

**House Finance Committee
HB 26 Transportation Budget
IP Testimony—Deputy Registrar Fee Increase
February 15, 2017**

Chairman Smith, Ranking Member Cera and Committee members, thank you for the opportunity to provide testimony today to request a fee increase for deputy registrar services.

I am Joe Bowsher and I have served the state of Ohio as a deputy registrar for 20 years. The Ohio Bureau of Motor Vehicles (BMV) customer service delivery model is a public-private contracted model between the BMV and contracted Deputy Registrars. The BMV provides a competitive RFP process for license agencies to bid in a manner that provides accountability and regulatory oversight between the BMV and the awarded deputy registrar.

The DRs are small business owners, who employ clerks and staff through the revenue collected by the statutory DR fee of \$3.50. Ohio deputy registrars employ over 1500 clerks that provide licensing services at over 190 locations in all 88 counties. Until 2015, the BMV operated a small number of locations that were operated by the BMV through state employees. The clerks at the BMV sites were earning \$16.25 per hour plus benefits including PERS retirement, medical coverage, vacation pay, holiday pay, paid sick leave, uniforms, deferred compensation and more. The BMV chose to close the

last of the state run operations at a savings of \$1 million to the state.

In 2004 the 125th General Assembly approved the last fee increase for deputy registrar services. In the 14 years since, the cost of wages, utilities, office space and unfinanced requirements by the BMV have all significantly increased. Essentially overhead at license bureaus is being paid today with dollars from more than 14 years ago. Over that same time frame my rent has doubled, wages have doubled, utilities doubled and requirements from the BMV increased dramatically. All of these operating costs have been absorbed by the deputy registrars and have taken the license agencies to the point of financial distress. Just last week the agency in St. Clairsville announced that it was closing due to financial insufficiency.

As an employer I find that the wages that I pay are below other employers in my area including, Wal-Mart, White Castle and most non-skilled positions. As a small business owner, it frustrates me that my employees are paid \$10.00 per hour with little or no benefits, and the state employees in the same job are earning \$6.00 more each hour plus benefits. For me to raise wages for my staff to the same amount as state employees would cost me over \$120,000 per year, not including taxes and benefits.

I have very skilled employees that take their job seriously and serve the State with remarkable satisfaction ratings. They serve

with distinction and most of the general public believes that they are employees of the State. A fee increase for the deputy registrar service would allow me to invest more dollars into my employees, retain them and recruit new employees.

The de-politicization of deputy registrars in the early 1990s has resulted in a professionally operated license service that brings the private business expertise into the government delivery of services. If we do not receive a fee increase, there will continue to be erosion of staffing levels, which is one of the few resources that agencies can control resulting in a cycle of longer lines, less maintenance, heavier workloads on remaining staff and more self-defeating frustration.

So here we are today, the excellent service model of BMV services is at a precipice. The depth of the need is evidenced in the fact that in the last 8 years the number of license agencies has dropped from 215 to 195, which means Ohioans are driving farther, waiting longer and are more frustrated by government services.

Various state agencies have instituted additional fees for services such as credit card use, convenience fees for kiosks and user paid services. The convenience of a local service is relative to cost. While cognizant to the cost, the DR agencies are serving the whole state at a minimal cost to the user, and far less than most other government entities. We have recently experienced a third party vendor offering motor vehicle registration services at over \$16.00 per transaction. While it is

our understanding this site is not authorized by the state, it demonstrates that consumers are willing to pay for convenience. In large portions of the state, consumers still need to and want to do their transactions in person. On-line services are not the answer for all, especially in certain geographic areas of the state and among certain demographics.

Ohio is blessed with a group of dedicated professional Deputy Registrars that enjoy serving the citizens of Ohio. I ask your support for a fee increase to continue the success of a public-private model to serve the citizens of Ohio.