

**HOUSE FINANCE SUBCOMMITTEE ON TRANSPORTATION**

**HB 26 TRANSPORTATION BUDGET**

**IP TESTIMONY**

**FEBRUARY 9, 2017**

CHAIRMAN MCCOLLEY AND MEMBERS OF THE COMMITTEE, THANK YOU FOR THE OPPORTUNITY TO FURTHER HI-LIGHT THE REGULATORY AND BUSINESS ISSUES THAT DEPUTY REGISTRARS ARE TRYING TO ADDRESS UNDER A FEE THAT HAS BEEN FLAT FOR OVER THE PAST 12 YEARS.

MY NAME IS MAUREEN BROGAN AND I HAVE BEEN THE DEPUTY REGISTRAR OF THE NORTH OLMSTED LICENSE BUREAU SINCE 1992. IN MY 25 YEARS OF DEPUTY EXPERIENCE I HAVE SEEN THE DEPUTY FEES INCREASE FROM \$1.50 TO THE CURRENT \$3.50. MY AGENCY IS THE LARGEST VOLUME AGENCY IN THE STATE, AVERAGING 175,000 VEHICLE REGISTRATIONS, DRIVER'S LICENSES AND ID TRANSACTIONS PER YEAR. THESE LARGE NUMBERS ARE THE RESULT OF A DEPUTY REGISTRAR TENDERING HER RESIGNATION IN THE FALL OF 2008, AND THE BUREAU MAKING THE DECISION TO PERMANENTLY CLOSE THE FACILITY.

WHILE 175,000 TRANSACTIONS MAY SOUND LIKE A SUCCESSFUL AND PROFITABLE BUSINESS, THE NUMBERS TELL A DIFFERENT STORY. AS THE TRANSACTIONS INCREASED SO DID THE NEED FOR ADDITIONAL EMPLOYEES. AS MY COLLEAGUE PREVIOUSLY MENTIONED MINIMUM WAGE HAS NEARLY DOUBLED SINCE 2004. SINCE 2008 WE ARE NO LONGER PERMITTED TO HIRE ANYONE UNDER THE AGE OF 18, THIS TOO HAS CREATED A HARDSHIP BECAUSE IT FURTHER LIMITS AN ALREADY SMALL POOL OF QUALIFIED CANDIDATES TO PERFORM THE DUTIES NECESSARY TO SERVE THE

PUBLIC IN THIS ROLE. IN TODAY'S ENVIRONMENT IT'S NEARLY IMPOSSIBLE TO HIRE AT A STARTING WAGE LESS THAN \$9.50/PR HOUR, ESPECIALLY IF YOU ARE LOOKING TO HIRE CREDITABLE EMPLOYEES. ALL PROSPECTIVE EMPLOYEES MUST COMPLETE A BMV MANDATED BCI BACKGROUND CHECK AT A COST OF \$32.00 TO THE DEPUTY PRIOR TO EMPLOYMENT. THESE BACKGROUND CHECKS ARE IMPORTANT, BUT CAN TAKE ANYWHERE FROM 3 DAYS TO OVER 30 DAYS TO COMPLETE. OFTEN TIMES WE LOSE GOOD CANDIDATES BECAUSE BCI GETS BACKLOGGED. THE MOST VITAL PART OF ANY SUCCESSFUL CUSTOMER SERVICE BUSINESS IS ITS HUMAN CAPITAL. I TAKE GREAT PRIDE IN MY ABILITY TO HIRE AND RETAIN QUALITY EMPLOYEES, BUT IN THIS CURRENT ENVIROMENT THE CHALLENGE IS IMMENSE.

WITH THE ADDED VOLUME OF TRANSACTIONS, WE FOUND IT NECESSARY TO DEVELOP A CUSTOMER SERVICE AREA TO VET ALL CUSTOMERS COMING INTO OUR OFFICE. THIS HELPED TO ENSURE CUSTOMERS HAVE ALL THE NECESSARY DOCUMENTS TO COMPLETE THE TRANSACTION(S) THEY NEED. THIS NEW METHOD OF CUSTOMER SERVICE MEETS THE BMV REQUIREMENT OF WAIT TIMES. WHEN WAIT TIMES EXCEEDS 15 MINUTES OR MORE, AN AGENCY EMPLOYEE MUST WORK THE CUSTOMER WAITING AREA TO ENSURE THAT ALL CUSTOMERS HAVE BEEN VERIFIED. WE BELIEVE THIS IS A SUCCESSFUL MODEL, BUT AGAIN REQUIRES THE ABILITY TO INVEST IN THE RIGHT STAFF LEVELS.

UNFORTUNATELY, MY ASSISTANT MANAGER, AND ONE OF MY MOST ESTABLISHED EMPLOYEES RECENTLY RESIGNED TO TAKE A JOB WITH A LOCAL EMPLOYER, WHO OFFERED HIGHER SALARY AND BETTER BENEFITS. WHILE I UNDERSTAND THE REASONS SHE CHOSE TO LEAVE WERE FINANCIAL, AND IN THE BEST INTEREST OF HER FAMILY, I MUST NOW GO THROUGH THE PROCESS OF HIRING A NEW EMPLOYEE. WHEN

SHE LEFT, SO DID HER EIGHT YEARS OF KNOWLEDGE AND EXPERIENCE IN THIS FIELD. SIMPLY STATED YOU JUST DON'T FIND NEW HIRES WITH THE SAME AMOUNT OF KNOWLEDGE AND EXPERTISE AS A TENURED EMPLOYEE.

IN 2004 MY TOTAL PAYROLL AND TAXES TOTALED \$256,200 AS COMPARED TO THE CURRENT \$462,000.00 WHICH EQUATES TO 69% OF MY TOTAL ANNUAL DEPUTY FEES. IN ADDITION TO MY INCREASED PAYROLL, MY UTILITIES HAVE SEEN AN INCREASE OF 32% SINCE 2005. ALONG WITH THE PREVIOUSLY MENTIONED INCREASES IN PAYROLL MY RENT HAS ALSO INCREASED FROM 4% TO 9% OF THE TOTAL COST OF OPERATIONS.

WHILE THE BASIC ECONOMICS ARE CHALLENGING ENOUGH, WE MUST ENDURE AN EVER CHANGING REGULATORY ENVIRONMENT THAT REQUIRES UPDATES AND TRAINING OF OUR EMPLOYEES ON AN ONGOING BASIS.

RECENTLY, WE EXPERIENCED OFF-LINE ISSUES WITH THE STATE IT SYSTEM, WHICH WE RELY ON TO HANDLE ALL OF OUR TRANSACTIONS. WHILE I NORMALLY PROCESS AROUND 125 LICENSES IN A DAY, I WAS ONLY ABLE TO PROCESS 19 CUSTOMERS DURING THE COMPUTER OUTAGE. ALTHOUGH SYSTEM OUTAGES ARE OUT OF MY CONTROL, THIS IS A LOSS OF REVENUE TO MY AGENCY THAT I AM UNABLE TO RECOUP. MOREOVER, THE CUSTOMERS GET VERY UPSET WITH OUR AGENCY THAT WE ARE UNABLE TO PROVIDE THEM WITH THE SERVICES THEY WERE EXPECTING. WHILE WE TRY TO EXPLAIN IT TO THEM, THEY ARE UNDERSTANDABLY UPSET. FURTHERMORE, DUE TO OUR CONTRACTS WITH THE BMV, DEPUTY REGISTRARS CANNOT MAKE THEIR OWN INDEPENDENT BUSINESS DECISION TO SEND EMPLOYEES HOME TO DECREASE PAYROLL COSTS DURING THESE OUTAGES. INSTEAD WE MUST WAIT FOR DIRECTION FROM THE BMV. DEPUTY REGISTRARS HAVE NO RECOURSE, THERE IS NO ALLOWANCE

FOR AN APPEAL PROCESS TO THE BMV TO RECOUP THEIR COSTS FOR THE TIME THE STATE SYTEM IS INOPERABLE.

OVER THE PAST FEW YEARS, THE BMV HAS MOVED TOWARD A FRANCHISING MODEL FOR THEIR LICENSE AGENCIES. THE GOAL IS TO DEVELOP A BRAND IMAGE FOR CUSTOMERS SIMILAR TO THE CUSTOMER EXPERIENCE AS A STARBUCKS OR MCDONALDS. IT HELPS CUSMTOERS TO BE ABLE TO ANTICIPATE THE SAME LAYOUT AND UNIFORMITY ACROSS THE STATE. HOWEVER, THERE ARE ADDITIONAL COSTS WITH THIS APPROACH FOR THE DEPUTIES, WITHOUT ANY RECOGNITION OF THE INCREASE IN OVERHEAD TO SUCCEED IN THIS NEW STANDARD. AS PART OF IT, THERE IS A MORE STRINGENT EVALUATION PROCESS BY THE BMV. WHILE WE RECOGNIZE THE NEED FOR REGULATORY OVERSIGHT DUE TO THE IMPORTANCE OF THE DOCUMENTS WE ARE ENTRUSTED, THE FOCUS OF THE EVALUATIONS ARE A LEVEL OF DETAIL THAT HAS REQUIRED MORE ADMINISTRATIVE TIME AND OVERSIGHT INSTEAD OF FOCUSING ON DELIVERING THE BEST CUSTOMER EXPERIENCE. WE BELIEVE WE ARE PARTNERS WITH THE STATE AND HAVE ALWAYS SOUGHT A COLLABORATIVE PROCESS IN ACHIEVING OUR SHARED GOAL TO PROVIDE EXCELLENT CUSTOMER SERVICE.

I HOPE I HAVE BEEN ABLE TO PROVIDE YOU WITH ADDITIONAL INSIGHT TO THE OPERATIONS OF DEPUTY REGISTRAR LICENSE AGENCY AND HOW WE HAVE CHALLENGED DURING THESE DIFFICULT ECONOMIC TIMES. AN INCREASE TO OUR CURRENT FEE WOULD ELIVIAE WORKFORCE ISSUES AND ENSURE THAT DEPUTY REGISTRARS CAN CONTINUE TO HIRE AND RETAIN QUALITY EMPLOYEES WHO ARE ENTRUSTED TO AUTHENTICATE AND SECURE OUR CUSTOMERS PERSONAL INFORMATION. I AM PROUD OF THE QUALITY OF THE SERVICE MY AGENCY CONTINUES

TO PROVIDE TO OUR CUSTOMERS ON BEHALF OF THE STATE, AND I RESPECTFULLY  
REQUEST YOUR SUPPORT OF A FEE INCREASE TO HELP KEEP THE DEPUTY REGISTRAR  
SYSTEM VIABLE IN OHIO. THANK YOU AGAIN FOR YOUR TIME.