

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY

Call to Order: By **CHAIRMAN TIM CALLAHAN**, on February 1, 2005 at 8:00 A.M., in Room 317-A Capitol.

ROLL CALL

Members Present:

Rep. Tim Callahan, Chairman (D)
Sen. Trudi Schmidt, Vice Chairman (D)
Sen. Keith Bales (R)
Sen. Steven Gallus (D)
Rep. Ray Hawk (R)
Rep. Cynthia Hiner (D)
Rep. John E. Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Brent Doig, OBPP
Harry Freebourn, Legislative Branch
Shannon Scow, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 2; Department of Justice, Motor
Vehicle Division and Information
Technology Division
Executive Action: None

Mr. Freebourn distributed Exhibit 1, information due to the Committee and Exhibit 2, gambling rates as requested by the Committee. Exhibit 3 shows updated decision packages (DP's) for the Department of Justice. Governor Martz DP's have DP numbers, new elected official proposals are not yet assigned DP numbers, and there is a Governor Schweitzer proposal highlighted on Exhibit 3, Page 3.

[EXHIBIT\(jch25a01\)](#)

[EXHIBIT\(jch25a02\)](#)

[EXHIBIT\(jch25a03\)](#)

Motor Vehicle Division

{Tape: 1; Side: A; Approx. Time Counter: 7.2 - 30}{Tape: 1; Side: B; Approx. Time Counter: 0 - 16.2; Comments: MVD Bureaus and Duties}

Dean Roberts, Administrator of the Motor Vehicle Division, gave the Motor Vehicle Division (MVD) mission statement, listed on Exhibit 4, Page 1. The mission promotes cost-effective programs, licensing and registration of motor vehicles in Montana. Services provided by the MVD are also included on Exhibit 4, Page 1.

[EXHIBIT\(jch25a04\)](#)

The bureaus within the MVD are the Administrative Section, Field Operations Bureau, Records and Driver Control Bureau, Title and Registration Bureau, and the Team 261 project members. An important responsibility for the field operations bureau is issuing driver's licenses. He emphasized that driver's licenses have become the de-facto ID card, so it is important for the MVD to have a well-run system to protect citizens from identity fraud. The field operations bureau also performs third party driver's test through permanent offices and 28 travel locations. Further duties and workload distribution are listed on Exhibit 4, Pages 2 and 3.

The Records and Driver Control Bureau deals most often with first offense no-insurance cases. He distributed Exhibit 5, "Records and Driver Control Statistics." Within the accomplishments and duties of the Records and Driver Control Bureau, **Mr. Roberts** emphasized that the largest amount of time spent in the Bureau is on telephone customer service (Exhibit 4, Pages 4 and 5).

[EXHIBIT\(jch25a05\)](#)

The Title and Registration Bureau is responsible for issuing titles and registration for vehicle and manufacturers, as well as investigating fraud and theft cases, and maintaining vehicle-related records. He added that the MVD is looking at contracting a third party vendor for vehicle registration mailings. Further accomplishments and duties can be found on Exhibit 4, Pages 5 and 6.

SEN. BALES inquired if the MVD had looked at what savings in workload has occurred due to the bill last session approving one-time registration for boats. **Mr. Roberts** replied that the effects of that bill will be seen more in this interim because there was increased registration in 2004. Previously, there was a turn-around in registration every three years.

SEN. GALLUS heard that there was legislation this session to require the license and decal to be placed only on the back of the vehicle. He asked about more specifics on this legislation on how it relates to this division. **Mr. Roberts** replied that he does not believe the Division would support this legislation, specifically the law enforcement aspect. The cost of putting license plates and decals on the front of a vehicle would be \$60,000 more.

Mr. Roberts returned to the training unit within the Title and Registration Bureau, which is described in Exhibit 4, Page 7. There are three FTE in this unit. He then explained revenue collection of the MVD (Exhibit 4, Page 8). He emphasized that the MVD and their business partners deposited \$124.39 million in general fund and state special revenue in FY 2004. The Division expended approximately \$9.26 million since FY 2004. He added that 80% of the total revenue needed to operate Montana Interactive is provided by the charge to insurance companies for access to motor vehicle records.

He then discussed concerns with staffing levels of the Field Operations Bureau. He stated that the staffing level is approximately 15% lower than in 1991, while the number of driver's licenses and ID cards have increased. To relieve some of the pressure without adding staff, the bureau went to an eight-year license. He referred to the charts of workload versus FTE on Exhibit 4, Pages 9, 10 and 11 to emphasize that "the MVD is a good steward of Montana tax dollars."

**{Tape: 1; Side: B; Approx. Time Counter: 16.4 - 29.5}{Tape: 1;
Side: B; Approx. Time Counter: 0 - 18.5; Comments: Team 261
Project}**

Mr. Roberts stated that the legislative approval granted for the first stage of Team 261 was in the 2001 session with HB 577. However, the money authorization for phase one of the project was not enough to work on the computer side of the project. HB 261, presented in the 2003 session, authorized money for phase two, upgrade MVD business processes and supporting technology. Thorough information on the Team 261 project can be found in Exhibit 4, Pages 12 through 14.

The advisory committee for Team 261 is comprised of a wide range of members that keep the process on track and asks the hard questions on the goals of the project (Exhibit 4, Page 12). He also discussed the Business Process Re-engineering (BPR) that was established in phase one. BPR created a three stage process. It first analyzed how the MVD does business, then created a vision. The third stage is phase two as approved by the 2003 legislature, transitioning to new, more efficient business processes. For this process, other states were also surveyed to create a list of "best practices." This project requires incremental implementation of BPR results to ensure new business practices work, instead of waiting until the whole system is built and finding that one aspect does not work. The primary goal of the Team 261 project is to figure out what manual process exists, then find what could make the process more efficient, put the changes into practice. This creates a technology focused business rather than a human focused business.

This project has a projected completion date of January, 2008. An example of the processes that will be combined is the title and registration database with the driver's license database, which specifically will benefit law enforcement. Also, he emphasized that, with \$124 million which is collected for the State of Montana, the MVD needs a good accounting system. Successes that have already occurred include reducing title registration from seventy days to one day, without any change in technology. This was simply a change in business practices. This created a reduction of five FTE, but employees are now happier because there is no more endless paperwork. Other achievements are on Exhibit 4, Pages 13 and 14. He also emphasized a pilot project that will create temporary registration permits through dealerships or a home computer when a vehicle is first purchased. He noted that another MVD highlight is in the process of being developed. It will occur

within the courts and will include conviction data to be transmitted through a person's driver's license record.

Budget Requests

{Tape: 2; Side: A; Approx. Time Counter: 20.8 - 31}{Tape: 2; Side: B; Approx. Time Counter: 0 - 24.5; Comments: Budget Requests}

Mr. Roberts explained the budget issues described in detail on Exhibit 4, Pages 16 through 24. The total base adjustments for DP 8, MVD field operations bureau is \$132,473 from the General Fund over the biennium and two FTE. The base adjustments for DP 36, MVD Title and Registration Bureau, is \$158,355 General Fund over the biennium. DP 10, base adjustments for HB 577 debt payments, totals \$1,296,000 of the State Special Revenue over the biennium. Base adjustments for HB 261 debt payments, DP 37, totals \$2,000,000 in state special revenue over the biennium.

{Tape: 2; Side: A; Approx. Time Counter: 22.2 - 31; Comments: base adjustment descriptions}

Mr. Freebourn stated that the LFD issue on DP 10 is that interest is believed to be overstated by approximately \$170,000 over the biennium (Page D-28 of the LFD budget analysis). DP 37 is also believed to overstate interest by up to \$1 million because the payment plan and interest rates are not yet established. The committee can either restrict this appropriation, or the LFD can calculate the funding limitation to establish by what amount it can be reduced. He commented that he does recommend that the committee give flexibility to the DOJ, but if the budget needs to be reduced, this may be cut. **Mr. Fasbender** added that this DP will be adjusted down and line-itemed.

Mr. Roberts continued with the MVD budget requests with DP 11, requiring new general issue license plates, on Exhibit 4, Page 20. This is mostly for the costs involved in delivery of new license plates. The following DP's are requested budget reductions. A reduction in the State Special Revenue fund of \$7,632 is for DP 121, eliminate OTO organ donor registration. DP 123, 124, 125 and 126 are all requested reductions from the General Fund, totaling \$162,051 (Exhibit 4, Page 22 and 23). New proposals are DP 12 and DP 127 on Exhibit 4, Page 23. DP 12 is for a motor vehicle account spending authority and DP 127 is for a statewide FTE reduction of 1 FTE from the driver's rehabilitation program.

The elected official new proposals include appropriation to comply with Patriot Act requirements. This includes background investigations for people that have hazardous material endorsement, and further measures to ensure no identity fraud. Federal funding for FTE to support these functions expires in September of 2005. The MVD is asking for appropriations to continue funding. **Mr. Roberts** concluded by informing the committee of other points of interest (Exhibit 4, Page 24) including bills requested by the DOJ now before the legislature: SB 104, HB 192, HB 186, and LC 761. FTE funding fees were taken off in committee for HB 192, but **Mr. Roberts** explained that they are hoping to find funds for these FTE elsewhere.

Information Technology Services Division

{Tape: 2; Side: B; Approx. Time Counter: 24.6 - 29.5}{Tape: 3; Side: A; Approx. Time Counter: 0 - 30.0; Comments: ITSD Overview}

Steve Tensinsky, Project Team Manager of Team 261, former Administrator of Information Technology Services Division (ITSD), distributed Exhibit 6 to outline his presentation on ITSD. He explained that ITSD is involved in identification services, keeping driver's information up-to-date and dealing with virus attacks. ITSD gives officers the capability to relay information across the state to identify a person and car involved in a crime.

EXHIBIT(jch25a06)

The bureaus involved in these services are the Criminal Justice Information Services (CJIS) Bureau, Applications Services Bureau, Support Services Bureau, and Security and Disaster Bureau. He explained that the CJIS Bureau is now capable of electronically scanning fingerprints and transmitting these to a computer program, known as livescan. The criminal records and identification services section processes these fingerprints. They have dealt with a 30% increase in fingerprinting due to the increase in background checks.

REP. HAWK asked if fingerprint capabilities are only given to government agencies. **Mr. Tensinsky** replied that the Volunteer for Children's Act was passed federally in 2000, allowing any agency working with children or senior citizens to perform background checks on the volunteers.

REP. HAWK inquired if a bank would be allowed to perform background checks. **Mr. Tensinsky** responded that name-based background checks are always available if the entity is willing

to pay; however, fingerprinting and especially FBI services are more restricted.

Mr. Tensinsky explained that another duty of criminal records and identification services is to enter court dispositions. He added that these records are entered manually, often resulting in backlog.

Mr. Freebourn asked Mr. Tensinsky to help the committee understand the difference between the DOJ and the Judiciary. There is currently a federal grant out to integrate the information between the DOJ and the Judiciary. Once this is automated it will free up FTE. He asked, "What will the DOJ do with these people?" **Mr. Tensinsky** explained that the grant will allow courts to help with limited jurisdiction and enter violations electronically. The current manual work is prone to error. Electronic dispositions would create a higher level of accuracy and consistency.

Mr. Freebourn reiterated, "How many FTE are involved and what will be done with the FTE?" **Mr. Tensinsky** replied that there are five FTE within the criminal records and identification to enter and process all paperwork. These FTE would work on other criminal processing work. He emphasized that the accuracy and timeliness of this project are most important, more important than the reduction of FTE.

CHAIRMAN CALLAHAN commented that as the DOJ is automated, ultimately there will be less likelihood of having a box of paperwork.

Mr. Tensinsky next explained the automation and policy section of the CJIS training. Among duties of this section, law enforcement are given the ability to access state, national and international files. He noted that the amount of devices within police vehicles are growing. This creates a decrease in dispatcher support, but these FTE have been moved to training and help desk positions.

Applications Services Bureau supports the driver's license systems, and criminal history systems, including the Sexual Violent Offender Registry (SVOR). These websites have won national awards. He commented that there has been a 36% increase in volume for SVOR and 92% increase in volume for DOJ. This division also handles specialty license plates.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 16; Comments: ITSD continued}

Duties of the Support Services Bureau is on Exhibit 4, Page 8. He noted that Amber Alerts begin in this bureau. He then explained the importance of the Security and Disaster Recovery Bureau, which protects the State of Montana from emergencies when an information system is down and there is a computer security threat. They also inform departments of the plan in case of an emergency. Security challenges and threats are outlined in Exhibit 6, Page 9. Activities in progress, including the Team 261 project, are outlined on Exhibit 46 Pages 10 and 11. He emphasized that Team 261 is a business-based project and not an information technology project.

{Tape: 3; Side: B; Approx. Time Counter: 16 - 29.5; Comments: Team 261 Project}

CHAIRMAN CALLAHAN asked the DOJ to attach a dollar estimate to the stages of Team 261. **Mr. Tensinsky** stated that the good news is that the DOJ was able to have access to the funding early in the stage. This means they were able to nearly complete the BPR. The bad news is that it is difficult to know a technical phase estimate because the BPR is not complete. He stated that specific dollar amounts for technical implementation can be produced in June when the BPR is complete.

CHAIRMAN CALLAHAN asked for the dollar amounts already spent on the BPR. **Mr. Tensinsky** will supply these figures.

Mr. Freebourn explained that to date, the DOJ has used \$7 million in this project. The LFD issue is whether the DOJ can complete all of the unfinished stages of the project with the \$15.5 million that remains. **Mr. Tensinsky** reiterated that when the BPR is complete, there will be specific dollar amounts attached to the technical implementation. These will be prioritized from most important, to luxury items. The DOJ will only spend the remaining \$15.5 million. He added that they are also looking for additional grants and partnerships for further funding. He pointed to the bottom of Page 11, Exhibit 6 for considerations relating to Team 261. He emphasized that there will be continued maintenance of the technology, but there is an incredible positive impact because of the decrease in document processing.

Budget Requests

{Tape: 4; Side: A; Approx. Time Counter: 0 - 12.9}

Mr. Tensinsky explained ITSD budget requests, outlined on Exhibit 6, Page 12. DP 24, 25, 26, 27, and 28 are all FTE requests. Funding for DP 24 is funded through State Special Revenue and DP

25, 26, 27, and 28 FTE do not need additional funding. The positions were formerly funded through the contracting budget, but will now become permanent positions. One elected official request is for five additional programmers needed to support and protect the ITSD's work and investment.

Doug Booker, Department of Justice Centralized Services, explained the other elected official proposal, which replaces 3.5 FTE reduced during the Governor Martz's FTE reduction. These FTE are needed to maintain data inquiries. These will be funded through State Special Revenue with no general funds.

Mr. Freebourn pointed to Page D-52 of the LFD budget analysis for the remaining DP's not listed in Exhibit 6.

Mr. Tensinsky explained that money collected from entities for background checks, is then paid to the FBI for background checks was not being recorded. DP 29, FBI background check gives the DOJ proper spending authority for this process.

Mr. Freebourn explained DP 291, which eliminates two FTEs due to loss of federal funding. **Mr. Tensinsky** added that these FTEs provided background checks, which has since been automated.

Mr. Booker stated that DP 292 was proposed because the DOJ is trying to keep HB 2 and Team 261 separate. Money was appropriated in HB 2 to offset contract costs. The reduction is to ensure there is not double spending authority for Team 261.

Mr. Freebourn stated that DP 293, OBPP proposed FTE reduction, should be viewed with the elected official request which asks the committee to ignore DP 293. The elected official request can be viewed in Exhibit 3, Page 2. The DOJ is asking the committee to reinstate this FTE, but switch funding from the General Fund to State Special Revenue.

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ADJOURNMENT

Adjournment: 11:40 A.M.

REP. TIM CALLAHAN, Chairman

SHANNON SCOW, Secretary

TC/ss

Additional Exhibits:

EXHIBIT ([jch25aad0.PDF](#))