthew Levitt, our  
10 HR director, about what his top secret plans are, but I  
11 imagine it would be something like that so that everybody  
12 could see it, because even if you're not a new employee,  
13 we still have some employees, or maybe many employees -- I  
14 don't know how extensive or pervasive it is -- that maybe  
15 aren't aware of all the different things the agency does.

16 So it seems like it would be a great idea to  
17 have everybody see that video kind of as a baseline and  
18 then show it to new employees going forward.

19 MR. SCOTT: Yeah, it seems like it, because you  
20 have people working in different departments, they see the  
21 other department but they don't really know what's going  
22 on over there. This is a huge agency with a lot of  
23 people, and it takes in a lot of resources and so forth,  
24 so I think that's a great idea. Thank you.

25 MR. TREVIÑO: Further comments, Member Scott?

1 MS. BREWSTER: Mr. Chairman, if I just may add  
2 one thing to address Member Scott's questions about  
3 surveys and when we will be implementing these.

4 I just want to be clear, in the event that this  
5 hasn't been clear, we currently and routinely survey the  
6 public and our stakeholders now. The efforts that we have  
7 gone through recently is to standardize our surveys across  
8 the department so that we can across the department pull  
9 the same elements and have consistent information.

10 So I just wanted to make sure it was clear that  
11 we do right now survey customer satisfaction throughout  
12 the agency. This really is to just standardize that  
13 process so that we have clear information.

14 MR. TREVIÑO: Any further questions for Dr.  
15 Shindell?

16 (No response.)

17 MR. TREVIÑO: No.

18 DR. SHINDELL: Then moving on, I wanted to give  
19 you an update on the strategic planning process. The  
20 department has redesigned its strategic planning process  
21 to align the planning activities in a more logical  
22 planning process. So for example, in previous years we  
23 developed division operational plans before we actually --  
24 Linda, you can come up and sit if you want, that's fine.  
25 It is perfectly okay. It would be great to have you by my

1 side. That would be awesome.

2 (General talking and laughter.)

3 DR. SHINDELL: For example, in previous years  
4 we developed division operational plans and identified  
5 initiatives for divisions before we developed the  
6 department's strategic plan, and part of that is when  
7 documents were required by the legislature and when we  
8 were doing our budget planning, and it just wasn't as  
9 coherent and systemic as we would like.

10 So the executive team got together and  
11 redesigned the whole process and you have a flow chart  
12 available on your dais if you wanted to see what all the  
13 steps are in the strategic planning process, and I'm just  
14 going to briefly go over it.

15 The first thing to note is that there are  
16 eleven steps that we're going to go through for strategic  
17 planning, and the first step starts with you. We're going  
18 to be asking the Board to visit our vision, mission,  
19 philosophy, strategic goals and values, and if you have  
20 any changes you want to make in those, hopefully we will  
21 get those from you at the August Board meeting so that we  
22 can go ahead and move on with the rest of our strategic  
23 planning process.

24 The next step is that the executive team will  
25 identify strategic goals and activities for the next two

1 or three years and beyond.

2 And as you've heard earlier, whether it's  
3 information technology or other projects, some of these  
4 projects and initiatives will be further out than two or  
5 three years, and if that's the case we will factor that  
6 in.

7 We will also be factoring in the results of the  
8 TOAP project that Executive Director Brewster went over  
9 earlier. We'll be factoring that information into that  
10 step as well.

11 Then we're going to prioritize those goals and  
12 activities in the third step, and then what we're going to  
13 do is review our balanced scorecard for alignment for  
14 those strategic goals and activities.

15 For example, we'll have the customer survey  
16 project completed so something else can take its place,  
17 and we'll be very close to having our policy and procedure  
18 initiative completed, so conceivably we could put  
19 something else in that spot as well. So we'll be revising  
20 our balanced scorecard and the balanced scorecard  
21 initiatives.

22 Then we'll also review our division initiatives  
23 and projects and make sure they all fall in line and  
24 support the longer term issues. We will also review our  
25 key performance measures -- excuse me -- our performance

1 measures and our key performance indicators -- easy for me  
2 to say -- to make sure those are aligned with the projects  
3 that we're pursuing as well. And we will also review our  
4 information technology roadmap that Mike went over with  
5 you earlier as well.

6 After we go through aligning and discussing  
7 each one of those individually, the next step is for the  
8 executive team to go through and we're calling it a  
9 quality check -- there's probably a better name for  
10 that -- but we want to go through and make sure everything  
11 is aligned and fits together.

12 One of the big reasons why we wanted to  
13 redesign our process is things didn't necessarily fit  
14 together well or we had an initiative that was part of the  
15 strategic plan, maybe part of the balanced scorecard and  
16 maybe part of the divisional initiative, and we just  
17 really wanted to get all of these things aligned so that  
18 we reduce any duplication or redundant efforts in the  
19 agency.

20 After we get done doing our quality check, the  
21 schedule for that would be the end of February, and if  
22 past practice holds true, then we would ask direction from  
23 the Legislative Budget Board and the Office of the  
24 Governor in March about how to develop the strategic plan,  
25 which would be the second to the last step. And then

1 we'll complete the strategic plan and then we'll develop  
2 our legislative appropriations request.

3 So the goal is to start in August with y'all  
4 reviewing our vision and mission and other high level  
5 strategic pieces, and the goal is for us to have  
6 everything finished by February before we actually have to  
7 start preparing documents in March.

8 And with that, do y'all have any questions?  
9 That's a lot of information to throw at you all at once.

10 (No response.)

11 DR. SHINDELL: Thank y'all very much.

12 MR. TREVIÑO: Thank you.

13 MS. FLORES: My apologies. He paused, and I  
14 was given directive to make this quick because you never  
15 want to stand before a Board member before lunch, and I  
16 know it's getting to that time.

17 We are going to make a very brief presentation  
18 on the facilities, and you've already heard a lot about  
19 that. So again, Linda Flores, the CFO for the agency; Ann  
20 Pierce, assistant division director.

21 The recurring theme is infrastructure, lots  
22 going on. That's true for facilities as well. We have  
23 over 45 projects and it continues to grow every time we go  
24 out, we see something else, oh, it would be nice to do  
25 XYZ.

1           So I'm going to turn it over to Ann. She's  
2 going to go over large projects over \$250-, projects under  
3 \$250-, assessments of a lot of different things in our  
4 buildings because we don't know what we don't know, so  
5 hopefully those assessments will give us some idea of  
6 what's behind the walls and in the ceiling.

7           I will give you one example of what's in the  
8 ceiling. When Mike Higginbotham was hired, his first week  
9 in Building 5, I got a phone call that there were maggots  
10 falling from the ceiling.

11           MR. TREVIÑO: Oh, very nice.

12           (General laughter.)

13           MS. FLORES: And there's a major leak in that  
14 building's roof and so that is on our large projects.

15           So with that, I'll turn it over to Ann.

16           MR. TREVIÑO: Thank you very much.

17           MS. PIERCE: For the record, I'm Ann Pierce,  
18 the deputy division director of Finance and Administrative  
19 Services Division. We are at page 280 in the board book,  
20 if you want to follow along.

21           Like Linda said, we have several different  
22 things going on. We've got four large projects, the  
23 projects that are over \$250- that we know will start this  
24 year but will carry into next fiscal year and biennium.  
25 Just to highlight those, we're doing the EDO suite remodel

1 and that is to give kind of a facelift to that area as  
2 well as adding a conference room and a walled office in  
3 there for some privacy.

4 But that remodel also includes the restrooms  
5 that are adjacent to that area that are used whenever we  
6 have meetings in this room as well, so that will make  
7 those ADA compliant since this is an older building and  
8 we're doing some remodeling.

9 We're also going to be replacing the campus  
10 security and badging system. We'll be taking that over  
11 from TxDOT so that we can be self-sufficient in that  
12 aspect.

13 We're going to take care of Mike's roof. His  
14 roof kind of rivals where Jimmy used to be in the other  
15 building. We're also doing some weatherization on this  
16 building.

17 Both Building 1 and Building 5 were actually  
18 initially built in 1955, Building 5 had some further  
19 redesign and renovations in 1972, a little bit of work  
20 done on each of the buildings around 1998, and then we've  
21 just been sustaining them since then, so we recognize they  
22 need some work.

23 Smaller projects that we're doing, we've got  
24 seven that are currently active. These are projects that  
25 are under \$250,000. We know we're going to accomplish



1 these by the end of the fiscal year.

2 We've got one of our conference rooms called  
3 the Austin Room in this building on the 4th floor. We've  
4 added some conduits, we've given it some fresh paint, some  
5 fresh carpet, and just kind of brightened that atmosphere,  
6 and we hope to do that in other conference rooms as well.

7 We are putting a small building in the back of  
8 the dock area so that we can secure our forklift and we've  
9 got an electric vehicle so we're also putting our charging  
10 station in there so we can secure those.

11 We've got some dock stairs that are in  
12 disrepair. They're wooden and they're older, and so we're  
13 going to replace them with something a little more sturdy  
14 like concrete. And we've got a door that's back there  
15 that's actually rusting, so it's a security concern as  
16 well as a safety concern, so we're going to be replacing  
17 that.

18 And if you look behind you, there's some wall  
19 damage back there -- thank you, Ms. Brewster -- so we  
20 contacted the Texas Correctional Industries, who actually  
21 built the board dais that you're sitting at, and they've  
22 gotten some information from us from when we originally  
23 bought that so that we can make sure that the wainscoting  
24 and the chair rail that we put back there is going to  
25 match nicely with what we already have in place.

1           Besides those projects -- because we didn't  
2 have enough going on already -- we are also seeking to  
3 undertake landscaping, pest control, and security guard  
4 contracts from TxDOT, and we'll have those in place by  
5 September 1 to make us all the more independent from  
6 TxDOT.

7           We are also in the process of actually building  
8 an official team, so we have a few team members here with  
9 us today.

10           We hired a facilities and mail manager back in  
11 December. We were able to take a full-time equivalent  
12 position that we already had and reclassify it to that,  
13 and then we started hiring some of our actual facilities  
14 positions last month. So we have a new facilities lead  
15 who is also our master electrician, so Will Comiskey, if  
16 you'll stand up.

17           MR. TREVIÑO: Mr. Comiskey, welcome. Thank  
18 you.

19           MS. PIERCE: We've also hired a new plumbing  
20 coordinator, and unfortunately, he's out busy working,  
21 which is probably not unfortunate, Jonathan McLendon is  
22 with us. We are in the process of hiring a new HVAC  
23 mechanic. and we hope to have him on board by or before  
24 next month.

25           And as we've made facilities successful over

1 the last few years without having an official team, we  
2 borrowed from our other team members in our section, and  
3 so Dawn McNabb, who is also with us today, she's actually  
4 our lead worker for our inventory team and our imaging  
5 team, and she's also playing a dual role with our  
6 facilities team and she's helping with the security  
7 project and gathering information from our stakeholders.

8 MR. TREVIÑO: It's great to have you here, and  
9 thank you for your service to the state.

10 MS. FLORES: And I leave you with one last  
11 tidbit. That dais you're sitting in was supposed to be  
12 portable.

13 MR. TREVIÑO: This?

14 MS. FLORES: Well, back in the day we were on  
15 the road to getting our own building somewhere, and so  
16 when we put the specs out, I had told the purchasing  
17 director I want to take it with us, so whatever it is they  
18 build, make sure that we can take it down and take it  
19 along the road somewhere. So unfortunately, it's going to  
20 be a little bit longer than I originally thought.

21 MR. TREVIÑO: It's been here a long time, and  
22 it's the Board that is temporary.

23 (General laughter.)

24 MS. PIERCE: We are also doing seven different  
25 assessments which are in your board books, so I won't get

1 into the nitty-gritty of that. But we're asking for  
2 things like indoor air quality checks and ADA, Americans  
3 with Disabilities checks, and we're seeking to get a full  
4 set of mechanical, electrical and plumbing plans because  
5 the building is so old and things get piecemealed over the  
6 years, there's not a set of plans that actually does tell  
7 us what's in the walls and so we don't want to be  
8 surprised.

9 So we're asking for some of those efforts to be  
10 made in conjunction with the Texas Facilities Commission.  
11 who has helping us with these so that we can be in  
12 compliance when the keys do get turned over to us, and so  
13 that we know what we're getting into as we actually take  
14 on these projects and these other efforts if there's  
15 concerns in those areas.

16 And then we also received funding for some  
17 regional projects so we're going to be helping VTR with  
18 getting those upgraded as well.

19 MR. TREVIÑO: Any questions?

20 (No response.)

21 MR. TREVIÑO: No. And it's not this Board's  
22 job to micromanage what you do but in terms of ranking  
23 your responsibilities, if there's anything that's going to  
24 help the Board here, insects falling on valuable team  
25 members takes precedent over that, so please make sure

1 that you mitigate those as best as you possibly can. I  
2 know it's a tough job.

3 MS. PIERCE: Yes, sir. We don't want to  
4 interrupt all the projects Mike has got going on.

5 MR. TREVIÑO: I just wanted to make sure that  
6 that is clearly articulated and part of the record.

7 MS. PIERCE: Thank you.

8 MR. TREVIÑO: But thank you for your service  
9 and your brevity.

10 MS. FLORES: Thank you.

11 Before we move to the next thing, the idea of  
12 all the presentations, I know it's a lot to absorb today,  
13 the idea that most of the heavy lifting around this is  
14 going to be done in Member Prewitt's Operations Committee,  
15 which he is ably handling and done yeoman's work on, and  
16 which is just amazing so far.

17 But just because it may not necessarily be  
18 presented to the full Board doesn't mean that it doesn't  
19 have value or isn't important, so I just would encourage  
20 staff to continue plowing through this stuff, even if it's  
21 not public, because it has great value to the citizens of  
22 Texas over time. So thank you for all those  
23 presentations.

24 John, any comments, Member Prewitt?

25 MR. PREWITT: In the last two days I've learned

1 more about the things that TxDMV employees have gone  
2 through, with Jimmy with the rats and other creatures, and  
3 it was first a mental hospital -- I never knew that -- and  
4 then the latest about the maggots falling on Mike, and  
5 that's just crazy.

6 So thank you for the operating in the  
7 conditions you do and let's hope we can get all these  
8 things fixed.

9 Thank you.

10 MR. TREVIÑO: Looking at it, it will pay great  
11 dividends.

12 But I know, John, all the work that you're  
13 doing and staff, obviously staff.

14 MR. PREWITT: It reminds me of a college  
15 apartment I stayed in one time; I would never want to go  
16 back there.

17 (General laughter.)

18 MR. TREVIÑO: Well, we will make sure that  
19 those are not part of the public record as we move on.

20 Now we've got the very exciting Legislative and  
21 Public Affairs update with Caroline Love. Thank you very  
22 much for coming and speaking with us today.

23 MS. LOVE: Good morning. It is still morning.

24 MR. TREVIÑO: It is, just barely.

25 MS. LOVE: So I'll try my best to do this in

1 the morning.

2           Once again, my name is Caroline Love. I'm  
3 director of the Government and Strategic Communications  
4 Division for the department, and I wanted to fill you all  
5 in on all the exciting things that happened since the  
6 legislature went in in January.

7           So with that, I'll kind of start with a key  
8 overview of some of the items and get into more detail  
9 about things that are included in our Sunset bill and also  
10 the items that the Board recommended to the legislature  
11 and where those ended.

12           So just a couple of quick overview things. As  
13 we know, the legislature adjourned sine die on May 27, but  
14 there is still the opportunity for the Governor to take  
15 action on bills, so he can allow a bill to go into law  
16 without signature, sign a bill or veto a bill, and that  
17 opportunity ends on June 16, which is also Father's Day.

18           It happens every two years, so we will be  
19 monitoring those activities. So all the bills that I'll  
20 discuss today haven't had any action taken by the Governor  
21 just yet, so we'll be watching that to kind of see what  
22 happens there.

23           I'll move on to kind of some general statistics  
24 about what happened during the session. Just under 7,300  
25 bills were filed; in the end there were just over 1,400

1 that passed, which is approximately 20 percent. And of  
2 those 7,281 bills that were filed, staff had identified  
3 about 578 that had potential impacts. Of those, 86  
4 passed.

5           However, I will note that the number of bills  
6 that passed isn't always representative of one-to-one  
7 because a lot of things that were in stand-alone  
8 legislation ended up getting amended into other bills,  
9 including our Sunset bill, so I'll get to that in just a  
10 minute.

11           But another interesting statistic is in the  
12 final three days of the legislative session, over 1,000  
13 bills were passed, so more than a third of all the bills  
14 that passed the session were done in the last three days,  
15 and that included the state budget, property tax reform,  
16 school finance. All the really large issues that the  
17 legislature was tackling this session were all done in  
18 those last three days.

19           I did want to note obviously the largest bill  
20 of interest to this agency was Senate Bill 604, which Ms.  
21 Brewster referenced earlier. It was a little nerve  
22 wracking but it was adopted on the last day that they  
23 could take any action, but in the end we made it and we've  
24 been extended to September 1 of 2031, so it's all good.

25           And the biggest portion of the bill actually



1 changes the name of the Auto Burglary Theft and Prevention  
2 Authority to the Motor Vehicle Crime Prevention Authority,  
3 so it's ABTPA to MVCPA, so we'll be working with our MVCPA  
4 Board and staff on kind of making sure people are aware of  
5 that change.

6 They have an exciting new awareness campaign  
7 with Gary P. Nunn that kind of shows "If you like it, lock  
8 it." So you know, there will be some good efforts going  
9 on over there.

10 I did want to kind of note some of the  
11 interesting things that ended up in our Sunset bill.  
12 There were a lot of the original Sunset staff  
13 recommendations that remained in the bill, such as  
14 providing training to the Board members about the handling  
15 of contested cases and things like that, but there were  
16 also some changes that ended up in the bill.

17 For example, there was a recommendation by  
18 Sunset staff to completely do away with the notification  
19 and approval by the department of shows and exhibitions  
20 for vehicles for manufacturers.

21 And what ended up changing in that regard was  
22 now notification has to be provided only, so there is one  
23 less step that our staff will go through on those, we'll  
24 just receive that notification and not have to do  
25 approvals on those.

1           Another Sunset staff recommendation that  
2 changed was they felt it was helpful to do away with the  
3 statutory ability for dealers to when they're doing  
4 advertising to have a statutory gimme. They could do one  
5 infraction on 19 different advertising regulations and not  
6 have any sort of penalty.

7           And that actually was repealed -- taken out of  
8 the Sunset bill, I should say, so it's still in state law  
9 but that one-time infraction is allowed without any kind  
10 of penalty being assessed.

11           There were also a couple of new things. There  
12 was the ability -- I guess not the ability but the  
13 requirement that the department undergo an alternatively  
14 fueled vehicle study, along with several other agencies,  
15 including the Texas Department of Transportation, the  
16 Department of Public Safety, the Commission on  
17 Environmental Quality, and the Public Utility Commission,  
18 to look at what fees can be collected from alternatively  
19 fueled vehicles, so that can be hybrids, fully electric,  
20 those types of vehicles, to ensure that they are paying  
21 their fair share of the road use. And that study is going  
22 to be due to the legislature by December 1 of 2020.

23           And then, of course, another new item that was  
24 included in the Sunset bill that was a stand-alone bill  
25 that didn't make it in the end, but it allows the

1 department to offer digital license plates to commercial  
2 fleets and state fleets and things like that. So there  
3 will be rulemaking associated with that and quite a bit of  
4 implementation, obviously, to make sure our systems will  
5 talk with these plates, so there will be a lot more to  
6 come as the implementation efforts of that go underway.

7 Is there any questions about our Sunset bill  
8 before I move on to other legislation?

9 MR. TREVIÑO: Any questions from the Board?

10 (No response.)

11 MR. TREVIÑO: Ms. Love, please proceed.

12 MS. LOVE: And then, obviously, the DPS Sunset  
13 bill passing was of significance to us.

14 Senate Bill 616 contains a component that says  
15 the DPS shall work with DMV to look at what it would take  
16 to transfer the driver license function. That study is  
17 due to the legislature by September 2020, so we'll have  
18 lots of studying going on this interim for sure.

19 And just in general, there were eleven bills  
20 that passed that create new specialty license plates, and  
21 actually one of those modifies an existing specialty  
22 license plate, but of those, five of them are military  
23 related and then they have nine new designs on those.

24 Another couple of bills that are of general  
25 interest that will definitely have an impact. This Board

1 has heard a lot in the past about assembled vehicles and  
2 how to move forward with those on registering and titling,  
3 so House Bill 1755 passed that allows for that in a  
4 limited capacity, so there will be more to come on that as  
5 well from staff in the future months.

6 But also, Senate Bill 976, by Senator Hughes,  
7 says that we should mark on a vehicle record if the owner  
8 of a vehicle may have a communication impediment. This  
9 was a big help for people who may have various forms of  
10 autism or other types of communication impediments that  
11 it's good for law enforcement to be aware that that exists  
12 when they approach a vehicle.

13 And I did have a typo on this last one, it's  
14 House Bill 2315, not House Bill 2310, that allows for  
15 expedited titling of FEMA trailers that are used to  
16 respond to disasters.

17 And just of general interest on that, the  
18 legislature ended up passing 53 bills this session that  
19 dealt with disaster preparedness, and this was one of  
20 them, so they definitely have a lot of interest in making  
21 sure that should another Hurricane Harvey type event  
22 occur, that the state is better prepared for future things  
23 on that.

24 I thought I'd go into the general overview of  
25 what happened with the Board recommendations to the 86th

1 Legislature, and so this was kind of the process we went  
2 through to get those recommendations, and they were  
3 approved by the Board last October. So here's kind of a  
4 summary of where those bills and recommendations ended up.

5 House Bill 2835, by Representative Canales,  
6 would allow for -- it's another one of those disaster  
7 preparedness bills -- it allows for people in a disaster  
8 area to have an extra 30 days if their county office is  
9 closed for any reason so that they don't have to be  
10 subject to a ticket or a citation if they have an expired  
11 registration because they wouldn't have, presumably,  
12 anywhere to go to get that renewal, but also so that they  
13 can focus on those other things that they might need to  
14 focus on being involved in a disaster area. So that  
15 passed the legislature.

16 Also, House Bill 2112 has a lot of components  
17 on it related to a designation of a flood vehicle, a  
18 definition of a flood vehicle, things like that. That was  
19 passed.

20 House Bill 4304 did get addressed in the budget  
21 in a way. The Motor Vehicle Crime Prevention Authority, I  
22 did want to also mention, in our Sunset legislation does  
23 get expanded authority to help out law enforcement on  
24 other cases, but as Ms. Flores mentioned earlier, we  
25 didn't get any additional money or any other funds for

1 that, so while they have the extra authority, it would be  
2 helpful to get that extra money to go with that too, but  
3 maybe in a future session.

4 House Bill 2620 contained a lot of updates to  
5 motor carrier statutes. There are laws that would change  
6 at the federal level over the past several years that  
7 didn't get changed in state statute, so this bill brings a  
8 lot of those statutes up to speed. But also, it allows  
9 for our Motor Carrier Division to require an escort  
10 flagger as part of issuing an oversize/overweight permit,  
11 which is a good safety measures.

12 House Bill 2834 actually was another bill that  
13 didn't pass as a stand-alone, but it did get amended to  
14 Senate Bill 604, our Sunset bill, and it does coincide  
15 with a lot of the Sunset staff recommendations regarding  
16 our case management.

17 And what House Bill 2834 would have done was  
18 exempt our cases from Open Records requests if it impacts  
19 the integrity of that case. If we were to get an Open  
20 Records request on an open case, we would comply with it  
21 upon closure of the case, but we just are trying to  
22 maintain the integrity of those cases while they're  
23 ongoing.

24 And then we had House Bill 3842 that clarifies  
25 the location by which a motor vehicle dealer can sell.

1           And House Bill 3988, unfortunately never made  
2 it across the finish line. It did make it through the  
3 House, but then there was a big bottleneck in the Senate,  
4 and as I mentioned before, there was obviously a lot of  
5 activity in those few days of the session and there were  
6 just some bills that didn't make it and this was one of  
7 them. But that would have made it a little easier when we  
8 do an order on a Lemon Law case to just reduce some  
9 paperwork by saying that if a manufacturer is found at  
10 fault then they have to pay the associated fees.

11           But this brings an opportunity to kind of talk  
12 about this one as well as the title dispute process that  
13 did not have any action taken by the legislature.

14           In a few months from now -- I hate to think  
15 about how short a way it is -- my staff will start going  
16 through those items that were recommendations by this  
17 Board in past sessions that didn't make it to the finish  
18 line, and also looking at any new concepts that need to be  
19 addressed for the next legislature.

20           So all of these will be things that we'll be  
21 analyzing and working with the executive team on to come  
22 forward with other recommendations in about a year and a  
23 half from now for this Board to consider for the next  
24 legislature, which is 586 days away, if you're counting.

25           But that wraps up what I had as a summary of

1 what happened during the session. I'll continue to  
2 provide updates about implementation efforts and things  
3 like that, but I'm happy to answer any questions.

4 MR. TREVIÑO: Thank you, Ms. Love.

5 Any questions from the Board?

6 (No response.)

7 MR. TREVIÑO: Thank you for the very thorough  
8 presentation. And also, before you leave, I think I speak  
9 for the entire Board how happy we are that you're sitting  
10 here presenting to us.

11 MS. LOVE: Oh, thank you.

12 MR. TREVIÑO: Thank you for being here.

13 MS. LOVE: Thank you so much.

14 MR. TREVIÑO: Okay. And you know what, we do  
15 have a special guest here today that I want to make sure I  
16 recognize.

17 Member McRae's niece, Chloe, is over here  
18 sitting here patiently, and I think she deserves a round  
19 of applause for putting up with us. Thank you, Chloe, for  
20 being here with us today and being such a good guest.

21 (Applause.)

22 MR. TREVIÑO: Now I think we're done and we're  
23 going to head into executive session. Is that correct,  
24 General Counsel?

25 MS. BEAVER: Yes, Chairman.



1 MR. TREVIÑO: So we're going into closed  
2 session. It is now approximately 11:46 a.m. on June 6,  
3 2019. We will go into closed session under Texas  
4 Government Code Sections 551.071, 551.074, 551.076, and  
5 551.089.

6 For those of you in the audience, I anticipate  
7 being in executive session for approximately --

8 MS. BEAVER: I would guess 45 to an hour.

9 MR. TREVIÑO: -- 45 minutes to an hour. And  
10 we will reconvene in open session after that.

11 With that, we are recessed from the public  
12 meeting and we're going into executive session.

13 (Whereupon, at 11:46 a.m., the meeting was  
14 recessed, to reconvene this same day, Thursday, June 6,  
15 2019, following conclusion of the executive session.)

16 MR. TREVIÑO: It is approximately 1:09 p.m.,  
17 and the Board of the TxDMV is now back in open session.

18 The Board will now take up item 14, action  
19 items from executive session, and there are no action  
20 arising from the executive session that the Board must act  
21 upon in open session, pursuant to Section 551.102 of the  
22 Texas Government Code.

23 And General Counsel?

24 MS. BEAVER: And there are no public comment  
25 cards that have been received.

1 MR. TREVIÑO: Great. So no public comment  
2 cards.

3 So I think the only order of business left is  
4 to adjourn. So I would entertain a motion.

5 MR. PREWITT: So moved.

6 MS. McRAE: Second.

7 MR. TREVIÑO: Member Prewitt, and a second,  
8 Member McRae jumped right. So all in favor.

9 (A chorus of ayes.)

10 MR. TREVIÑO: Let the record reflect that the  
11 vote is unanimous. It is now 1:10 p.m. We are adjourned.

12 (Whereupon, at 1:10 p.m., the meeting was  
13 adjourned.)

C E R T I F I C A T E

1  
2  
3 MEETING OF: TxDMV Board  
4 LOCATION: Austin, Texas  
5 DATE: June 6, 2019

6 I do hereby certify that the foregoing pages,  
7 numbers 1 through 163, inclusive, are the true, accurate,  
8 and complete transcript prepared from the verbal recording  
9 made by electronic recording by Nancy H. King before the  
10 Texas Department of Motor Vehicles.

11 DATE: June 13, 2019  
12  
13  
14  
15  
16

17 /s/ Nancy H. King  
18 (Transcriber)  
19

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