

**HOUSE COMMITTEE ON AGENCY OVERSIGHT AND EFFICIENCY**

February 18, 1997 Hearing Room H-170

1 P.M. Tapes 16 - 17

**MEMBERS PRESENT:**

Rep. Jane Lokan, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Eldon Johnson

Rep. Mike Lehman

**MEMBER EXCUSED:**

Rep. Tom Brian

**STAFF PRESENT:**

Brian Griffin, Administrator

Valerie Luhr, Administrative Support

**MEASURE/ISSUES HEARD:**

Invited testimony on Better Government Ideas

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
<b>TAPE 16, A</b>		
006	Chair Lokan	Calls the meeting to order at 1:05 p.m. Reviews the bills that have been referred to the committee. Reviews agendas for upcoming meetings.
035	Rep. Johnson	Asks for an update on the DEQ privatization issues.
037		Explains a work group.

	<b>Chair Lokan</b>	
065		<b>Opens the information meeting on better government ideas.</b>
<b><u>INVITED TESTIMONY ON BETTER GOVERNMENT IDEAS - INFORMATIONAL MEETING</u></b>		
075	<b>Kurt T. Weber</b>	<b>Program Director, Cascade Policy Institute. Comments on the functions of the institute and explains the Oregon Better Government Competition. There are four basic phases:</b>  * Send ideas.  * Independent panel judges select the ideas.  * Submit the ideas.  * Final selection of the ideas by judges.
125	<b>Weber</b>	<b>Continues remarks.</b>
136	<b>Chair Lokan</b>	<b>Questions and discussion:</b>  * Oregon's participation in the competition.  * Highest per capita competition.  * Editorial endorsements of the competition.
179	<b>Vice- Chair Devlin</b>	<b>Questions and discussion:</b>  * Tax exempt status of the institute.  * Philosophical guidelines of the institute.
218	<b>Patrick Hazel</b>	<b>Roseburg, Oregon. Explains how he entered the better government competition.</b>
268	<b>Hazel</b>	<b>Continues introduction.</b>
285	<b>Hazel</b>	<b>Starts presentation, "Privatize Oregon DMV" [EXHIBIT A].</b>
335	<b>Hazel</b>	<b>Continues presentation.</b>
385	<b>Hazel</b>	<b>Continues presentation.</b>
<b>TAPE 17, A</b>		
005	<b>Hazel</b>	<b>Continues presentation with an overview of the subjects that should be included in the proposed legislation [EXHIBIT A].</b>

055	Hazel	Continues remarks.
115	Hazel	Continues remarks.
146	Rep. Lehman	Asks about the impoundment procedures.
148	Hazel	Explains vehicle impoundment procedures.
182	Rep. Lehman	Asks which agency will be responsible for DMV hearings.
186	Hazel	DMV will not be responsible for hearings. He is not sure, but says that constitutional agency will have responsibilities.
197	Weber	Says that he will research the Ohio legislation and will get back to the committee.
204	Rep. Johnson	Regarding the research, there were 59,000 impounded vehicles in 1994-1995. In Jackson County, 569 vehicles were impounded in 1996.
214	Chair Lokan	It is a huge amount of money.
219	Vice-Chair Devlin	Asks which agency will responsible for contracting out and monitoring.
225	Hazel	Legislature needs to define the responsible agency. The agency provides proper guidelines and standards.
237	Weber	Mentions "contracting out is not appropriate." Explains about the case of Ohio.
275	Rep. Johnson	Comments on several concerns about privatizing DMV, because it is a mammoth organization.
312	Hazel	States the size of DMV is not big compared with other private companies. Cites examples of other companies.
345	Hazel	Explains his idea to change the license renewal cycle.
360	Rep. Johnson	Plan to require carriers to interact with DMV on daily basis for changes in status of an insurance policy.
383	Weber	Uses the state of Ohio as an example of successful privatization of their DMV.
TAPE 16, B		
012	Rep. Deckert	Asks for an overview of how Ohio privatized.
013	Weber	Is unable to provide that information. They have had difficulties locating the person who is versed in the transition.

016	Rep. Deckert	Is an overview available for any state that has privatized.
018	Weber	Explains what is available.
030	Chair Lokan	Requests the information on Ohio be made available to the committee when it is ready.
041	Rep. Johnson	Asks Weber to update the legislative research.
048	Rep. Harper	Questions and discussion on insurance accountability.
098		Discussion continues on insurance accountability.
120	Hazel	Mentions Arizona's requirement to purchase a minimum of six months insurance.
135	Chair Lokan	Asks how much of the work does Ohio privatize.
140	Weber	Private franchises virtually do everything the former DMV did. The documents are sent to a central office, which is run by the government.
158	Chair Lokan	Asks if Ohio has achieved savings.
168	Weber	Does not have that information. Asks why the government should be doing something the private sector can do.
180	Chair Lokan	On what is the \$68-80 million savings based.
186	Weber	Takes into consideration what it takes to run DMV branch offices.
198	Rep. Johnson	<p>Questions and discussion on uninsured drivers.</p> <p>* There are technical capabilities to reduce uninsured drivers.</p> <p>* Millions of dollars were already invested in DMV's computer system, but it has not worked well.</p> <p>* The system has problems so that it needs to be monitored.</p>
240	Hazel	Suggests changing the current system to stop the systemic problems.
279	Weber	Discusses who pays for mistakes that are made by DMV, which is a flawed system.
338		Asks Mr. Weber whether it costs more, should the private sector run the DMV function.

	Vice-Chair Devlin	
353	Weber	Yes. States that he believes the new system of DMV will work from his 15 years of study of public policy and private sector.
366	Vice-Chair Devlin	Capability of law enforcement to obtain photograph of the vehicle operator who is being stopped.
405	Chair Lokan	Says that DMV will appear before the committee at a future meeting.
TAPE 17, B		
006	Rep. Lehman	Asks Mr. Hazel if he has talked with DMV about suspension of license because of no insurance.
007	Hazel	No, he has not.
010	Rep. Lehman	Mentions his concerns about Mr. Hazel's testimony. Suggests Mr. Hazel should have discussions with DMV.
024	Hazel	States his opinion.
032	Rep. Johnson	Comments on the increase in costs because of privatization.
060	Vice-Chair Devlin	Suggests that the committee look into areas other than just privatization of DMV to their problems.
088	Rep. Harper	Removing the uninsured drivers from the road is the major element. It demands a large communication network to stop the problem. Suggests allowing insurance companies to license drivers.
103	Hazel	Capabilities and implementation for electronic transfer of information.
143	Weber	Comments about computer information system.
170	Chair Lokan	Adjourns the meeting at 2:38 p.m.

Submitted by, Reviewed by,

Valerie H. Luhr Judy Edstrom

Administrative Support Specialist Administrator

Transcribed by,

Meiko Aoki

Committee Clerk

**EXHIBIT SUMMARY**

**A - Better Government Ideas, written material, Patrick Hazel, 26 pp.**