TEXAS DEPARTMENT OF MOTOR VEHICLES

AUTO BURGLARY AND THEFT PREVENTION AUTHORITY

BOARD OF DIRECTORS MEETING

9:01 a.m.
Tuesday,
November 14, 2017

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Carlos Garcia, Chair
Tommy Hansen
Ashley Hunter
Linda Kinney
Armin Mizani
Wynn Reynolds
Ken Ross

STAFF:

Bryan Wilson, Director
David Richards, General Counsel
<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CALL TO ORDER</td>
<td></td>
</tr>
<tr>
<td>A. Roll Call and Establishment of Quorum</td>
<td>5</td>
</tr>
<tr>
<td>B. Approval of Transcripts as Minutes</td>
<td>6</td>
</tr>
<tr>
<td>- Transcript from July 7, 2017</td>
<td></td>
</tr>
<tr>
<td>C. Public Comment</td>
<td>--</td>
</tr>
<tr>
<td>D. Comments from Chairman and Board Members</td>
<td>7</td>
</tr>
<tr>
<td>- Commendations and Congratulations</td>
<td></td>
</tr>
<tr>
<td>BRIEFINGS AND ACTION ITEMS</td>
<td></td>
</tr>
<tr>
<td>2. Review and Consider Insurance Collection Efforts</td>
<td></td>
</tr>
<tr>
<td>A. Review letters to and responses from non-filing insurers and consider directing staff to request guidance from the Texas Department of Insurance.</td>
<td>10</td>
</tr>
<tr>
<td>B. Review letters to and responses from non-paying insurers claiming exemption.</td>
<td>17</td>
</tr>
<tr>
<td>C. Consider directing staff to evaluate the collection of ABTPA fees.</td>
<td>19</td>
</tr>
<tr>
<td>3. Consider actions on insurance refund requests</td>
<td></td>
</tr>
<tr>
<td>A. Integon National Insurance Company</td>
<td>25</td>
</tr>
<tr>
<td>B. Allstate Insurance Company</td>
<td>27</td>
</tr>
<tr>
<td>4. Consider authorizing staff to complete and update FY18-19 Grant Administrative Manual</td>
<td>30</td>
</tr>
<tr>
<td>5. Review and discuss Legislative Budget Board border security reporting requirements</td>
<td>34</td>
</tr>
<tr>
<td>6. Consider authorizing staff to develop a plan and establish a budget to implement a Rapid Response Strikeforce</td>
<td>44</td>
</tr>
<tr>
<td>7. Review Motor Vehicle Burglary and Theft Investigator Training and consider providing a budget for training events.</td>
<td>47</td>
</tr>
</tbody>
</table>
RULES - PROPOSAL
Title 43, Texas Administrative Code

8. Chapter 57, Automobile Burglary and Theft Prevention Authority
   Amendments to 57.18, Grant Adjustments

9. Chapter 57, Automobile Burglary and Theft Prevention Authority
   Amendments to §57.48, Motor Vehicle Years of Insurance Calculations, §57.49, Audit, §57.50, Report to Department of Insurance, and §57.51, Refund Determinations

10. Chapter 57, Automobile Burglary and Theft Prevention Authority
    New section 57.52, Correction of Administrative Posting or Data Entry Errors

ABTPA DIRECTOR'S REPORT

11. Report on ABTPA-related activities identified by the Director as noteworthy, which may include reports on:
    1. Budget
       a. Budget status
       b. Report on the request to use Unexpended Balance Request letter to TxDMV
    2. Grant Activities and Analysis
    3. Grant Adjustments
    4. Educational Programs and Marketing
    5. Agency Operations
    6. Personnel Updates
    7. Monitoring

EXECUTIVE SESSION

12. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:

ON THE RECORD REPORTING
(512) 450-0342
• Section 551.071
• Section 551.074
• Section 551.089

13. Action Items from Executive Session --
14. Public Comment 64
15. Adjournment 65
MR. GARCIA: Good morning, everybody. At this point in time I'm going to call this meeting to order. Again, good morning. My name is Carlos Garcia, and I am pleased to open the Board meeting of the Automobile Burglary and Theft Prevention Authority.

Today is November 14, 2017, it is 9:01 a.m., and I'm calling the Board meeting for November 14, 2017 to order, and I want to note for the record that the public notice of this meeting, containing all items on the agenda, was timely filed with the Office of Secretary of State on Friday, November 3, 2017.

Before we begin today's meeting, please place all cell phones and other communication devices in a silent mode.

If you wish to address the Board during today's meeting, please complete a speaker's card at the registration table. To comment on an agenda item, please complete a yellow card and identify the agenda item. If it is not an agenda item, we will take your comments during the public comment portion of the meeting.

And now I'd liked to have a roll call of the Board members at this time.

Board Member Hunter?

MS. HUNTER: Present.
MR. GARCIA: Board Member Reynolds?
MR. REYNOLDS: Present.

MR. GARCIA: Board Member Hansen?
MR. HANSEN: Present.

MR. GARCIA: Board Member Ross?
MR. ROSS: Here.

MR. GARCIA: Board Member Mizani?
MR. MIZANI: Here.

MR. GARCIA: And Board Member Kinney?
MS. KINNEY: Here.

MR. GARCIA: And let the record reflect that I, Carlos Garcia, am here too so we do have a quorum. So that was agenda item 1.A on the roll call and the establishment of a quorum.

I'm moving on to item 1.B, approval of transcripts as minutes, the transcript from July 7 of 2017. It is an action item so we do need a motion and a second on that.

MR. HANSEN: I make a motion.
MR. ROSS: Second.

MR. GARCIA: We have a motion on the floor by Board Member Hansen, second by Board Member Ross. Any further discussion?

(No response.)

MR. GARCIA: There is none. All those in favor
say aye.

(A chorus of ayes.)

MR. GARCIA:  All opposed?

(No response.)

MR. GARCIA:  Motion passes.

Agenda item 1.C, public comments.  I don't have any that signed up for public comments.  We do have one for an agenda item and that will be covered at that time.

Anybody else?

(No response.)

MR. GARCIA:  Agenda item 1.D, comments from the chairman and/or Board members, commendations and congratulations.  At this point I'll open it up to any comments from the Board members.

Mr. Hansen, go ahead.

MR. HANSEN:  Just FYI, on the public comment thing, the grantees, I would encourage you that if you have a question, that's what this is for, and it's nothing other than to bring up a concern or suggestion you have to put it on the next agenda.  That's really what this is for, so please take advantage of the public comment.

The next thing is we cannot start early enough with the legislature on trying to remedy this practice of diverting our funds.  We already have several things in motion.  In fact, we have a pending meeting with chief of
staff at the Lieutenant Governor's Office today, we have several other meetings kind of on the way up. So I encourage you to start opening the doors and if we can set up some meetings with some of your legislators, particularly right after the first of the year, there's no reason we can't hit every one of them, but it would be wonderful to have your sheriff or chiefs or some of those type of administrators along with us when we have these meetings.

And then we've also had a lot of dialogue with NICB concerning the legislature and they have completely gone a different direction as far as supporting us for the next session, and it's in a very positive way versus the last session. We've been pretty verbal with them about what we did not get from them. Of course, Fred is our ally and very much in support of this, so as of this week, communications with their head legislative person for NICB and Fred is that we're going to move forward and move forward at a rapid pace, and the general has made it very open that ABTPA and Texas will be their top priority this session.

So I just wanted to share that information.

MR. GARCIA: Thank you, sir.

Anybody else?

(No response.)
MR. GARCIA: Okay. Thank you, Mr. Hansen.

MR. HANSEN: You're welcome, sir.

MR. GARCIA: Also, on the congratulatory side, before each ABTPA Board meeting we encourage task force members to submit major milestones for the men and women who serve in the grant programs that are supported by grant funding from ABTPA. The following list from the programs in El Paso, Laredo and Harris County include individuals who have dedicated a significant portion of their careers to combating motor vehicle crimes.


So congratulations to all those individuals. On behalf of the ABTPA Board, we sincerely thank you for your service. The level of training and experience that each of these individuals possess cannot be easily be easily replaced. The ABTPA Board meeting book that has
been assembled by staff also includes more biographical details and some career highlights. For example, the summary for Deputy Doug Lewis is a great example of how the expertise of a trained auto theft investigator helped to prevent a violent crime in a school setting. So I encourage all of you to read through the individual entries for today's retirement commendations.

So again, congratulations from the Board to all those who have contributed, especially those that have been named today. We wish them well, we wish them the best on your next endeavors.

Moving on to agenda item 2, the briefings and action items, review and consider insurance collection efforts, agenda item 2.A, review letters and responses from non-filing insurers and consider directing staff to request guidance from the Texas Department of Insurance. Mr. Bryan Wilson, and includes designated staff also.

MR. WILSON: Chief, I'm going to back up just one second to page 13 of the commendation section, if you don't mind.

MR. GARCIA: Sure.

MR. WILSON: I just wanted to really let the Board know that we'd like to send this letter on their behalf, a thanks to Linda Flores and her staff for really looking at the comptroller's manual, really carefully
considering the way grant funds are distributed in the state. We could have just been a regular agency that just passes over things, but they went out of their way to help the Board with the huge funding cut that we received from the legislature this last session, they worked giving us options through the comptroller's manual and system to allow the extension of the FY16 grant and also the allocation of grant funds under the continuing grant rules of the comptroller.

And you don't have to take a vote on this issue, but I just wanted to make sure that if you have anything to add to this letter or anything you want to say personally to be sure to let staff know. I'm going to draft this letter on behalf of the Board to thank them for all the extra work that they did to help us.

We'll talk later about the grant adjustments that the grantees did to kind of catch up. Not everybody got to but a lot of them got to catch up on some equipment and upgrade a bait car. Our priority was to arrest, apprehend and detect individuals who are committing crimes and we use that money carefully to support that mission.

Anyway, I just wanted you to know, and you can say hear, hear, or just nothing at all, but let me know if you'd like to add something before I send it early next week.
MR. GARCIA: I'll let the Board members make any comments on the contents of the letter to Ms. Flores and her staff. If not, we'll allow Mr. Wilson to draft such a letter and allow me to sign it.

Any comments from the Board?

(No response.)

MR. WILSON: I'll proceed with agenda item number 2. What we have on page 15 of your board book is kind of a synopsis of the information that we put together. About a year and a half ago, as we were looking over some of the reports that the comptroller sent us each year and David Richards and I worked -- I'm throwing you under the bus, David.

(General laughter.)

MR. WILSON: We were looking at the contract that we had with the comptroller to collect these funds and to use their system and we realized there was some real funny language in the comptroller's and we weren't getting all the reports that would actually inform us of what was going on in the insurance collection. So David and I set out to kind of clarify a lot of the language so that we knew that we had access to their system, that they collected the money, and that they would report back to us information. I guess that was probably two years ago.

Right?
MR. RICHARDS: It was two, right.

MR. WILSON: And so at that point we began to get data back from the comptroller about what was going on, and at that point we discovered that there were a lot of people who were licensed to sell motor vehicle insurance that had never filed, or at least they were listed. We didn't fully understand what the comptroller's reports meant at the beginning, but we discovered that there were a few medical malpractice or attorney malpractice companies in there, that were property and casualty insurers, but the comptroller's system didn't really allow for them because they're a fiscal agent.

So anyway, we started sorting that out and identifying who those companies were, and I came to the Board and I said, I want to start working on this. And you said, Go ahead. So on page 15 I want to show that our major accomplishments for the last year and a half is we've improved communication with the Comptroller of Public Accounts about what information is being collected, about what's being reported, and also reaching out to the Texas Department of Insurance about some of their licensees and information regarding our statute, the collections process, and other important issues.

We have increased collections by $34,000, and I haven't done a full analysis of it, but we haven't spent
that much time on doing this, so I think we're a net sum
gain overall. We have improved statutory compliance with
filing requirements by insurance companies. And then
we've identified the need to have some process
improvements. We're trying to clarify report instructions
and forms. We found that there's some things in our forms
that are kind of funny and kind of don't quite fit into
what our statutory requirements are, and so we've worked
with the comptroller to look at adjusting those forms.
And then we identified, and we'll talk at the end of the
meeting about clarifying some rules that need to be in
place to support this effort.

So I'm not going to read through all of this
information but there's background there for you about how
we started in all this. The first thing we identified was
108 insurance companies that had failed to file the report
at all. So we sent out 95 letters, and some of those we
identified immediately were already in receivership and
were not actually any longer open to the public for
selling insurance. We figured out which ones those were,
we sent out 95 letters on October 6 of '16. Seventy-one
of those filed, we collected $12,947 from those companies
that filed, so we found out that a total of 27 ended up
being in receivership, four of those closed down or
withdraw from the market altogether, and six had totally
blown us off and never responded to any of our letters or certified letters. We notified their attorneys of record, the Department of Insurance requires that all insurers maintain an attorney of record, we sent letters to them, and we have no response whatsoever.

Just to kind of give you a quick overview, on page 17 is the letter that the comptroller generates inside of their computer system automatically, page 18 is the letter we sent to insurance companies once they still had not responded to the comptroller's automatically generated letters. And so I'll have an action item in just a minute after in finish the next round.

So the second group we identified were people who had filed zero on ABTPA fees but we had records from the comptroller's line 3 which is the motor vehicle tax premiums, and we identified 30 companies who had reported motor vehicle tax premiums to the comptroller on their annual tax reports but had filed zero motor vehicles. So we sent them letters, and of those, eleven have now paid for a total of $17,000 -- this is on page 20 -- twelve of those have claimed an exemption that we had in rule -- and that we'll be asking to submit some new rules on that issue -- one of them reported that they had made a mistake on the tax report that they submitted to the comptroller and have since corrected that, one is totally out of
business, and five did not respond at all.

So what we believe under these circumstances for what I presented on page 15 -- 16, I'm sorry -- 16 and page 20, the people who will not respond in any way, staff believes that we should reach out to the Texas Department of Insurance, the agency responsible for licensing these companies, and let them know that they either have not filed, as required by law to do, or in this case not responded to requests for clarification. This is an action item where we're asking the Board for clear permission to take up these companies and submit them to TDI.

At this point it's an inquiry. Our statute says -- and David is here in case I say it wrong -- our statute says if somebody fails to pay that the Board shall notify the TDI. Well, on the first group we don't know if they failed to pay or not. We don't have a response so in this case we're just sending an inquiry, identifying these agencies to TDI saying we need your help to clarify what actions should take place by one of your licensees.

MR. GARCIA: Okay. So staff recommends Board authorization to request guidance from Texas Department of Insurance on how to proceed with non-responsive and non-paying insurers. It is an action item so it's required a motion and a second for approval or denial.
MR. HANSEN: I would make a motion that we support that recommendation to follow through with that.

MR. REYNOLDS: I'll second it.

MR. GARCIA: We have a motion on the floor by Board Member Hansen, a second by Board Member Reynolds. Is there any further discussion on this action item?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion passes.

Moving on to agenda item 2.B, review letters to and responses from non-paying insurers claiming exemption.

MR. WILSON: So between page 20 and page 33, we have the different correspondence letters and emails that companies have used to claim the exemption from the ABTPA fee, and our statute says that if somebody sells motor vehicle insurance, that they owe the fee. So on page 33 I drafted a letter that I just want to make sure that we ask the Texas Department of Insurance whether or not these items are motor vehicle insurance under their standards, and then proceed. So this is the letter that we’re going to send the different agencies, the eleven that responded
saying we're claiming the exemption. We're telling them we're going to ask the Department of Insurance whether or not what you're selling motor vehicle insurance.

And so if the Board approves, I gave you a copy on page 34 of the letter we sent them originally, the certified letter saying, hey, you paid taxes but you didn't pay us. So what we're doing here is saying now we're going to ask the Texas Department of Insurance whether they define what you're selling as insurance. And you'll notice that most of them are claiming an exemption saying, hey, we're non-owner or we're rental car. Is there something else, Dan?

MR. PRICE: Garage policy.

MR. WILSON: Garage policy.

So if the Board authorizes me to send a letter asking to clarify with the Texas Department of Insurance if this is applicable to the fee, if this is automobile insurance.

MR. GARCIA: It's an action item, requires a motion and a second.

MS. KINNEY: I'll make the motion to allow Mr. Wilson to send the letter to clarify -- how would I word that? -- that it actually is motor vehicle insurance and subject to the fee.

MR. GARCIA: We have a motion on the floor by.
MR. ROSS: Second.

MR. GARCIA: A second by Board Member Ross.

Any additional discussion?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion passes.

Agenda item 2.C, consider directing staff to evaluate the collection of ABTPA fees.

MR. WILSON: Okay. So if you'll turn your attention to page 36, we have what we feel like are next steps in this journey. We will talk on page 38 about publishing some rules to clarify our position, stances and forms regarding some of this collection effort, take up that in a few minutes. From TDI we're going to request what to do about the exemption claims that you just voted on. Thank you very much.

And then the other ones, the third level, before I bite this off, I want to know what the Board -- I guess we want some validation that this is something we should take on. And on page 36 I've given you a list of
companies who have paid what I would call major inconsistencies as far as paying the ABTPA with what they're reporting to the State as motor vehicle insurance taxes being paid.

For instance, the first one, Empire Fire and Marine, they're claiming $17 million worth of premiums sold, 102 policies, so if you just take that, it's $170,000 a policy. Is that right? So it's pretty phenomenal and we think it might be inaccurate and we just want to make sure before we start contacting these entities about the inconsistencies that they're reporting.

Dan has calculated that the whole population is .13 percent. In other words, for every .13 percent that that represents a motor vehicle. In this case they're really way out of line.

So if the Board wishes we'll start pursuing these companies for 2015, and go forward with notifying them about their inconsistencies and whether we should consider collection actions.

MS. HUNTER: Just one question, Bryan.

MR. GARCIA: Go ahead, Board Member Hunter.

MS. HUNTER: And we talked about this, but do we know for a fact that these are technically not garage liability? Based on the premium and the amount of policies, it would appear that it's not your standard auto
policy, like it looks like it's probably a fleet, which would technically mean that it would fall under the exemption. So I guess maybe first we should clarify if non-owned hired autos are actually exempt, which is what everyone over here is claiming, along with garage liability, that these aren't actually -- because I know one of these is probably not going to have to pay -- that that is actually exempt, because if that's the case, we don't want to walk around and look uneducated and they're basically like, well, we're exempt anyway.

MR. WILSON: I mean, I don't know that it could be aircraft. The problem is I don't know what it is, so before I embark, I just want to know does this Board want me to start making inquiries about what's going on here.

MS. HUNTER: I guess first I would go to TDI first and find out what they would consider. That way that when they do say this policy is for such-and-such, then you're not trying to figure out whether or not it's still exempt or not. Right? That way we just don't approach a carrier and then they're just kind of like, well, it's not covered anyway. I'm just saying because I didn't know what the premiums were, but this looks like this could very well be exempt, Empire.

MR. GARCIA: I mean, reading the title I would think that Empire Fire and Marine would be fire insurance
for buildings.

   MS. HUNTER: Don't read too much into that, Fire and Marine, that's just the name of the carrier, but Empire actually writes non-standard auto but the majority of their business is truckers. So I guess first we just need to figure out what's covered and what's not covered as far as the tax is concerned, and then go back to them and say, hey, can you break this out. And then if they break it out and they're like, okay, it's all garage or it's all truckers, then we don't have to then go back and find out whether or not that would be covered.

   MR. WILSON: And again, if the general consensus of the Board, without Board action to pursue this particular thing, at least to direct staff to begin making more inquiries. David, it's up to you, but you could generally direct staff to go seek more information and to table this until another meeting. I'm okay with that, it's not like I have some broad knowledge of insurance on this, so I'm bringing it to you because I'm cautious about what the next steps are.

   MS. HUNTER: I guess just my opinion, I'm just looking at one, two, three, four, four of them for sure most likely don't owe anything on this list, and I guess I just would want to figure out first, before we start saying that you owe, just try to figure out, okay, what is
it that you're actually underwriting in the State of Texas.

MR. GARCIA: Can I make a recommendation? Can you put that in a motion?

MS. HUNTER: So I guess the motion is that we just do an additional inquiry first with Texas Department of Insurance and find out what's actually part of the tax, what is owed. I guess based on what they're saying, all of the exemptions actually would hold true, they don't owe it. A hired non-owned auto is not a policy, it's a coverage. So I guess we just need to find an inquiry as if TDI actually thinks the exact same way that the carriers are thinking. Right?

MR. GARCIA: So your motion is?

MS. HUNTER: My motion is that we go to TDI first but don't approach the carriers until we actually have clarification on what's covered and what's not covered.

MR. ROSS: Second.

MR. GARCIA: We have a motion on the floor by Board Member Hunter and a second by Board Member Ross. Any further discussion from the other Board members?

(No response.)

MR. GARCIA: If there is not, all those in favor say aye.
(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries.

Thank you, Board Member Hunter.

Moving on to agenda item 3. Go ahead Mr. Wilson.

MR. WILSON: On the same agenda item, I just wanted to point you back to page 36 real quick, and basically, we'll be starting on 2016 now, so 2016 was due on March 1, was the deadline for the 2016 payments. We'll confirm with the comptroller they sent out letters already, which we're pretty sure they did, and then we'll start sending out the same letters, we'll start the same process.

And then at the bottom I put a table, so we'll incorporate into our normal processes that every year when we get the comptroller's report in May -- which under the new contract that we reestablished, the report comes in in May, we'll start sending out letters in June for the non-filers, and start making what we've kind of done up till now a part of our normal office procedures.

That's all I have on that.

MR. GARCIA: Okay. So we're ready to move on to agenda item 3?
MR. WILSON: Yes, sir.

MR. GARCIA: Okay. Agenda item 3, consider actions on insurance refunds requests. 3.A is Integon National Insurance Company. Did I pronounce that right?

MR. WILSON: Yes, sir. So the National General Auto Home Insurance for Integon National Insurance submitted a request on June 19, 2017, which was too late for us to consider right before that board meeting that we were dealing with the grants. We've reviewed the material that they've submitted, it's an extremely large amount. Part of the reason that they wanted the refund is because they were not selling auto insurance, but page 44 we see that they are still advertising for auto insurance. So we think that it's an issue of a really large refund request and also it has a wrinkle of complexity to it that we believe that we should do what we did about a year and a half ago and request an audit. We will ask the Texas Comptroller and the Texas Department of Insurance first, and if we can't do that, then we'll proceed with an outside auditor.

So our recommendation on this one is to request an audit from another state agency associated with this insurance collection process, or obtain an outside auditor.

MR. GARCIA: All right. This is an action item
so we need a motion and a second. You have heard staff's recommendation on this, so what are the wishes of the Board at this time?

MR. PRICE: It doesn't need a table, Bryan?

MR. WILSON: Not this one. On this one I think we should proceed with just requesting to the comptroller to provide them. It's $82,000 of potentially State funds being returned. It's a large amount and it's particularly complex. On this one I think we should just proceed with an audit request.

MR. MIZANI: I make that motion that we request the comptroller to conduct an audit.

MR. REYNOLDS: I'll second.

MR. GARCIA: We have a motion on the floor by Board Member Mizani and a second by Board Member Reynolds. Any further discussion from the other Board members?

MR. RICHARDS: Mr. Chairman, may I ask a question of Mr. Wilson? When was this ad online taken, was is recent?

MR. PRICE: Yes.

MR. RICHARDS: Was it? Okay. I thought it was recent.

MR. GARCIA: Thank you, Mr. Price.

So there is a motion on the floor and a second.

Any further discussion?
MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries.

MR. WILSON: The next one is Allstate Insurance. This is one of those kind of funny things we're a little embarrassed about. It's a $1,500 request; they've made four submissions now that don't add up or have incorrect information on them. I don't know how much time to keep sending it back and asking for corrections and additional information, so given the really small amount of money and the inability for them to present a case of what we owe, I think we should just deny it.

I know I discussed with a couple of Insurance Committee members earlier in the week maybe they want to give them a 30-day recourse and if we haven't heard a correct response within 30 days that we deny it, so whatever the Board wishes on that issue. But I don't know how much time we can, for a $1,500 claim, keep going back to the insurer.

MR. RICHARDS: And, Mr. Wilson, do all the Board members know what the issues are, why it keeps
coming back?

MR. WILSON: Well, we provided the assessments in there. I'll let Dan go to the detail on this particular issue.

MR. PRICE: This is Dan Price, ABTPA.

So there were a number of different issues with it. The primary issue that is preventing us from moving forward is the fact that the amount of money that they indicated that they paid to the State of Texas for their motor vehicle ABTPA fee does not equal the amount that they're reporting on their request from refund, and that comes from both their own documentation as well as information from the State Comptroller's Office. So if they're basing the refund request on an incorrect amount of money that they've paid, then we really don't have a basis to make that payment.

MR. RICHARDS: So if I understand correctly, they've submitted and resubmitted the same information each time, and in neither case did the documentation justify the amount they're requesting.

MR. PRICE: Right. To be clear, they've submitted additional information each time. At no time is the information congruous with the comptroller's reports, as well as their own backup documentation.

MR. RICHARDS: Right. And, members, you can't
approve a refund unless you have documentation to support it, as you know.

MR. GARCIA: Okay. It's an action item for staff recommendation of denial of the refund requested in the amount of $1,511.

MS. KINNEY: I'd like to make a motion that we deny the refund due to lack of information.

MR. GARCIA: We have a motion on the floor by Board Member Kinney. Do we have a second?

MR. MIZANI: I have a question, and I think I can second that, but I know we had a conversation earlier, Bryan, about possibly giving them a timeline, whether it be 30 days, 15 days. Has Allstate or any representative been contacted since we had that conversation earlier in the week?

MR. PRICE: Not since we had the conversation. No, sir.

MR. MIZANI: Okay. And when was the last time that they ever made contact with your office?

MR. PRICE: I don't have that date in front of me, but it's been approximately two months.

MR. MIZANI: Okay.

MR. PRICE: We felt that after four attempts to communicate with them to ask them for the information that at that point any further attempt was simply going to
frustrate everybody and it wasn't going to be productive, so we tabled it until the Board could make a determination as to what action they wanted to take.

MR. MIZANI: I think originally I was thinking of making a motion to deny but then giving the applicant up to maybe 30 days to correct whatever they aren't able to do, but I think if you said it's four times that we made that attempt, and I think at this point, if there's nothing else, I'd probably second that motion then.

MR. GARCIA: Okay. So motion on the floor by Board Member Kinney to deny the refund requested in the amount of $1,511, and seconded by Board Member Mizani.

Any additional discussion?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All those opposed?

(No response.)

MR. GARCIA: Motion carries.

General Counsel observed that the two insurance representatives did not vote on this item.

Agenda item 4, consider authorizing staff to complete and update FY18-19 to the Grant Administrative Manual. Mr. Wilson.
MR. WILSON: So I just have a rough draft of the manual and proposed changes. This has gone out to the task forces. We still have a significant part of the programming. We're just now finishing budget adjustments this week, I hope to unveil that tomorrow at the grantee webinar. The final expenditure report is just about ready, so we've been doing a lot of programming. Just like we did in the grant application cycle, we were kind of laying the track right in front of the speeding train, and it did pretty well. Most people got their grants and you were able to use that data to make decisions.

So we're just being clear that while this is the substantive part of the kind of rule changes and things, we've gone through and tried to update things for the new programming, that we just want to go ahead and make sure we have clear authorization to adopt once we finish the final guidelines. And we'll publish it out to the task forces and get input prior to that. We want to go ahead and get authority to publish the FY18-19 Grant Administrative Manual.

MR. GARCIA: Mr. Wilson, by when do you want all input from Board members and anybody else to you, a due date or deadline?

MR. WILSON: Probably the first of December. I think we'll have all the programming, the expenditure...
reports will be done, pretty much all the reporting requirements -- the programming -- excuse me -- the programming will be done with A&M will be done at that time. So any input that you have between now and December 1, provide that and we'll publish it shortly after that.

MR. GARCIA: All right. So this is an action item considering and authorizing staff to complete and update the FY18-19 Grant Administrative Manual.

MR. HANSEN: Chair, I have a question for Mr. Wilson.

MR. GARCIA: Board Member Hansen, go ahead.

MR. HANSEN: Tommy Hansen.

So you're saying also the grantees have until December 1 to review this and make any suggestions?

MR. WILSON: Yes. There will be some subsequent changes that I'll send both to the Board and the grantees once the programming is done. What you don't see, there's normally a big appendices section that would have online screen shots -- I think it's page 96 -- well, if you notice, there's no appendices going after that except for the sample local agreement. Normally what you'd see is a picture of the expenditure report, a picture of the budget adjustment and a picture of the grant adjustment and the progress report, so I just wanted you to know that we are finishing those items so we can
finish the manual.

But the rules are pretty much -- people have been giving me a lot of input over some of these items and the grantees have been real active in telling me what they think and where to go.

(General laughter.)

MR. WILSON: No. We've been working together as a team, making sure that we understand what the impacts of these issues are, and we'll continue to put this out and get input and make all reasonable modifications.

MR. HANSEN: Well, that was the purpose of my question is the grantees have to live with this every day, so I want to make sure that the challenge is back on them to be sure if you have something to say or a change you want to recommend, let's get it done. Thank you, sir.

MR. GARCIA: Action item, motion and a second. Not everybody at one time, please.

MR. REYNOLDS: I'll go ahead and make a motion to authorize the staff to complete and update the FY18-19 Grant Administrative Manual.

MR. ROSS: Second.

MR. GARCIA: Motion on the floor by Board Member Reynolds and a second by Board Member Ross. Any further discussion?

(No response.)
MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries.

Agenda item 5, review and discuss Legislative Budget Board border security reporting requirements.

MR. WILSON: This is Bryan Wilson again, for the record.

The border security reporting general instructions start on page 100. The nutshell is that as far as what this Board did in July, what I asked you to do was to designate the border counties and the port counties as border security jurisdictions, and you can see the map on page 102. Every county that we have that touches a border, county or city that touches a border or a port is designated as a border security grant. You all adopted that, that's what it looks like the LBB's limit on reporting for financial reporting will be just those counties each year.

Whatever we spend in those counties is what we will report to the Legislative Budget Board for those jurisdictions. So even though it's not just the activities in the port or not just the activities at the
bridge, but all of those grants will be counted as border security. So on the financial side it's very straightforward and it followed the pattern -- remember at the time I didn't have any instructions when I asked you to vote on that, but that's what they went with. So I was really happy to know that all of Harris County, all of Houston, all of Galveston, all of Laredo is a border security jurisdiction, so for DMV that's going to be very easy reporting on all those grants.

However, some of the issues that they have recently added, after a series of meetings with their stakeholders, are of great concern, and I have tried to push back the best I can. I've talked to many of the commanders and had discussions at length with the ones I could get a hold of last week when this first came out. I call your attention to page 109, number of intelligence referrals. Now, all these things come with definitions and we'll be issuing, and I'm going to show you the progress report that we're sending to grantees and there's probably a couple more tweaks that I have to make before I make it final.

Pounds of drugs seized, the number of apprehensions for smuggling, but the definitions that they cite to are both human smuggling, contraband and weapons, they cite specific statutes. So we're going to do our
best to break those out for the grantees to be able to identify. And then the number of apprehensions resulting in cases, that looks kind of innocuous, but when they provided me the details of those definitions, I had great pause. And the problem with that is that police officers file criminal affidavits and criminal complaints, prosecutors file informations and indictments. What they are technically asking, when I went back and clarified with the LBB staff, is they want to know how many of the arrests or apprehensions that were made by the grant-funded officers physically resulted in an indictment or an information in the court of law.

So what I have worked out is -- I've talked to many of the commanders over the quick 24 hours turnaround that I had to push back on that opportunity when they gave me those instructions -- so what we are going to collect is we're going to collect the number of apprehensions where a criminal cases was filed by an officer, a complaint or an affidavit submitted for a criminal incident. And that will be for both motor vehicle burglary and motor vehicle theft, whether misdemeanor or felony.

And then I'm going to leave a space for the indictments and informations that resulted from those, but I cannot require officers to spend time in courtrooms.
Many of them have access to DIM system, I know Houston, Harris County, El Paso, they have a data input system where they get to call a DA, upload information about a case, but they don't get a report back saying of the 27 burglaries that you filed last week, 15 of them resulted in charges. And so I'm going to leave a space so if somebody has that information, they're not prohibited from entering it, but I just don't see any way that we're in a position require every grantee to spend time going back to the courthouse to look at each week how many cases. It's a rolling issue, cases develop at different times, and so we just don't have the capacity to do that.

So that's what I'm going to do, and the online progress report that starts on page 116, I don't if I actually finished programming that as of the time that we had to print this book. So what we've done, starting on page 116, we start off with the statutory measures in the dark green, then the three goals starting at the bottom of page 116, which is to reduce auto theft, reduce burglary. Page 119 is Goal 2, page 120 is Goal 3. Those are the ones you all adopted in 2014 -- does that sound right 2014? -- the three primary actions.

And then you can see the border security starts on page 122. Bridge and port operations, I do want to say on this section 4 and section 5 -- section 5 starts on
page 123 -- those are required of border security counties, but all grantees are welcome, it's available to all grantees to report any of those items that they participate in. So it looks like at the bottom of page 123 where I have crimes against property, this is my first attempt, but I haven't had time to go back to the task force commanders, so you see at the top of page 124, 5.2.3 is the number of apprehensions for smuggling weapons, and then 5.2.4 is the number of apprehensions for smuggling all other. I think there's an item missing, in the print job must have changed.

MR. GARCIA: I have a comment. In regards to those counties that are required because they're port counties or border counties required to submit certain information, and then it's an option for the other grantees to report that information, is there going to be -- are the reports going to be able to classify which is coming from where?

MR. WILSON: Yes.

MR. GARCIA: I just don't want to get into having to answer to the Legislative Budget Board, senators or representatives of which is which.

MR. WILSON: We're working with A&M so we'll have a special code for those counties that are designated. That's why I had asked you to designate them.
as border security counties, and so we'll put a code into
the system and when we run a report, we'll say here is the
results of the border security counties, here's the report
of the program overall. But thanks for asking that.
That's part of our reporting contract with Texas A&M. We
didn't have that as part of a contract, if I have to come
back later and add additional funds, but right now A&M has
been really good to us about adding some of these features
that we didn't necessarily plan on. You've got to
remember when we wrote the contract with A&M a year and a
half ago, we didn't have any of this requirement, and
they've been helping us sort through this.

MR. RICHARDS: Mr. Chairman?

MR. GARCIA: Yes, sir.

MR. RICHARDS: Let me ask Mr. Wilson a
question. To go back to what we were talking about, cases
actually filed, we don't have the capacity to gather that
information, has that been presented to LBB, and what was
their response?

MR. WILSON: Being kind of solutions oriented,
what I presented to them said I will ask the grantees to
present this information but we've just had a major
reduction in funding, and one of the ways that we kept
from losing officers was to reduce our administrative
costs. So not only are we having more reporting
requirements, we've actually cut a lot of administrative positions that may have been able to take care of some of these requirements. So what I told them is we will present the reporting option in our system but we will track, we will require tracking of what officers are required to do, and that is to file criminal complaints and affidavits.

MR. RICHARDS: My concern, I guess, for the program -- and it may be misplaced, I'm not sure -- is that our task force members, the men and women get out there and put their lives on the line every day to create cases and we know and have known for some time that many DAs across the state won't take these cases. So all the good work that the task forces are doing goes kind of unnoticed because we don't have that final piece. A mechanism needs to be in place where we can get DAs offices to report that information to put that final piece, because I don't think the whole picture is presented to the LBB or legislators or the Governor's Office what this program means to the State of Texas, and I think all the good work gets lost in the shuffle.

So maybe after this meeting we put our heads together and see what we can do, because they do a lot of work, we have a lot on our plate as well, but there's got to be some way to come up with that information to present
a whole picture of how valuable this program is and you don't get that unless you know if the DAs are filing these cases.

MR. HANSEN: A comment for Mr. Richards on that. May I comment?

MR. GARCIA: Yes, sir. Go ahead, Board Member Hansen.

MR. HANSEN: What we run into a lot with those type of cases, if it's the auto theft unit out there with their LPR and they recognize and identify a stolen vehicle and then when they stop that stolen vehicle it's got eight kilos of cocaine and it's a stolen car, when it comes court time they dismiss the stolen vehicle in lieu of the eight kilos of cocaine. And this has been an ongoing problem for us in this field. The same applies to carjackings, the same applies to drive-by shootings where stolen vehicles are involved, usually the stolen vehicle falls to the wayside in lieu of the more violent crime or the eight kilos of cocaine.

So I don't know if we're ever going to be able to track that information. That's one of the reasons why in years past we've tried to avoid prosecution answers because that's over and beyond our control. We wouldn't have got the eight kilos of cocaine if not for their work running an LPR on 59, but that's where we lose track, and...
I don't know that we'll ever be able to correct that but we'll just have to continue to fight that fight. But that is an issue there.

MR. RICHARDS: It's the reality.

MR. WILSON: Can we have the record reflect that according to the LBB that's eight pounds of cocaine.

(General talking and laughter.)

MR. HANSEN: Another comment, while we're talking about ports, is it possible to do something? I did mention earlier about port inspections that's underway with CBP, or would you like to move on?

MR. GARCIA: Go ahead.

MR. HANSEN: Since we're talking about the port inspections, both land and sea port, as everyone knows that's been involved in this for many years, some type of regular activity with U.S. Customs and Border Protection to work with the task forces nationwide -- it's not just a Texas problem -- has been sporadic at very best. And through the ABTPA committee with IAATI, we have been in numerous committee meetings with head folks from Customs and Border Protection, and I'm going to say this with reservations but for the first time it seems that we are traveling in a positive direction to try to get some input from headquarters down in Washington to the port directors to make it mandatory or encourage them to work more
closely with our task forces.

It's very frustrating, and a lot of people don't understand the legality, even though those containers are in your city and your county or they're just sitting on a dock waiting to be put on a ship, we can't look at them unless Customs gives them that authority. So we've talked about cross-designation, like some of the other federal agencies do for some of the task forces. They're a little reluctant to that, although they did it at one time, but they are very open.

And one of the very topics that came out with reluctance to some of their people getting involved in this is lack of training. They're kind of like a dog chasing a car: they catch it but they don't know what to do with it. So training became a hot topic. So this goes back with us, not only with our ABTPA training program but with NICB as well, is that we're going to start trying to set up some pilot programs. Houston and Galveston may be one of those, and then they're going to do one, I think, in Florida and California to start them with some training first for their agents so they'll feel more comfortable in working with our people in the future.

So there's a lot going on as far as increasing our port activities, both our land and sea ports, with CBP in the near future, a lot of dialogue, and I think we're
on the right track with that.

Thank you, sir.

MR. GARCIA: Thank you.

So this is review and discuss, we don't require any action on this. Any additional discussion by staff or by Board members on agenda item 5?

(No response.)

MR. GARCIA: Okay. If there is not, we'll move on to agenda item number 6, consider authorizing staff to develop a plan and establish a budget to implement a Rapid Response Strike force.

MR. WILSON: This is Bryan Wilson, for the record.

We first discussed this Rapid Response Strike force about a year ago as we were working through the initiatives with Texas DMV. We proposed this idea that we saw in Colorado and other places that we could allocate resources to meet immediate needs of the state. We sent the idea to Texas DMV within our own department as an initiative on page 131 to 133, gave some examples of how we would do that. Met with the commanders at TAVTI a few weeks ago, and one of the things that came out of that was that the complexities of creating new interlocal agreements was going to be a major hurdle, that we should focus on using these kind of issues on doing bridge
initiatives, port initiatives, reaching out to other jurisdictions.

And so I think with the input that we've had and what we've drafted so far, I think I just need the Board to kind of direct staff to go ahead and come back with a formal program, if you think it's a good idea to expand our footprint, a good idea to take a small amount of resources and be able to solve problems beyond our current grantee borders. I think overall there was a positive reception to the seven commanders that did come. Not everybody has provided input, but if you authorize me to start drafting that up and setting up an official budget, then I will make sure that all the task force commanders have an opportunity to review before the next meeting and come back with a formal proposal.

MR. GARCIA: Is that it?

MR. WILSON: Yes, sir.

MR. GARCIA: An action item, motion and a second to consider authorizing staff to develop a plan and establish a budget to implement a Rapid Response Strike force.

MR. HANSEN: Comment, Mr. Chair?

MR. GARCIA: Yes, sir, Mr. Hansen.

MR. HANSEN: For the purpose of the other Board members, some of this kind of reflected back -- and some
of the task forces recall -- we used to do the Operation Gate programs at one time where the task forces from around the state would go to some of the borders and assist with border inspections, and they were tremendous training programs, as well as highly successful. I think this is kind of a spinoff of this. I think it's a good idea to have a plan in place for those, although it is budget-driven and with our current budget, I don't know how much of these we could do, but I think to have a plan in place.

So for example, if somebody is going to do a major deal and they want to put it out and somebody has some resources to send down for a day or so to assist in a program, this gives the authority to the task forces to move forward with doing that without any repercussions. So I think just having it in place for those purposes for the future would be something to have, but I would like to have a lot more input from the commanders, as Mr. Wilson moves forward with it.

MR. GARCIA: Okay. Again, it's an action item, need a motion and a second.

MR. REYNOLDS: I'll go ahead and make a motion to authorize staff to develop a plan and establish a budget to implement a Rapid Response Strike force.

MR. ROSS: Second.
MR. GARCIA: Motion on the floor by Board Member Reynolds and a second by Board Member Ross. Any additional discussion by the Board members?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries.

Agenda item 7, review motor vehicle burglary and theft investigator training and consider providing a budget for training events.

We do have Bryan Sudan from the Tarrant Regional Auto Crimes Task Force signed up for comment. Brian.

MR. SUDAN: Good morning, Board.

MR. GARCIA: Good morning, sir.

MR. SUDAN: Bryan Sudan with Tarrant Regional Auto Crimes Task Force.

I just wanted to give you a quick update on where we are and what our plans are coming up in the future with the training program for the intermediate and advanced auto theft classes. Again, we met following the rapid response meeting at TAVTI and went over the training
that we had done over the previous year, made
improvements. The key goal that we're looking for right
now is consistency with the training as we go forward into
this year and providing the training.

As you know, DMV has passed a motion that this
training is the requirement to do 68As and vehicle
inspections, so therefore, it's imperative that the
training be consistent every time it's given. So we're
looking at the lesson plan, standardizing what we have and
move forward and planning to do three intermediate auto
theft classes next year. And then the second part of this
is we are taking the auto theft II class that DPS provided
and tweaking that for the upcoming year and we plan to
host one advanced auto theft class in the coming year.

So with that, I'll close with any questions.

Thank you.

MR. GARCIA: Thank you, sir.

MR. WILSON: Mary Beth will do a brief
presentation on page 135.

MR. GARCIA: Mary Beth.

MS. MENOSKEY: This is Mary Beth Menoskey.

Commander Sudan covered most of it, but we just
wanted to cover a little bit of what we did last year. We
had three course for fiscal year '17, and you had
authorized us to spend up to $20,000 for the training in
travel and supplies. For those three courses we only
spent up to about $3,300. So of course, this year we're
going to have, as Commander Sudan said, three intermediate
classes and hopefully one advanced course, and we are
asking for the Board to authorize to use up to $15,000
this year to support the training for travel and supplies.

MR. GARCIA: Okay. So it requires some action
from the Board to authorize staff to spend up to $15,000
for the motor vehicle burglary and theft investigator
training.

MR. HANSEN: Question.

MR. GARCIA: Yes, sir.

MR. HANSEN: Do we feel that is a sufficient
amount of money, Bryan?

MR. WILSON: Yes. I mean, last year you did
$20,000, we spent, $3,200. We think that with what Mr.
Sudan just presented, we're going to do a little bit more
travel this year, because again, one of the things he was
talking about is consistency. Last time each jurisdiction
provided most of their own people to conduct the training
in San Antonio, Houston and Austin. So this time we're
going to do a little bit more to try to build that
consistency. One of those tactics that we were talking
about is probably having fewer instructors for this next
year. That will raise the travel a little bit, but I
think we're still well within our means and buying the supplies that we need for copying and things like that.

MR. HANSEN: Thank you.

MR. GARCIA: Okay. We need a motion and a second.

MR. HANSEN: I make a motion that we approve the $15,000 allocated for the training program for both classes for the upcoming year.

MR. MIZANI: Second.

MR. GARCIA: Motion on the floor by Board Member Hansen and second by Board Member Mizani. Any further discussion from the Board members?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries.

Agenda item number 8 under rule proposals, Title 43, Texas Administrative Code, Mr. David Richards. Agenda item number 8, Chapter 57, Automobile Burglary and Theft Prevention Authority, amendments to 57.18, plan adjustments.

MR. RICHARDS: For the record, David Richards,
Members, we're bringing before you this morning several proposals for amendments to rules that will help streamline our processes and clarify and simplify what we do as a program. The first one we're asking for is your approval, through a motion and a second, to amendments to Section 57.18 grant adjustments. Your vote and approval of this is to publish in the Texas Register for a 30-day comment period, we'll receive comments from all stakeholders, bring those back and address those before the Board and final adoption at your next meeting.

On page 137 you see at the bottom of the page the proposed amendment to that particular section on grant adjustments, and I would ask for a motion and a second to approve them for publication in the Texas Register.

MR. GARCIA: We do have a request from Mr. David Richards for Rule 57.18 on grant adjustments to be published in the Texas Register for a 30-day period for public comment. We need a motion and second on that.

MS. KINNEY: I'll make a motion go forward with publishing the existing modifications in the Texas Register for public comment.

MR. GARCIA: WE have a motion on the floor by Board Member Kinney. Need a second.

MR. REYNOLDS: I'll second.
MR. GARCIA: Second by Board Member Reynolds.

Any further discussion from the Board?

(No response.)

MR. GARCIA: If there is none, all in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion passes.

MR. RICHARDS: Members, I call your attention to page 139 in your board books. The second proposal that we're bringing to you for your consideration for publication as a proposed rule in the Texas Register is Section 57.48, motor vehicle years of insurance calculations. These particular amendments are a result of significant collaboration with the Comptroller of Public Accounts. Mr. Wilson and I -- Mr. Wilson more than I -- have met or corresponded, spoken with various individuals and the Comptroller's Office, and we have come to agreement on these particular amendments, again, to streamline, clarify this particular rule to simplify it, and I would ask for a motion, second and a vote to approve this for publication in the Texas Register for a 30-day public comment period.

MR. GARCIA: Is that just for one particular
amendment, that one rule right now, 57.48?

MR. RICHARDS: Is it redlined in your books?

It would be all of those sections in 57.48.

MR. WILSON: There's also .49 and .50 and .51.

MR. RICHARDS: I was going to do them individually.

MR. GARCIA: Individually.

MR. WILSON: That's fine.

MR. RICHARDS: Or if you want to do a collective vote, I can do that. Do you want to do just one vote?

MR. GARCIA: Yes, sir.

MR. RICHARDS: Okay. Let me go on.

The next section in the rules, members, 57.49 dealing with audits, down on page 140 of your book, and you'll see in the red highlighting the changes that we propose for that one. Again, that was also with consultation with the Comptroller's Office.

The next section that we propose for amendment is Section 57.50, report to the Department of Insurance, and again, in red you can see the changes we've made, mostly cosmetic. We removed any mens rea requirement that they intentionally underpaid because that would be extremely difficult to prove, nor would we want to spend the time and effort to prove intent: if they didn't pay it
then they didn't pay it. It's kind of like a strict liability tort.

Section 57.51, refund determinations, again, that's through collaboration with the Comptroller's Office. The changes that we propose for putting out as a proposed amendment are also found in red.

And with that, is .52 on that one as well?

MR. WILSON: .52 is separate as a new rule.

MR. RICHARDS: So let me ask for a motion and second on those amendments that I just proposed to you.

MS. HUNTER: David, we do understand that these are just cosmetic. Right? The Insurance Code still reads.

MR. RICHARDS: Exactly. Sure.

MR. GARCIA: Mr. David Richards, our counsel, has requested a motion to make amendments to Chapter 57 of the Automobile Burglary and Theft Prevention Authority, amendments to 57.48, 57.49, 57.50 and 57.51. So we need a motion and a second.

MS. HUNTER: I make a motion that we approve the changes.

MR. GARCIA: We have a motion on the floor by Board Member Hunter.

MR. REYNOLDS: Second.

MR. MIZANI: Second.
MR. GARCIA: And we have a second by Board Member Reynolds and Board Member Mizani. Any further discussion?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion carries or passes.

MR. RICHARDS: Thank you, members.

The next rule that we have in your book is on page 142, Section 57.52. This is designed to improve administrative efficiencies dealing with the refunds or the posting of the fees. Without this rule, any sort of refund or change would have to come back before the Board, and we think that's not the responsible way that government should handle it, and to that end, if the comptroller detects or becomes aware or notified of an error in the filing, they themselves can make that change and the ABTPA will be notified of the correction or changes in the reports that the Comptroller's Office provides to us every year.

I would ask for a motion, second and a vote to approve this proposed rule for publication in the Texas
Register for a 30-day comment period.

MS. HUNTER: I make a motion that we approve the changes.

MR. GARCIA: We have a motion on the floor by Board Member Hunter to approve the changes to Chapter 57.52, the correction of administrative posting or data entry errors.

MR. HANSEN: I'll second.

MR. GARCIA: Second by Board Member Hansen.

Any further discussion by the Board members?

(No response.)

MR. GARCIA: If there is none, all those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All opposed?

(No response.)

MR. GARCIA: Motion passes.

MR. RICHARDS: Thank you, members.

MR. GARCIA: Moving on to agenda item 11, the ABTPA director's report. Mr. Bryan Wilson, to report on ABTPA related activities identified by the director as noteworthy which may include reports on budget, grant activities and analysis, grant adjustments, education programs and marketing, agency operations, personnel updates, and monitoring. Mr. Wilson.
MR. WILSON: Thank you, Chief.

I'm going to turn this over to Dan Price for the budget.

MR. PRICE: Presented on page 144 are the current budget status as of the end of October -- actually November 3 for 2017 and 2018 for the ABTPA. If you'll note, under 2017 just that the remaining amount of encumbrance for the grants for 2017 is $5,412,358. Of that, the Board authorized the issuance of additional funding in the amount of $1,766,500 at the last meeting, so that money has not yet been expended. Further, you authorized a 90-day extension of the grant year so that folks could adequately and appropriately expend the remaining funds that they had for '17, so that period doesn't end until the end of November, so the vast majority of the grantees have not yet filed their final expenditure reports for FY17, and that would have been in the amount of $3,645,858 that remains on the budget for that.

Any questions?

MR. GARCIA: Any questions from the Board for Mr. Price?

(No response.)

MR. GARCIA: All right, sir. Grant activities and analysis.
MR. WILSON: Why don't we go to 146. I guess kind of shoehorned that in. Sorry Board members.

Earlier this year you took a vote to request from the legislature the unexpended balance authority between the biennial years coming up between '18 and '19.

We have drafted a letter. We take your comment before we get ready to send this letter. There's no need for a vote because you've already taken a vote back on July 7, but we wanted to give you an opportunity to review the letter, to provide any additional input. We've worked with governmental relations and we'll be submitting this to the Board -- David, is it their January or February meeting that we'll have this ready to go?

MR. RICHARDS: February.

MR. WILSON: February. So it will be submitted in February so that the DMV Board can then take action and make a request -- or decide whether they will make a request on our behalf.

And the reason we're doing this, just to remind you from the July meeting, is ABTPA is administratively attached to the Texas Department of Motor Vehicles, which is assigned agency number 608, and has a standing in the budget process, and so we submit things to them and then they forward it on to the legislature. It's the administrative attachment in our statute that has us doing
it this way, as opposed to going straight to the legislature. We don't technically have an appropriation; the appropriation is made on our behalf to the Texas Department of Motor Vehicles.

So we'll be sending this letter before their next board meeting and have a response to you hopefully at our next board meeting.

Now the update on grant issues, Mary Dominguez, page 148.

MS. DOMINGUEZ: On page 148 is a high level view of the statutory requirements reported by the grant recipients. You'll see FY 2015, 2016 and FY 2017. The grant recipients are required to track and report how many vehicles they have recovered and how many arrests and how many cases have been cleared. As you can see, there has been a continued trend upwards on stolen vehicles recovered. The task force members have dedicated in reducing the incidence of motor vehicle theft, even with the setbacks such as loss of personnel and stagnated funding.

The statutory report will be included in the annual report to the legislature that is due on April 1. Turning to page 150, we have the grant adjustments summary for FY 2017. The grant adjustment is used to request modification of the approved budget in
order to reallocate dollar amounts among budget categories within the existing award amount, such as changes in scope and budget revisions. The grant adjustment is a way for ABTPA to effectively manage the contract between the grant recipients and ABTPA.

There was a total of 21 grant adjustments, 15 budget, five program, and one program/budget, for a total of $262,788.17.

Does anyone have any questions?

(No response.)

MS. DOMINGUEZ: Moving on to page 151, on July 7 the Board took action to extend the FY 2017 grants by 90 days. ABTPA issued an extension addendum to grant authorized officials for all jurisdictions. The table summary is a snapshot of the extended FY 2017 grant adjustments. There were a total of eleven grant adjustments, nine of those were budget, one budget/program, and one program, for a total of $361,918.67.

Does anyone have any questions?

MR. GARCIA: Any questions?

(No response.)

MR. GARCIA: All right. Moving on. Thank you. Educational programs and marketing.

MR. GONZALES: Good morning. My name is
Dominic Gonzales, I'm ABTPA staff.

During the last grant year, the ladies and gentlemen of this Board authorized ABTPA staff to set aside $5,000 to conduct a strategic communications workshop with the grant recipients and other stakeholders.

On August 15, 2017, the ABTPA staff conducted this workshop. We asked task force commanders to nominate participants and we invited other stakeholders. We got 29 registrants from the grant programs that are listed here. There were a few of the grant programs that were not able to participate, but we did receive 29 registrants.

ABTPA consulted with marketing professionals from Steel Branding. This is a group of professionals that DMV has used before and we went through the DMV procurement in order to get that contract. They put together the workshop, they put together the training modules, and they were the main presenters for the workshop.

We also conducted an evaluation and collected 29 evaluation forms and have used those to determine what are our next steps in overhauling the ABTPA educational program. We are working on a strategic communications plan that models with Texas DMV uses, and we'll present to the Board in future meetings.

Thank you.
MR. GARCIA: All right. Thank you.

Agenda item 11.5, agency operations.

MR. WILSON: Thank you, Chief Garcia.

This is just kind of a recap on page 155 of what all we accomplished this last year. We've done presentations at TAVTI, we've worked with NICB training courses. I went to the National Insurance Crime Bureau and Allied Vehicle Finance Fraud Conference. One of the things that is really important to remember, when we look at the 68,000 vehicles that were stolen last year, what's not on there are the ones where they were stolen using identity theft or some fraudulent means. And so there's actually tens of thousands of vehicles, as I presented on a panel there, tens of thousands of vehicles that are stolen every year through fraudulent means, identity theft and other ways that never get reported on our stolen vehicle report. And we're working with NICB and other stakeholders to really expand our role in participating and preventing those auto thefts, as well as other areas.

So we went to the Crime Prevention Association, Dominic did a presentation there. Mary Beth has attended the Open Government Conference, we has staff at the Purchasing 101 that's presented, and we really work hard to make sure we're up to date. We've had staff that attended State Auditor's trainings as well. Of course,
we've conducted, as Mary Beth said earlier -- the task forces conducted but we take credit for it since they did all the work, as is appropriate for state government, but they pulled of 97 people trained in our conferences. And then we've conducted site visits and monitoring visits in Burnet, Dallas, El Paso, Brownsville, Smith and Victoria for 2017.

The last thing on that agency operations issue is DMV is currently under Sunset review. It is an opportunity for the Sunset Advisory Commission, many of you have received some sort of communication or information about that through updates or information. Just as a reminder, you can go to the Sunset Advisory Commission website if you want to participate, but in many cases they'll probably be reaching out to you directly, and then other stakeholders. So as a part of DMV going through that, ABTPA is also going through that same Sunset review. So I just wanted to let you know that that is also going on and we've presented information and had meetings with them at various times.

And that concludes all of our information.

MR. GARCIA:  Okay. Thank you, Mr. Wilson.

Moving on to agenda item 12, we don't have any items?

MR. RICHARDS:  No, sir.
MR. GARCIA: So we'll move on. There is no action on item 13.

Item 14, public comment. I do have a comment I want to make today. I have been advised by a good source of mine that I think this is my last meeting. I have been advised by the source that the Governor's Office is not going to reappoint me to this Board, I've been here too long, 14 years, I think, give or take. 2003, I think, the initial appointment, somewhere around there.

But for all of you, thank you for all the hard work. To all the past and present grantees, I appreciate all the hard work that you have done for this program, not for me, not for the Board, but for the program, and the outstanding job that you have done to ensure that ABTPA has had successes throughout these years. And considering that every legislative session we have to look at how much money we were going to get, at one point we were down to zero dollars, you circled the wagons and were able to make sure that we continued to get our funding, in some cases less than the previous sessions. But irregardless of all that, we stood together, we moved forward, and appreciate all the hard work that all of you have done.

To staff, to Mr. Wilson and his staff, thank you all for providing all this information to us, making these meetings very informative, but most of all very
productive for the grantees.

So best wishes to all of you, and if I don't see you again, it's not because I don't want to, it's just because I'm not needed anymore. So thank you all and I wish you the best, and I wish many, many, many more years of success for ABTPA, and from wherever I'm at, I'll make sure that I keep watching to see what you guys are doing.

So thank you all.

(Applause.)

MR. GARCIA: And agenda item 15, adjournment, a motion and second.

MS. HUNTER: I make a motion that we adjourn.

MR. GARCIA: Motion by Board Member Hunter to adjourn.

MR. REYNOLDS: I'll second.

MR. GARCIA: Second by Board Member Reynolds.

All those in favor say aye.

(A chorus of ayes.)

MR. GARCIA: All those opposed can stay. Thank you all. Have a safe trip.

(Whereupon, at 10:32 a.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF: Automobile Burglary & Theft Prevention Authority

LOCATION: Austin, Texas

DATE: November 14, 2017

I do hereby certify that the foregoing pages, numbers 1 through 66, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

/s/ Nancy H. King 11/18/2017
(Transcriber) (Date)

On the Record Reporting
7703 N. Lamar Blvd., Ste 515
Austin, Texas 78752