On the 8th of January, 2009, the following meeting was held in Austin, Travis County, Texas
APPEARANCES

COMMISSIONERS OF THE PUBLIC SAFETY COMMISSION:
Allan B. Polunsky, Chair
C. Tom Clowe
Carin Marcy Barth
Ada Brown
John Steen

DIRECTOR'S STAFF OF THE DEPARTMENT OF PUBLIC SAFETY:
Colonel Stanley E. Clark
Lt. Colonel Lamar Beckworth, Assistant Director
Dorothy Wright, Executive Assistant
Duncan Fox, Acting General Counsel
Michael Kelley, Legislative Liaison
MR. POLUNSKY: (Roll call) I am present. I am present. Let the record reflect that a quorum is present pursuant to the relevant provisions of the Texas Open Meetings Act. I now declare this meeting of the Texas Public Safety Commission open. It is 10:36 a.m. We are conducting a workshop this morning. We have various items that have been posted for discussion and, I guess, possible action in some cases or not --

MR. CLARK: Yes, sir.

MR. POLUNSKY: -- on these issues. So what I'd like to do is just go ahead and begin unless there are any comments from any of the Commissioners who would like to say anything at this point. Okay. First item on the workshop agenda is discussion and possible action on implementation of recommendations contained in recent organization study, IT Optimization Study, Sunset Review, Driver License Division civilian model transformation, and other studies and reports presented to the Commission. And that will be Colonel Clark.

COLONEL CLARK: Mr. Chairman and Commissioners, good morning. Today's workshop, we believe, is extremely important as we look to the future of our agency. The administration has spent a considerable about of time studying and digesting the Deloitte report as well as the Sunset recommendations.
Significant progress has already been made, as you're aware. In certain areas within the agency as in driver's license, vehicle inspection, promotional opportunities, things that we've already addressed because of those studies.

But I think, more importantly, you'll see an enthusiasm in the agency right now embracing the direction in which we're going, the change that is expected. This morning I want to present our proposed organizational chart for the Department that will mirror the findings of the Deloitte report and Sunset recommendations. The organizational chart that you'll see this morning is doable. It's affordable and it can be implemented immediately.

Furthermore, I can tell you that I can have the personnel in place by February the 10th to begin this new transition, this new change that we're anticipating. And I'm going to ask after today's presentation that the Commission approve this proposed organizational chart and grant us the green light to move forward and implement these changes.

I'll ask Colonel Beckworth to explain the chart in some detail that will make it more easily understandable, and especially how it addresses the findings of the Deloitte study and Sunset. Following
his remarks, I'd like to make a closing statement.

Mr. Chairman. And at this time I'd like to ask Colonel Beckworth to present -- first of all, we have some information we need to pass out to you. So if you'll do that and then I'll ask Colonel Beckworth to explain some of the details of this proposal.

COLONEL BECKWORTH: Mr. Chairman,

Commissioner, I look forward and thankful for the opportunity to discuss this with you. I apologize, first of all, for my voice this morning. I'm trying to overcome a cold. But I am personally -- if I talk loud enough, I think everybody will understand and hear what I'm saying.

What I'd like to do is pass out to you the recommendations and issues addressed by the Sunset Commission. The items highlighted in yellow are items that we need some direction and guidance based upon funding or legislative issues that we have to address. Second item I have for you is a copy of the Deloitte organization structure study and recommendations. And the highlighted items in yellow are those items that we need some guidance and direction from the Public Safety Commission.

As each of you know, I was heavily involved with the Deloitte study, being the project manager on
the study itself. If I could, I'd like to move around to the room and kind of identify what the Deloitte study says and what those findings are as they relate to what we're trying to do. As many of you know, this is the organizational study that the Deloitte group presented to us, and they identified many findings that impact this agency moving forward into the 21st Century.

One of the main issues that they identified and recommended was issue number one which states that restructure DPS by lining close related organizational function stretching the regional command, establishing new leadership team and improving strategic planning and communication. They indicated that is critical for this agency to move forward from where we are today and where we need to be futuristic. So this is their particular chart that they identified and what we need to do those things.

We believe that we as an agency can fulfill the recommendation -- excuse me, the -- not necessarily the recommendations, however, but the findings of the recommendation by providing you this particular chart that's pretty well made up of our organization today. So basically kind of let me explain how this system would align and work by side by side comparison. One of the things we -- the particular process talked about,
was the fact we need to have better relationship with
the Governor of the State of Texas. And Colonel Clark
need to be freed up in order to be able to do that from
having to do the necessary day-to-day operations of the
agency.

So our thought process is let's free him up
so that we can allow him to build those types of
relationships as ambassador for the agency. So we
designed setting the director in place here with the
processes that are in place today, it allows for the
Public Safety -- five members of the Public Safety
Commission to still have direct involvement with the
Audit Inspection program. It also allows for our
Internal Affairs unit to have direct relationship to a
director, but have a dotted line to the Public Safety
Commissioner for them to have interaction with that
individual at any point in time.

Also, interaction between media relation
with the director and also the Public Safety Commission.
One slot that we do not have on here that we'd like to
include is our legislative liaison, which is Michael
Kelly, in his office would have direct involvement
coming off of this line here, and we apologize for not
having that. We had him down here; we're moving him up
here.
The other thing is we'd have direct contact with General Counsel and all of their staff with the director. This allows the director to manage this component to be Freed up to do the things he needs to do as an ambassador for the Department of Public Safety.

Our plans calls for identifying two deputy directors, one to support law enforcement and one to support the law enforcement support initiative.

This is a recommendation the Deloitte study made and aligns those particular lines across their perspective. These two individuals, whoever's selected, must have the ability to be able to interact with one another in a very concise and precise way. And we believe that --

MR. STEEN: May I interrupt you and ask you a question?

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: What we're looking at here, over here is -- this is the Deloitte -- this is an enlarged version of what Deloitte has in their report?

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: And this is something that you all, the staff has prepared --

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: -- to say, looking at that but
this is how we would like to do it.

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: So you've got some changes here and what's what you're going through?

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: And what are the numbers that are next to it?

COLONEL BECKWORTH: The numbers that are next to it are the individuals who are currently in those positions. There are -- and some of these numbers may vary. But there are five people in Media Relations, there are so many people in the Audit Inspection program, five Public Safety Commissioners, six people in Internal Affairs. Those numbers represent the number of people in those positions.

MR. STEEN: All right. I just wanted to demonstrate --

COLONEL BECKWORTH: Thank you for bringing that to my attention. Two things we have to cognizant of, based upon legislative issues that we know of today, currently if you look in the law, is stipulates the Texas Ranger Division has to have direct interaction with the director of the agency. So we allow the direct link to the director, but also allow the dotted line for the Texas Ranger Division to have interaction with the
deputy director of law enforcement so they can carry out
those functions out in the field operations.

The second component of that, stipulated in
Sunset recommendations, stipulates that Emergency
Management Division, based upon an executive order that
exists today, this particular position is linked to the
Governor's office and also the Department of Public
Safety. The recommendation of Sunset and our
recommendation is to bring this position back in under
the director, and by law stipulated same as the Rangers,
this person has to have direct involvement with the
director. So he or she would have direct involvement to
the director. And that's why we align it in that
fashion.

Now we get down to looking at the deputy
director of Law Enforcement who has all the
responsibility on this side of the board, and the deputy
director of law enforcement support which has
responsibility for all these positions to the right of
the board. Currently, we have the Texas Highway Patrol
Division, Criminal Law Enforcement Division, and those
are the two divisions that we have making up the current
existent system that we have in place.

Our recommendations are in line with the
recommendations of Deloitte which stipulate that you
need to have a Highway Patrol Division, a Law
Enforcement Service Division, a Criminal Law Enforcement
Division, an Intelligent Counterterrorism Division.
They are stipulating that we need to have those
particular divisions branch stopped. And that's our
recommendation and that's the findings, and we believe
those findings in this particular chart address those
specific issues.

Now moving forward on how we processed this,
I'll go a little bit in depth to each one of these
specific issues. It relates to the Highway Patrol, they
are currently crossing 3,000 employees, which is the
largest part of our agency, probably almost a third of
our agency is in the Highway Patrol Division. They are
the boots on the ground for this organization.

We believe that by currently allowing
Highway Patrol to function in their THP commercial
enforcement, and the communication link, and what we've
done, we've bridged communication all in the Highway
Patrol. It used to be in administration. Now we're
bringing it all in the Highway Patrol and they are the
ones that will facilitate all communication, not only in
Highway Patrol, but for the entire state of Texas
including local and sheriff department agencies and
other state agencies that require communications from
the agency based on inoperability moving forward.
That's our plan as it relates to this.

Now, Law Enforcement Service Division --
Service Support Division was addressed from a standpoint
Deloitte study said it's not fair and it's not proper to
have our crime laboratories function in the Criminal Law
Enforcement arena. You have an entity that's going to
be unbiased in any way, and they should report to the
chief of Criminal Law Enforcement. It never should've
been there. And our recommendation's agreeing with the
proposed Deloitte study saying we move those particular
positions back in the law enforcement support function,
and that's what we're doing.

Our Crime Records Division, which David
Gavin oversees, held all TLETS and all those particular
functions of all state agencies, even the Law
Enforcement Support function, but yet, we had him on
administration in our past process. We suggest moving
all of this, crime records, crime laboratory and our
breath test program, which is currently on the Highway
Patrol all into one Law Enforcement Support arena and
provide a division chief, executive director, whatever
title you want to give it, for that particular position.
That's the function that's identified in the Deloitte
study and we would align it in this form or fashion.
Now we move to our Criminal Law Enforcement Division. Criminal Law Enforcement Division currently exists right now with the narcotics, criminal intelligence, motor vehicle theft, and it has several special components within it. We're suggesting that we break out the Criminal Law Enforcement Division to include narcotics.

What used to be our motor vehicle theft, Deloitte study says that those particular employees need to be more diverse and more lateral in their ability. They're currently assigned motor vehicle theft activities. They're currently assigned the racing commission component of overseeing racing facilities in the state, and they also deal with the ten most wanted search process. So their activity is diversified. So we want to remove the motor vehicle inspection -- excuse me, motor vehicle investigator title and identify the criminal investigators and keep them in their.

Our other process is Identity Theft Fraud. Currently our Identity Theft Fraud unit is in the Driver License Division. We have approximately 15 commissioned officers who manage that program in the driver license component. We believe, and also Deloitte says, that will be better suited in the Criminal Law Enforcement component. So we believe we'd like to move that
component over in our Criminal Law Enforcement division. We also have a Cyber Crimes Unit that's involved in the Narcotic Division, and we would also keep them within that particular component as aligned in the Deloitte study. So those are the recommendations we'd like to be considered for those particular components.

Now we talk about intelligence and counterintelligence division. One of the most critical things that we have had brought before us is our inability to be able to go out and do the things from an intelligence and counterintelligence directive that's identified in the Deloitte study. Our approach to resolving those issues is creating another division, identify them as the intelligence/counterintelligence division, bring in the bureau of information analysis which is a group of analysts who do all the specific work in support of the law enforcement component gathering data, nationwide and within this state to eradicate crime.

We believe that we need to develop this particular unit. Now, this unit was developed before but there was some issues with it, and we want to address those issues. When we first brought the bureau of information analysis in place, we brought 140 or 50 people into one component. The investigators called in
to get an analyst. They got one and they had to go back
and tell them all the history of what occurred in that
particular investigation. We suggest that in the bureau
of information analysis, they be broken down to support
all these other initiatives.

We put so many analysts to our narcotics
component, so many analysts to our Ranger component, so
depend analysts to our fusion center component, so many
analysts to our criminal intelligence component and
break them out so they become specialized and they know
ineptly what's going on within each one of those
activities, and they are better able to suit the service
of our investigators across the state.

In addition to that, we're developing our
fusion center. That process is going on here today.
We're trying to finalize with Austin PD their movement
into this facility. We're bringing in many of the
federal law enforcement agencies. We pretty well have
their facilities worked out over here. We got to try to
secure the perimeter of this complex as required by the
requirements of the fusion center and some other things
that we need to do to make this happen. So this is
going on in place.

Then we plan on putting all these analysts
in one of the most highest training components that we
can to bring them up to the level so they can provide
the service that we need for the fusion center in this
state. That's our objective from that. We'll also take
some of these particular investigators and support it
from a criminal intelligence component, and we'll make
sure that component is in place.

Currently, we would like to add a special
operations unit to this component. The special
operations unit will consist of SWAT team members, dive
team members, and the Governor's protective detail
component. They will be managed and supervised out of
this. The SWAT team unit and the dive team unit will be
specialized. That will be the only job that they do.
Currently our system is they're troopers. When we get a
SWAT call out, they grab all their gear and they run and
try to get to the particular incident and address that.
Our dive team members are the same way. They're all
over the state. They run, grab their gear, try to
compile and go and do a dive operation.

We suggest specializing these components,
that's the only work they do. When they are not doing
those things, we suggest they become strike teams
capable to go to any county incident or area that we
have to address those particular issues that might be
currently going on. We also ask them to do another
thing, we need to make sure that from time to time we make sure that all our security components are in place. They will be able to go across the state to any building, Capitol, example, and make sure that our security is sound by critical efforts to try to breach that particular operation and identify what all the weaknesses are. The counter-terrorist component, they'll work to support that. And that's our thought process that we drive these.

Now, we have these numbers laid out to the side, and those numbers will change depending upon how many people we decide to put in each one of these particular areas of consideration. Then shifting this to what one of the most critical things that we talked about in Deloitte study says, your communication to field operations occur at the headquarters, and it takes a while before the directions get out there. And then those particular individuals are creating silos where they can't work together as a team to eradicate crime.

So our approach to this, based upon Deloitte study, and I don't have this on a the chart, but we're going to basically set up an operation to where we have commanders. And we're going to move all the regional boundaries into like operations. Let me give you an example what I'm referring to. Today as we sit here in
this room, we have the Highway Patrol and the Ranger
service, boundary lines are the same. They're the only
two services whose boundary lines are the same in the
regional operation.

We suggest aligning our Narcotics Division,
our Criminal Intelligence Division, our Motor Vehicle
Theft Division, boundary lines all to be aligned with
the rest of them. In addition to that, we believe we
need to realign the driver's license lines with the rest
of it. Currently, right now, the driver's license
lines, or line, with exception of Region 3 and Region 8.
They were not aligned when Highway Patrol made their
transition in 2003. So we suggest bringing all these
particular service in line.

What that would do in the theater of
operation is this, years ago in the 70s, the regional
commander was the soul and heart of the regional
operation. Commissioner Clowe can go to the heart of
that because he knew many of those guys back in that
time. They were the heart and soul. They fired, they
hired, they did all the things, and everybody addressed
those issues. We believe it's our direct best effort to
try to go back to that model. In order to do that by
aligning these particular regions up, give you an
example. If we want to do this in the Waco, which is
the regional office for Region 6, we'd have a Highway
Patrol captain there, we'll have a commercial vehicle
enforcement commander there, we have a narcotics
commander, criminal intelligence commander, a motor
vehicle theft commander, and we would have someone in
the counter intelligence component there to support them
from that initiative.

Our overall objective then would be to have
the regional commander be the person who, with the
unified command concept, would direct all the
activities. And his job would be to go out and work
with local police, sheriff's department, identify what
crime issues they have in that area, and come back to
his staff and team and say, hey, we have a drug problem
in a certain part of the area. We have a gang problem
in a certain part of the area. Let's put all our
resources together, aircraft and all that, to go out and
eradicate the crime in that particular area.

They then, that regional director, or
regional commander, would report directly to the deputy
director of Law Enforcement. That will be his contact.
The rest of these commanders would report to their
particular division chiefs. And so we believe by using
that concept of theater operation, we can affect crime
in a positive way in the State of Texas moving forward
in the 21st Century.

The other thing that we'd like to do, is our aircraft service currently have 56 people. The legislature's being gracious enough to give us enough aircraft to put operations across the state so we can run a 24-hour operation. Those aircraft can get up, support local police departments, sheriff's department, and DPS in a fashion that we've never seen before. And that's a great attribute that we have going forward. We have the best aircraft police operation in the world.

You provided us with one of the best pieces of equipment, a 20 engine helicopter. It's the only one in the nation of its kind that's being deployed. DPS has that thanks to the legislature. We believe those assets are going to help us do a better job of eradicating crime in this state.

That's the deputy director of law enforcement's responsibility to the left of this page.

Now, we shift to the deputy director of law enforcement support to other side of the page. We believe -- and I apologize -- Deloitte study says that we need to create a regulatory division putting all our regulatory functions under one arena. And I apologize for this. We believe that we should have a regulatory division where Driver License should be here by the side of this
and all of their functions running down the side. We apologize for not having it that way.

But you have a chief over the regulatory division, a chief for the Driver License Division. The regulatory division would be in charge of private security, motor carrier, motor vehicle inspection, and concealed handgun. And the Driver License component, which is the larger component, will be responsible with all of the functions supporting the Driver License operation, which is significant and many. And there's approximately 1,464 civilians that work in the Driver License component, and there are 223 commissioned officers currently there.

And our thought process, based upon some additional information we give you today, if we can transition this, based upon the Sunset recommendations, we turn this into a pure civilian business model, and all of these functions will be functioned in the same way. Many of these functions, what they have attached to them is similar. All of their administrative functions has to be processed through SOAH. Everything they do, processed through SOAH, and we think that's a good fit for all of these particular entities within our deal.

The other thing we do is administration
division currently has fleet operation. We leave fleet there. Our building program operation would remain. Our general services operation would remain the same. And I told you we moved the legislative liaison out and them up there and this would be our administration component.

I'm going to shift sides for a moment.

Finance division will be set up. There are significant things going on in the Comptroller's office that will hopefully help us automate many of the systems in our finance component that does not exist today. The Comptroller's office plans, in the next year or two, is to move forward in the system to allow everything to link up. Right now we've got two or three systems we have to try to feed information into to get things out.

We're also talking about a system to where we will no longer be handing out payroll checks like we do. If you want to get a copy of your payroll stub, you're going to go online and get a copy and print it out yourself. It won't be delivered, so it'll be significant to mailing. We have three ladies there at the end of the month stuffing payroll checks. Every month they do that significant hours every month. And so with those kind of changes, we think our finance division is going to be addressed.
Grants and finance management, this is a component we'd have to get people in place to do this component, but we believe that we can do it. And this is what the Deloitte study recommended. In the risk management we did some research. There is no other state agency that has their risk managements component in the finance division. All of them in the human resource division. But if this is the recommendation we can go, we'll keep it over here in the finance division. We did some research, and there's not a single one of state agency today that have their risk management component in the accounting department. So FYI that's the information we did research wise.

Information management is the biggest challenge for the agency today. Let me tell you why, and we have been criticized by this significantly for the last several years. In 1989 our Texas Highway Patrol Division adopted some funding through a federal grant and they developed a LEADS system, Law Enforcement Automated Data System is what it was called, LEADS. Today it's called Automated Information System. They used those funds to build a system so they could automate their data. We've asked for funding from legislatures in previous session, you can go back and check, to kind of help us address this.
Also, our Criminal Law Enforcement component, in 1995, through a grant program provided by the Southwest Criminal Justice Department Division took funding from that program and built a data base for our criminal activity -- Criminal Law Enforcement activity. It's called the CLERIS system. Many of you've heard of it because it's antiquated. The other antiquated component that we have is a TR-1 that the Rangers took some information -- some money from funding from the program they had, and they developed their TR-1 system. That's their system of IT. And then we developed our information management system out of some fund that we started drawing from and never been properly provided funding from the legislature from.

So we have, and Deloitte study points this out clearly, that we have these silos where we can't share information. That's a fact. That's a true statement today. We have silos. We're trying to do everything we can to match all this information together. And that's why in this LAR that we are presenting before the legislature, we are asking for significant dollars to allow us to build in our protection aligned platform in order to be able to address the issues as a relating to information technology.
So we're asking for this enterprise platform. In one branch we'll have the Driver License technology component set aside, the cost of Driver License reengineering, and all the intricate things associated with that. In another component we'll have the law enforcement technology. That's critical to us. If we can get the law enforcement technology today -- we talk about this, about sharing information. This agency stores all the data for all law enforcement in this state. It also links to all other connections throughout the nation.

So it's critical that we get this particular component this legislative session. If we don't, the boot's on the ground won't mean a thing. Because our systems, as I told you, were developed in 1989, 1995 and they are at the end of their life, and we're holding them together as best we can. So we need some help in getting those things from the session.

The other thing I'll tell you about this is from this perspective is that if we can get the law enforcement technology right today, the Highway Patrol troops cannot pull up any information on their in-car computers associated with criminal activity on an individual that they might need help stopped on the road that our Criminal Law Enforcement people have a book on,
or our narcotics people have information on. They can't pull that information up on the side of the road, which can be a safety issue. If they had that information, and then they had a John Doe stopped, and they know John Doe has been being hauling dope up and down the road, that's good information to have while you have John Doe stopped on the side of the road.

The other information that would be critical, our Criminal Law Enforcement who do significant investigations, they do not have the ability to link into Highway Patrol data. There are 2.5 million traffic stops made by the Highway Patrol, and there are probably 1.5 million traffic stops made by the Criminal Law Enforcement. So you're talking about five million records that a Criminal Law Enforcement person could pull up, and he's working the case on John Doe, he can track whether John Doe's been stopped by a Highway Patrol anywhere in the state of Texas. He can track his movement anywhere.

We also need to provide that kind of information to the local police and the sheriff's Department. It would be vital information. So if we can get this information management component in place, it would move us leaps and bounds in law enforcement in the state. And we checked with other states, many of
them don't have this ability either. But we want to be on the leading edge of doing these kind of things.

Moving from there over into our Human Resource Division, that's critical because we have probably 8,200 and some-odd FTEs in this particular agency. And we talk about talent, developing talent, retaining talent and all of that. We spend -- we have no funds appropriated for advertisement in this agency. For years and years, the Department of Public Safety lived on this reputation, hey, everybody wants to get in. That's no longer in existence today. It's all about what can you do for me right now from a pay perspective.

And we believe that we need to address this from a pay perspective. And there's a proposal in the LAR asking for a significant pay increase. We believe that we need to talk about and address the issues as associated with many of these people today. We end up training all of these analysts, all 159 of them we train. Their salary is such that when in two years of us training them, getting all this high clearance, within two years they can leave us and go to a federal program and double their money. So we become a training ground because we can't pay them.

Our IT people are the same way. We train
them, two years out, they're gone. So those are challenges that are real in this organization. And they are something that we're going to have to address. So our recruiting deal, $14,000 is what we provided for advertisement last year. $14,000, that's the money provided. So we need to try to ask the legislature for some funding to address -- help us with recruiting and retaining our people.

Our training component, we have 15 guys assigned to training. And we are provided by statute to provide training to law enforcement, not only in DPS but all the local law enforcement in the state of Texas. We try to do that, and that's the challenge with this many people. So what we do is we bring these troopers in from the field, and that's what they do, they purport this training mechanism. So now we're taking 100 troops off the record, come in here and train these troopers, these particular employees, and then send them back out. So that's a challenge.

And our thought process, if we can build our facility out in Florence, enhance the number of personnel there and create the best possible training program we can in the country, we'll be far, far ahead of anybody that -- in competition with us from a law enforcement perspective. Employee relations is in this
particular arena. Psychological service. We started off with four or five people. That's doubled now. We have 15 people. We have seven -- we have seven regions. We have a -- two psychological people in each region. Our EEO program is in place, and we need to try to ensure that our human resource division is sound.

So we're suggesting -- here's what we're suggesting. We're suggesting that we create a human resource division, chief or whatever name you want to label it, we already have information management, finance administration. We ask that we create a regulatory division. We ask that we create an intelligence/counterintelligence division, and a law enforcement service division and add a deputy director of law enforcement support to address the findings in the Deloitte study. And we think if we can get that done, we are in the right direction for the future of this agency.

MR. STEEN: Question. I'm trying to understand -- normally when you see an organizational chart, when you see a box below, a box, it's a reporting relationship. But that's not what you're -- that's not how this is set up.

COLONEL BECKWORTH: That's correct.

MR. POLUNSKY: You're just stacking.
COLONEL BECKWORTH: I'm stacking.

MR. STEEN: And this is the way -- when you see that, you can see --

COLONEL BECKWORTH: Right. Right. But we did not create it in that form and fashion. This is one that we put together. So you're correct. It would be process -- reporting process would be set up a different way. But I will tell you that all of these particular entities report to this particular division chief. All of these particular entities would report to this division chief. All of these would report to this one. And here, we have regulatory people would report to the regulatory chief, and the Driver License people would report to the Driver License chief.

MR. STEEN: So the fact that they're stacked, that's really --

COLONEL BECKWORTH: Well, we --

MS. BARTH: I think direct reports are going to each one of the deputy directors.

COLONEL BECKWORTH: How many direct reports, you would have one, two, three, four, five here plus the eight regional people -- seven regional people. We don't link this to our Governor's operation downtown. We wouldn't have it tied that way. And over here, you'd have one, two, three, four, five direct links.
MR. STEEN: Just to be clear, when I'm looking at this, say you're look at the Criminal Law Enforcement Division --

COLONEL BECKWORTH: Yes, sir.

MR. STEEN: -- and you have the four boxes under there, what you're saying is that each of those areas would report -- as between each other, they're not --

COLONEL BECKWORTH: There -- there's a -- there's a commander of narcotics, a commander of criminal intelligence, a commander that would be in identity theft, and someone in cyber crimes. Each one of these individuals report to this one person here. And there's an assistant to this individual there to support the operations.

MR. STEEN: So the criminal investigation is not in some sense supporting their narcotics, that's what that would tell me.

COLONEL BECKWORTH: Right. Right. He would be reporting -- he would jump from over narcotics and talk to the chief of -- assistant chief of that division.

MR. CLOWE: Another way to say that is you just identify functions --

COLONEL BECKWORTH: Yes, sir.
MR. CLOWE: You do not identify reporting structure.

COLONEL BECKWORTH: That is correct, sir.

MR. STEEN: I have a couple questions, but I don't want to --

MR. POLUNSKY: No, no. Please, go ahead.

MR. STEEN: For a new person, tell me what a fusion center is and why there's a question mark next to it.

COLONEL BECKWORTH: The term, fusion center, has the -- the linkage of all of your intelligence components bringing them into (Inaudible), bringing local police agencies intelligence components into this center, bringing sheriff department intelligence components from all over the state into this center, and bringing -- state additional state -- Parks & Wildlife, TABC, those people have an office positioned back there. The Attorney General's Office have a spot back there; bringing all those in.

And then you have a federal component, the FBI, CIA, all of those particular people would have an office here. So now you're bridging all their intelligence information that they have, all these entities have into one deal, fusing it together. And the reason there's a question mark there is we're not
sure exactly how many people we will bring. We believe we have enough FTEs in the existing criminal intelligence -- Criminal Law Enforcement Division to fill the numbers that are necessary for the fusion center here. And that's why the question mark, we're not sure exactly how many people there would have to be. Once we got all the law enforcement in place we would know how many that would be.

MR. POLUNSKY: And I would imagine, Colonel, that's one of the reasons that we may be a little behind the curve, as far as getting this fusion center set up.

COLONEL BECKWORTH: That's correct, sir.

MR. POLUNSKY: So now there are a couple of other fusion centers in the state that probably should not have been created; we should have probably had them.

COLONEL BECKWORTH: Had we had one in place, these others would not be necessary. Houston has one. Dallas has one. So we are -- and Austin PD is trying to put theirs together, but we've convinced them to come join the team. So that's where we are.

MR. POLUNSKY: Certainly the logical site for a fusion center in this state --

COLONEL BECKWORTH: Is here.

MR. POLUNSKY: -- is in this building.

COLONEL BECKWORTH: That's correct. That's
MR. POLUNSKY: And everybody should be brought in here. But -- but --

COLONEL BECKWORTH: But because of issues, we don't have them here.

MR. POLUNSKY: They're not here now. But hopefully in the future, if this is developed properly and funded adequately and so on, then that's the direction that, theoretically, everybody should be headed.

COLONEL BECKWORTH: That's correct, sir.

MR. POLUNSKY: I'm sorry, Mr. Steen.

MR. STEEN: Well, would you go over the major ways that your proposed organizational chart differs from what was recommended by Deloitte.

COLONEL BECKWORTH: I'll do that.

Deloitte's basically says that we want you to achieve these particular activities by going back and adding a significant number of resources to address this issue. And we believe that we can do it from a standpoint of existing staff with the few additions, five new additions, compared to the number that Deloitte is saying we need to achieve this objective.

They're telling us we need a human resource management. That, we talked about, a -- they're saying
create another group of people at this level, a CFO, an
assistant director of finance, information technology
CIO, CIO for assistant director of administration, human
resources. They're telling us that we need a license
and regulatory deputy director. That's the part we're
saying. They're telling us that we need --

MS. BARTH: Let me ask you a question on
that, because I may disagree there. Let's take the
finance office. Who all reports into our chef financial
officer which functions?

COLONEL BECKWORTH: The functions?

MS. BARTH: Currently.

COLONEL BECKWORTH: Currently we have
accounting and budget control, we have our grant program
which is managed in there, and we have all of our
travel, all those particular components are addressed by
the chief and the assistant chief and several managers.

MS. BARTH: Okay. So now what is different
with that than what's Deloitte saying?

COLONEL BECKWORTH: Deloitte's saying that
we need someone that in this finance component that's
freed up to look for other ways to draw financial
issues, to be a facilitator and manage all of these
operations. And they're telling us that we need to do
it by adding all these other components, which --
MS. BARTH: I guess I don't read it that way. That's where I'm struggling. I think we have it pretty well set up that way. Whether or not with each of those boxes we have the right people --

COLONEL BECKWORTH: Yes, ma'am.

MS. BARTH: -- is another decision. But as I understand, procurement report's right in there right now. So I'm a little confused on -- I'm still not reconciling --

COLONEL BECKWORTH: Procurement is in there. All of our information, as you well know because of some concerns that we've had, we have all of our inventory components that are going into that particular region.

MS. BARTH: But they're all reporting into one deputy.

COLONEL BECKWORTH: Yes. Deputy and his --

the assistant.

MS. BARTH: Okay. So what's different --

COLONEL BECKWORTH: From the Deloitte study?

MS. BARTH: Yeah.

MR. POLUNSKY: I think it's just the top line.

MS. BARTH: I think essentially that's what we have.

COLONEL BECKWORTH: Yes, ma'am.
MS. BARTH: Okay. So maybe Deloitte's just pulled it out, but functionally I think that's what we have going on right now.

COLONEL BECKWORTH: I think you're correct.

MS. BARTH: Okay.

MS. BROWN: Help me out here, question just to make sure I'm reconciling these correctly. On the narcotics, on proposal that you and the Colonel are suggesting.

COLONEL BECKWORTH: Yes, ma'am.

MS. BROWN: I want to make sure I'm understanding that. The structure of that in your proposed plan versus the structure here, am I reading for that particular division it would really be the same, narcotics, that you've got these five sub divisions under CLE? Narcotics, and you've got these five.

COLONEL BECKWORTH: It's the same format that's here.

MS. BROWN: Got ya.

COLONEL BECKWORTH: It's shifted the other way, but that's the same format. The only difference would be over here, and they're showing it, too, is this theater of operations one to eight regions, they're showing it over here and I'm not showing it on this
particular chart. I described it from the theater of operation, but I'm not showing it on that particular chart.

MS. BROWN: Okay. So but just for example, in that division, so even though you've mentioned, like you said the region -- the regional component of it, it would still report to the law enforcement deputy directors, so it's essentially the same.

COLONEL BECKWORTH: Same.

MS. BROWN: Okay.

COLONEL BECKWORTH: That's correct.

MS. BROWN: Okay. Wanted to make sure I'm reading those right. Thank you, sir.

COLONEL BECKWORTH: To kind of go a little bit in depth, if y'all we prefer, we can go a little deeper into this. One of the things that was brought to our attention was this state, after 9/11, had some significant issues with communication. Significant. The agency has tried its best to try to address these specific issues, and funding has provided to the agency in aspect of inoperability. And Department of Public Safety has been identified as the gatekeeper for all state agencies' communication, for every state agency; Health & Human Services, all of them. We are the people that's overseeing the communication component, emergency
management and all of these.

Dollars are provided for this particular program. We believe going forward we need to re-shift our thought process. We had these particular components. Our RHF component was in administration, consisted of three people working independently over there by themselves. Our components linking our equipment that went in automobiles was down at fleet operation. We have 14 technicians who are out in the field that work for fleet operation. However, they are supervised mainly by the Highway Patrol out there.

And we have these 34 communication facilities across the state that was in Highway Patrol and they were managed by the regional commander. We want to free the regional commander up to be able to do the job in eradicating crime, so we're moving the communication component from them and putting it up under a director of communication and creating our communication coordination, our mobile technology information, in-car component.

And we have the wildest (Inaudible) inoperability coordinator. This person is seeing all of the operations for the state at the state level, at the local level and all. We're bridging our communications together so that any incident we have, we don't lose the
ability to communicate with one another. That's our objective and goal. That's been a challenge for all state police agencies and all law enforcement since 9/11, and we believe this plan addresses those specific issues going forward. And we'd like to introduce that -- as a matter of fact, this direction we adopted this plan January 1st of 2009. It's actually in place today, this particular plan.

And going beyond that, Bureau of Information Analysis is another component. I'm not going to go into this, but I'll show you a breakdown of how we plan to move forward in creating the support using those 150 some-odd analysts I told you about, and how they will support each one of these particular services, and how they'll specialize their abilities going forward. Mind you, I told you about the salary that these people was critical. We train them, they get this specialized clearance, FBI, CIA, all these different hire them from us. So we need to address that. But that's what these particular position are and how they support that component.

MS. BARTH: Can I ask you a question?

COLONEL BECKWORTH: Yes, ma'am.

MS. BARTH: Just so I understand, what I'm looking at is essentially adding two deputy directors,
so to speak, one over law enforcement and one over --

COLONEL BECKWORTH: Law enforcement support.

MS. BARTH: Well, you could call it support --

COLONEL BECKWORTH: Yes, ma'am.

MS. BARTH: Administration --

COLONEL BECKWORTH: Yes, ma'am.

MS. BARTH: -- IT, finance, which is --

which is essentially adding another deputy director; is that right?

COLONEL BECKWORTH: Yes, ma'am.

MS. BARTH: Okay. Just wanted to make sure I understand.

COLONEL BECKWORTH: Previously --

MS. BARTH: And then -- one second.

COLONEL BECKWORTH: Okay.

MS. BARTH: And then each of those functions we have one person who would oversee -- I'd say all -- let's take administration, you have one person called an assistant director, whatever you want, who would oversee that group of boxes; is that right?

COLONEL BECKWORTH: That's correct.

MS. BARTH: Okay. So I still am not following --

COLONEL BECKWORTH: The administration
division that currently exists today, and they oversee
the fleet operations down at the shop.

MS. BARTH:  Right.

COLONEL BECKWORTH:  Then our Building
Programs Unit is also apart of our administration
division, and they make sure that the boats and all the
things, and light bulbs are on all around these
different complexes, not only here, but in the field.
And our general services component is the one that makes
sure our manuals and all those particular deals, all the
supplies and processes, our uniforms and all those
things are in place. All these things have familiarity
to one another, and the administrative division is the
one that support that. They support the law enforcement
function.

MS. BARTH:  But then you would have still an
assistant director that would oversee all those others
still.

COLONEL BECKWORTH:  Right. And then that
person would have an assistant to them. So it'd be --
like now we have a chief and an assistant chief.

MS. BARTH:  Okay. Okay. But then that
person would then report to what I call the second
deputy.

COLONEL BECKWORTH:  That's correct.
MS. BARTH: I don't think there's a
difference to what you have up there to what Deloitte is
showing us unless I'm missing something here, at least
with respect to the right side.

COLONEL BECKWORTH: I think you're correct.

We believe that we can achieve -- these are focussed on
the findings. We believe that with the current
administration that we have plus the addition to the
five additional components we're asking you to consider
today, that we can start immediately to make these
things happen. We bring the project manager in and help
us not only address this, but address the other things
that we need to going forward. That's our thought
process. And this is the mindset of the division chiefs
that are in this room, and are very supportive of moving
forward with this.

MR. STEEN: Colonel, I'll ask you again, we
had Deloitte come in and do a study, paid a good amount
of money for it. And I'm trying to get the big picture
here. But if you had to list maybe the three major ways
that what you all are suggesting, various from Deloitte,
what would those be?

COLONEL BECKWORTH: Various from Deloitte?

MR. STEEN: Yes.

COLONEL BECKWORTH: That's a tough one.
What I'll tell you is the things that are most significant, and I don't think we disagree upon them, is our IT issue. That's important to what we do, and we had some significant issues there. We have the ability here to take our Driver License component. Let me tell you about that. We're talking about 23 to 24 million people who reside in this state. We currently have process -- Chief Brown, where are you?

There are probably 17 million Driver License records in our system. And when you go back and look at what we've been appropriated for the previous years, we've been getting very little to continue to manage that. And so in our big office, you see a line at 7:00 around the building. That'll never go away unless we get the resources we need to drive that. So those things that were brought out by Sunset and brought out by this particular study are real issues that we need funding and resources to move forward.

So I think our ideas and views were significantly similar. I'm not sure -- the only -- the other component I would tell you is our intelligence count. We -- they enlightened us in reference of where we should be in in that intelligence. If anything I'll tell you, that's where -- that's the most significant.

MR. CLOWE: Colonel, let me try to help you
answer --

COLONEL BECKWORTH: Thank you, Commissioner.

I need --

MR. CLOWE: -- Mr. Steen's question.

COLONEL BECKWORTH: I need help.

MR. CLOWE: If I were standing where you are and answering commissioner Steen's question, I would say these are the three things --

COLONEL BECKWORTH: Okay.

MR. CLOWE: -- that are most important. You and Colonel Clark and the chiefs agree with the findings --

COLONEL BECKWORTH: Yes, sir.

MR. CLOWE: -- of Deloitte, the Sunset committee, the promotion policy, the issue of conversion to civilian model for Driver License on the findings of the study, which we paid almost a million dollars to have; you're in agreement?

COLONEL BECKWORTH: Yes, sir.

MR. CLOWE: Secondly, you feel the presentation you're making this morning represents an organization that will achieve those findings and move the agency forward. But it's done in a different way and you're using the resources that are in place to create economies that are not representative of Deloitte
presentation.

COLONEL BECKWORTH: Very well.

MR. CLOWE: The third thing that I see coming up in your presentation which would be part of my answer, is that because of your institutional knowledge and your working knowledge, you are putting greater emphasis in your presentation on weak areas that you feel rise above ore areas that need special attention.

COLONEL BECKWORTH: That's correct.

MR. CLOWE: Those would be my three points to make with Commissioner Steen if I were --

COLONEL BECKWORTH: Appreciate that.

MS. BARTH: I'm going to help you a little bit more here --

COLONEL BECKWORTH: All right.

MS. BARTH: -- okay? Between the two different studies, or what you're suggesting, one is an additional deputy --

COLONEL BECKWORTH: Yes.

MS. BARTH: -- okay, is the first one that stands out to me. Number two is capturing what the legislation -- the legislature has with respect to the Texas Rangers and where Deloitte put it in and where it has to go --

COLONEL BECKWORTH: That's correct.
MS. BARTH: -- based on legislation, would be my second observation. And then I guess the third observation that I see -- actually, three and four, Deloitte has media relations sort of imbedded down below. We brought it up to more importance. And fourth, is the general counsel would report to the director as opposed to (Inaudible) a dotted line to the commissioners, would be the things that stand out to me. Deloitte also has procurement, which you haven't gone into. I'm not sure where it is on this, but Deloitte pulled it out of finance.

COLONEL BECKWORTH: They pulled it out of finance.

MS. BARTH: And I don't know where you have it now. Do you have it pulled out of finance or not?

COLONEL BECKWORTH: Don't have it pulled out of finance. And I made a statement early on that things are going on to automate a lot of things. Our system is such that -- that we don't have many things that's automated. If you go in our -- our finance department, the people are doing the best they can with what they have.

Let me tell you another thing about this. Every single legislative session we go down, we get new initiatives; $30 million, $50 million. That finance
group has to support that and they support it with no
other people. They don't get anybody. So they end up
borrowing a few people from here to there to carry out
these initiative, and that's a challenge for them. But
what would help them more than anything is to automate
our systems. And if we can get the IT component, if the
other entity that we have to deal with, such as the
Comptroller's office, automate us, the direct process
for us, it will enhance our ability to do our job.

MS. BARTH: Well, on your recommendation you
have not pulled procurement out.

COLONEL BECKWORTH: No, ma'am, I have not.

MS. BARTH: I'd like to see it pulled out.

COLONEL BECKWORTH: Okay.

MR. POLUNSKY: Have you had any discussions
with people at Deloitte, your ideas, your changes?

COLONEL BECKWORTH: No, sir, I have not had
much discussion with Deloitte. Many of those members
are no longer with Deloitte. I've tried to talk to
them. The project manager, he left and went to another
firm. Another guy left and went to another firm. So
I've not had much discussion.

MR. POLUNSKY: What'd you do to all those
people?

COLONEL BECKWORTH: But -- but --
MR. CLOWE: Good question.

COLONEL BECKWORTH: But it was a valuable lesson, especially for me to learn how they went about doing what they did.

MR. STEEN: Tell me again the project manager's name. Was he the one that made the presentation at the meeting?

COLONEL BECKWORTH: No. No, that's not the project -- the project manager's Felicia (Inaudible) Mr. Cooper. Robert Cooper was the administrator of that program. Felicia, I can't think of Felicia's -- Felicia Lyons. So we had -- our onsite project manager was Felicia Lyons. Robert Cooper was the offsite project person out of Chicago who was handling that component.

MR. STEEN: And the man that made the presentation --

COLONEL BECKWORTH: He is a -- I'm assuming an entity that works with them locally here that was facilitating activities here.

MR. POLUNSKY: He's our partner here in Austin.

MR. STEEN: Tell me his name again.

ROB THRASH: The gentleman that presented was Drew Beckley.

COLONEL BECKWORTH: Drew Beckley. Thank you
very much. Drew Beckley.

ROB THRASH: (Inaudible) local partner.

MR. STEEN: Is someone here from Deloitte?

COLONEL BECKWORTH: I'm not sure.

UNIDENTIFIED MALE SPEAKER: Yes.

UNIDENTIFIED FEMALE SPEAKER: Yes.

ROB THRASH: I'm here. I was -- my name's Rob Thrash. I was not part of the project team but I worked with the local state of Texas team as well.

MR. STEEN: Would you be in a position -- Chairman Polunsky has a good question. Would you be in a position to respond to this -- this proposal?

ROB THRASH: I really -- since I was not part of the actual client service delivery team, I really don't feel like that'd be appropriate. I'll be glad to -- to follow up and get input back to you.

MR. POLUNSKY: Are there any questions?

MR. STEEN: Well, Mr. Chairman, I think that I -- I may be alone on this, but I would feel more comfortable -- we -- we had the suggestion of Deloitte. We now have the staff having come up with their thoughts on it. I would like to hear back from Deloitte in terms of how they'd respond to what the staff has come up with.

MR. POLUNSKY: Yeah, we can certainly do
that. That would delay this process to some degree.

But --

COLONEL CLARK: Mr. Chairman.

MS. BARTH: How do you want to approach it if you don't agree?

MR. POLUNSKY: Right.

MS. BARTH: The boxes, so to speak here. I have some disagreements.

MR. POLUNSKY: Well, I -- there are certain things that jump out at me as well. I think that if there are issues or problems or whatever, that other commissioners have with the organizational chart here, structure, that we need articulated at this point.

COLONEL CLARK: If I can make one comment, and I think this will help clear up some -- some of the confusion. We have fully embraced the Deloitte recommendations, no doubt about that. They brought to light a lot of significant improvements that the agency needed to go forward with. I think one of the -- I'll call it a problem, if you will, is the way they put together their chart.

Our agency, our people can much more readily identify with this organizational chart than that. We have really brought forward many of the various recommendations that they made. I think it's important
to remember what you don't see on this chart is the --
the PMO here that we're going to hire. That -- this is
going to get us the momentum moving in the right
direction.

We're going to put people in these places.
There's five positions that need to be filled in order
to actually get this skeleton complete. The PMO will
come on board and through the next two years help us
flesh out even more as the Deloitte study has required.
But we have priced this out. As I stated in my opening
comment, this is doable, it's affordable with our
existing personnel and infrastructure with the exception
of five individuals that we need to -- to fill. And
Colonel Beckworth pointed those out.

Our people understand this perfectly. If
you just look at this line right across the top, those
are our existing chiefs right now. That's David Baker,
that's Joe Ortiz, Valerie Fulmer -- although she's right
here -- Oscar Ybarra. And so that -- that kind of tells
you where we are. But I think that -- again, we've
looked at this Deloitte study now for a couple of
months. We've had meetings. The chiefs, the upper
management, they're all on board. We're enthusiastic.
We want to get moving on this. And we feel that the
time is right. Again -- yes, ma'am.
MS. BARTH: I'd like to see -- before I think about approving this, I'd like to see this as an organizational chart with the boxes -- are there, you know, which I'm hearing, is that there's an assistant director head of finance, there's an assistant director head of information technology, and that these report down to that person. So it may be here in, obviously understandable by your organization,* I just don't understand it, just to lay it out to me. I see that we're adding two instead of one deputy director. That's very readily apparent to me.

MR. POLUNSKY: No, we have two deputy directors.

MS. BARTH: But it wasn't divided that way.

COLONEL CLARK: Yeah. And, again, those -- those were Deloitte recommendations. I don't think we ever approved everything that they said in that -- in their report.

MR. POLUNSKY: But anything, their recommendations --

COLONEL CLARK: Right.

MR. POLUNSKY: -- as is this.

COLONEL CLARK: Exactly. And our recommendation is we just believe through all the work that we've put into this, that this will work. We'll be
able to accomplish the goals that Deloitte and Sunset have laid out for the Department. We think we can do it with this. That's the bottom line.

MR. STEEN: Colonel, help me with something you are talking about the theater of operations concept, and how is that overlaid onto this?

COLONEL CLARK: Well, it's not on this.

MR. STEEN: But explain that, and -- and how it's -- how Deloitte addressed that and how you're addressing it.

COLONEL CLARK: Okay. Let me just explain.

You'll notice here, here's one of the big issues that you see over here, this -- these regional directors. Okay. That's an extra layer of -- of salary, of personnel, FTEs that -- that -- that Deloitte is proposing, what we're proposing.

MR. STEEN: Where are they at?

COLONEL CLARK: They're -- they're right here. Right here, the regional directors. If I can just simplify this for you. Let's just look at the Texas Highway Patrol Division right here. The Patrol Division, which is our largest black and white uniform services, Highway Patrol, commercial vehicle enforcement and our communications. The way the theater of operation works -- and I'll just use -- since I came
from Dallas, I'll give you the Dallas example. I was
the regional commander in Dallas. We have a Highway
Patrol captain there. We have a CVE captain, a Motor
Vehicle Theft captain, a Narcotics captain, a Ranger
captain, a Criminal Intelligence captain. Those are all
commanders of the services in a region.

Now, what we're proposing -- the way it
currently is, the regional commander is assigned to the
Highway Patrol. He direct reports to the chief, Chief
Baker. And there's eight of these regional commanders.
The Deloitte report expressed a desire to have a
regional director that would coordinate a theater of
operations like the military. And what Colonel
Beckworth tried to explain there, is let's assume that I
am the regional commander in Dallas. I'm going to be
working closely with those commanders, those captains of
those services, Rangers, Criminal Intelligence,
Narcotics, et cetera, to address crime in that region,
wherever it may be.

Now, those captains, Rangers, Narcotics,
they still report to their chief, which is the Criminal
Law Enforcement chief, Joe Ortiz. They still report to
him. But I coordinate their work. I assume that job of
a regional director working with those individuals and
those services to address the crime. Instead of
reporting to the chief now, though, that regional
commander reports directly to the deputy director of Law
Enforcement. Because right now they're all Highway
Patrol majors.

What we're proposing is we're going to open
this up to any commander. It's a competitive process.
But it could easily be one of Tony Leal's captains that
decides he would like to compete for that regional
commanders position, that guy that's going to coordinate
all that activity. He would no longer report to Tony
Leal, he would report to Lamar Beckworth. That's the
theater of operations. And that would go forward in all
seven of our regions, not including the capital region.
Does that help at all?

MR. STEEN: Well, it's confusing because
those -- I don't think those positions are on there,
right?

COLONEL CLARK: No. This is a skeleton,
sir. I mean, this -- each one of these is broken out
like this. Communications, there's communications. To
put this on a board would be enormous. There's no way
on an organizational chart we can get all these exact
positions. But we can -- we can break each one down
individually for you.

MS. BARTH: I'm just trying to get the
reporting positions.

COLONEL CLARK: And I know it's --

MS. BARTH: That's what I'm trying to --

COLONEL CLARK: It's difficult.

MS. BARTH: Because I don't see a lot of difference between this thing and what Deloitte is proposing.

COLONEL CLARK: And that's a good thing.

MS. BARTH: I'm not arguing either way. But I'm just trying to understand the five new positions and how they interact the way it's proposing.

MR. POLUNSKY: Yeah. Getting back to my question and -- and Mr. Steen's comments and question, I'm troubled by the fact that we've got this presentation from the staff, which very well may be wonderful. Certainly meritorious in areas and well thought out, logical and this and that. But we spent a million dollars, pretty much, for this -- for this study that Deloitte put together for us. And they're not here to either discuss, you know, their thought process on why they did this or what they think of your proposal and how it differs from what they recommended and whether they agree, disagree or, you know, feel that we ought to consider this revision or that revision.

It's somewhat ignoring to some degree. I
know -- I know this is the fundamental blueprint that
this is built on. I fully understand that. But
nevertheless, I mean, there's silence. There's no
interpretation on what this is all about as compared to
this. Am I making sense?

COLONEL CLARK: Well, yes, sir. I would
just say I think that we worked hard to try to
incorporate all of those findings that Deloitte brought
to our attention and just put them in a more simplified
organizational chart. The -- as Lamar said, the
intelligence counterterrorism that they show under this
deputy director, we have created a division for that. I
mean, we recognize that's important. We created that
division. We'll hire a chief of intelligence and
counterterrorism, and he will be responsible for all of
these -- these functions right here.

That's what we tried to do. We just tried
to simplify it into an organizational chart that looks
familiar to DPS institutional knowledge that we all have
as we work together, understanding what the
recommendations and findings were. We just did not --

MR. POLUNSKY: Right. And --

COLONEL CLARK: -- put it in their --

MR. POLUNSKY: I'm not sure that the goal
here should be to have an organizational chart that
looks familiar to DPS. Part of the initiative here is
that there's change going on.

    COLONEL CLARK: And we want to do that. We
embrace that, sir. And if it looks different than
their's, our intent is not to not be the same as it
always has been. I just thought this was easier to read
and understand than what the Deloitte's organizational
chart was.

    MR. POLUNSKY: And it may be.

    MS. BROWN: Allen, if I could chime in for a
moment. Whenever you were kind of giving us an outline
what we could expect today and you made reference to
making a closing statement, what that made me think of
is kind of going back to the courtroom. And it kind of
comes back to me here, too. Deloitte has presented this
and we're familiar with their recommendations. If I'm
hearing you right, Allen, I think the concern is not so
much that the structure is different, but that you have
presented an alternative.

    What we're concerned about, if we just made
a judgement based on what we've heard so far, is we
don't know necessarily what their rationale was for --
ey they haven't seen your differences. So it's almost like
I'm supposed to rule on a case but I haven't given the
other side to tell me your thoughts about yours and so
forth. So I think the concern is obviously we paid a
whole lot of money to get their thoughts. You've now
given us your thoughts. And the concern is that -- that
if there is a compelling rationale for how they're doing
it, and maybe there's not, that we would not necessarily
know that if we don't hear their side to kind of rebut
that. They haven't been presented with this, right?

MR. POLUNSKY: No, they have not.

MS. BROWN: Okay. Got ya. So it's sort of
like, you know, they presented their evidence, you
presented yours, and now the other side kind of gets an
opportunity, I hate to say to cross examine, but --

MR. POLUNSKY: Yeah, but unfortunately
they're in separate hearings.

MS. BROWN: Right.

MS. BARTH: Might I add there, I think the
idea's for everyone to work together. I don't -- I
would hope that we would come to some consensus between
what is -- Deloitte's recommended and what you have
recommended by everybody talking here.

MR. STEEN: But if Deloitte was here today,
they may very well say, we like what you're doing. We
understand that you had to tweak it.

COLONEL CLARK: Well, and the format here
today is a workshop. We're open for suggestions. We'll
be glad to contact Deloitte, have them review this.

MR. POLUNSKY: Well, yeah, but, you know, not -- not to be overly critical, but Drew should've been standing here, or somebody from Deloitte should've been standing here to participate in this discussion because I think it's going to prolong this process. I don't see how we can move forward on this based on your presentation, which is -- which is a fine presentation. But nevertheless, this is silent. Nothing is -- is coming out of this. There's not interaction, there's no discussion, there's no back and forth.

MS. BROWN: Point counterpoint without the counterpoint, not to make it sound adversarial.

MR. POLUNSKY: I mean, I guess we could go, yeah, let's do this. But -- but I don't know how we can ignore that. That's my opinion.

MR. STEEN: Mr. Chairman, I've got a suggestion. We've got a meeting next week, right?

MR. CLOWE: Next week. Next Thursday.

MR. STEEN: On the 15th?

MR. CLOWE: A week from today.

MR. STEEN: This is -- I appreciate that we're trying to move things along. I talked to Commissioner Clowe about it earlier. We really do want to push forward, but this is so important. I agree with
the Chairman. I don't know how we can pass judgement on
this without getting the -- seems like it would be --
we'd be derelict if we didn't hear from Deloitte in
terms of how -- how they -- how they respond to what you
all have come up with.

MS. BROWN: And just to clarify, when I used
the analogy of court, I don't want to make this sound
like I believe it should be adversarial. But as you
said, I think we'd be derelict. If there's a wonderful
compelling rationale that they could raise the response
to one of your suggestions, and maybe there's not.
Maybe they just moved it there, and you've got a point
and you've got a better reason and we agree with you.
But I don't know that we know that with the current
format.

MR. STEEN: Well, and judge, I'll say again,
it may be that Deloitte would be in here saying, this is
great. They're embracing our findings and they're going
about it a little bit of a different way, but we -- but
this is okay.

MS. BROWN: Right.

MR. STEEN: But I'd like to hear that.

MS. BROWN: Yeah. I agree.

MS. BARTH: Could I go back and say I'd like
to have seen some discussion between our plan and their
plan. I don't view Deloitte's study as just something the Commissioners had. I view it as the whole agency embracing it just for knowledge itself as a tool to go back and forth here. I mean, for me to look at this for the first time and expect to say, yeah, that's great, that's a hard one to swallow anyway. It's just come to us for the very first time right now. I've expressed my concern about passing out information. We haven't had the opportunity to look at ahead of time. And this is -- I would agree with Mr. Steen, this is the blueprint. So we've got to at least make every effort to get this right whether I agree or disagree.

COLONEL CLARK: I understand.

MS. BARTH: This is to be used as a tool.

COLONEL CLARK: And, again, there's a lot of enthusiasm. We're ready to move forward and embrace these changes and make these -- fulfill these recommendations. And, again, the PMO that we're about to hire is going to help us as we go forward. But I understand your concerns and will be glad to follow through with those.

MR. POLUNSKY: Colonel Clark, nobody or no group is more enthusiastic and more dedicated to making sure that this thing goes forward.

COLONEL CLARK: Yes, sir.
MR. POLUNSKY: This all initiated from the Public Safety Commission if you'll recall. But nevertheless, this is the blueprint of the future. This is how the Department will be structured going forward many, many years most likely. We have brought in a professional consulting group. They, in my opinion, have done a good job of putting something together. This should have been orchestrated a little better. There should've been a more cohesive communication and discussion between the consulting group and our administration. My opinion next to impossible for us to take any action today. But --

COLONEL CLARK: We'll follow up.

MR. POLUNSKY: And we haven't heard from Commissioner Clowe. I think he's got some ideas and comments as well.

MR. CLOWE: I do. Sit down and let me talk to you for a minute. Listen to what I want to say to you because I think there's some things that need to be said about where we are. I probably will say some things that'll make everybody in the room happy and maybe make everybody in the room unhappy. But I think we need to sum up where we are and hopefully get some agreement about how far we've come and how far we have yet to go.
For the benefit of the two new commissioners, newer than Commissioner Barth and myself, to have a presentation like this from the management of the DPS, when I came on this board in March of 08, just wouldn't have happened. It was we've done it this way in the past, we're going to do it this way in the future, and it's been good. You know, this is revolutionary to have the colonels and the chiefs step up and say, here's our plan. We're ready to go. And it's big change. And to that, I say hallelujah. You know, that's what we wanted when this board was formed and what we asked you to do when you were appointed to your positions. And I am appreciative. I'm gratified. And I thank you for that.

Now, I think I understand there are two things that are in your mind. One is we're in these positions and we can do this job. And it's incumbent on us to get going. And I congratulate you for taking that challenge and making a presentation that has merit.

Secondly, I want to hit this real hard. My sense is, from conversations that I've had throughout the agency, the people want action. The people need some resolution of this period of unknown that we're in. I've had many conversations with people in this room and people who are not in this room who have said to me, give us the
task. We're ready to move forward. We want to do it. And I think that is a second very strong thing that you're reacting to. And I'm a people guy. I understand that. And I know this board wants to be responsive to the needs of the people of this agency. I see that as one of our prime responsibilities.

I want to step back and describe how I see the big picture. This thing started in March of '08 when the Chairman assigned me the responsibility of conducting a study to see if change was needed. Came back in April, said yes. We moved forward. I think we made a good selection. I think they did a good job. And then we began to have personnel changes that occurred in August. We're pretty much concluded in September. Appointments were made, for the most part, on an interim basis.

And my recollection of the charge was you're in this job, run it like you own it. Take charge and do what you need to do. We want oversight. We want to know what's going on and approve it, but we want you not to feel like you're just a caretaker. And I will say that I think you've done a magnificent job of that, and the other chiefs that are performing.

And I could go around the room and name each one of you and give you a specific example. And there
are people that are not in this room that have kept the
faith with the DPS. But I want everyone to understand
from my viewpoint. I'm one of five. This is not an
event, this is a process. And we must have adherence to
process to achieve the best result. And your
presentation today is part of the process that needs to
be blended with Deloitte. And I don't see that as a
controversial blending. I see that as a work in process
that you've come now with institutional knowledge and
detailed knowledge, and an emphasis on areas that you
know better than anybody else need help, and you're
making that contribution to the process that will put us
in the end in a better place.

Clearly, there are too many open issues at
this point in time to say, yeah, this is what we want to
do, let's vote on it and let's do it. Colonel, you made
some comments about, well, you know, so and so did this
job and this job. I don't agree with that. We don't
know who's going to be in this job. We've got Corn
Fairy out there right now looking for this person, and
it may well be you or an internal candidate, or it may
be an external candidate.

And to get these steps right, in my mind,
this is a key step that before we start changing things,
we've got to make sure the director is going to be the
leader of this process and buy into it. And then right
on down the line as we decide whether it's going to be
this or this or something else, we got to have the
leader ship that not only engenders the confidence and
the loyalty of the people that go into the those jobs
like you're doing in your position, and Colonel
Beckworth is, too, today to get to where we want to be
ultimately.

You mentioned the PMO. But, you know, the
RFQ is not even going to be closed until the 20th of
this month. And they're going to have a great
involvement in what the organization looks like as I see
it. I see it as an ongoing process that can change and
will get better as part of that change. If we did
something like this right now, you would almost be like
saying the president elect Obama, you know, here is the
current Bush cabinet, or here is the cabinet that we put
together before the Bush Administration went out.
Here's your new cabinet, president elect Obama.

I think he's coming in with a whole new
team. And if I were a candidate for this position, I
would want to be able to say, here's the organization I
want and here are the people I want. I wouldn't take
the job if I couldn't have a say in all of that. And I
think the PMO wants that kind of opportunity as well.
So I think there was a rush, I think because of the people concerned that you're feeling. And I'm so glad you're empathetic to that, to say here's our plan, we can get it in effect -- I think you said by February the 11th.

COLONEL CLARK: 10th.

MR. CLOWE: 10th. But it's kind of like we're building this vehicle as we go down the highway. We've got some wheels on axels. We don't really know yet the engine and we haven't got the doors on it. We're not ready to get into the race. But when we get in the race, we want to have all these questions answered. We want to have the people in place, the right organization, and we want to have the funding for the organization that we've adopted.

Colonel Beckworth was very articulate about the need for funding for the new Driver License operation. That's a big question. You know, we're trying to organize to do what they want us to do, but we've got to see the money to be able to hire those people. So I congratulate you on what you've done. I think it will be a positive contribution. But I think it's only fair to say to the Commissioners, take this as our suggestion, and then we'll work with the PMO, we'll work with the new organization.
And I have to tell you, in my mind, all those positions are open for the best qualified candidate. Now, certainly, many of the people who are in these positions today are the best qualified candidates. And that was sort of a leap of faith that you made. You assumed that. And I understand that. And if I were in your position I'd probably done the same thing. But from a commissioner's viewpoint, from here throughout the organization, I want the best qualified candidate. And as you adopt a new organization, that's the time to look and to see that you've got the best qualified candidate.

So I think this is a contribution. And I think it's a good step forward. I understand, I think, your motivation. I applaud it. I appreciate it. You're very articulate in your presentation. But I think we've got to stay in the process to get to where we want to be. And when we change this, we only want to change it one time. One time and do it right. And we're just going to have to ask the people of the agency to continue to be patient. It's hard. It's not easy. Everybody wants to know what's in the future. We can't tell you. You've just got to stay the course and wait until we come out on the other end and be part of the change.
And it's my promise, and I think the Board would join me in this, we're going to make it better in every way. That's -- the five of us are dedicated to making it better. But to take an answer at this point is premature. There's input from the legislature that we have to be respectful of, the leadership. We have to be aware of all of these influences. Just got to be patient. And this Commission has got to be patient and use judgment as we move forward.

Now, I didn't have any idea you were going to make the presentation this morning. I've gone over this, or some other similar form with you, informally at a prior time. But I didn't know you were going to make it today. And that's my immediate response to how I see where we are. As I say, I may have made some people happy and some people unhappy, but that's how I feel about this.

COLONEL CLARK: Thank you.

MR. STEEN: Mr. Chairman, I've got a practical question. Has -- has Deloitte been paid?

MR. POLUNSKY: Yes.

MR. STEEN: Have you all been paid in full?

ROB THRASH: (Inaudible)

MR. STEEN: But I think Mr. Beckley, when he was here, said that he would be available for follow-up,
just the very type of thing we're talking about, and
that that would be part of your -- the deal you made
with us. We wouldn't be incurring additional expense to
have y'all come in and react to this.

MR. POLUNSKY: Right. In fact, I think
it -- it's axiomatic. I mean, that's part of the work
product or the job description of what they were
retained to provide us, which is post-recommendation
support, discussion, input, whatever.

MR. STEEN: But importantly, I think the
Deloitte gentleman here, you're confirming with --

ROB THRASH: Yeah.

MR. STEEN: -- Chairman Polunsky.

ROB THRASH: Yes. That's -- certainly be
willing to do that.

MR. STEEN: Can you state your name again
for us.

ROB THRASH: Yeah. My name is Rob Thrash,
T-H-R-A-S-H. I'm part of the local team.

MR. POLUNSKY: Well, that's a hard act to
follow here. I strongly feel that it's fine, and I
appreciate the presentation that was made here this
morning. I certainly appreciate, as was stated by
Commissioner Clowe, all the work that's gone into
putting that together, the thought processes that were
incorporated into the final product here as far as this organizational chart is concerned. So we do appreciate it. But it's only a step towards a final conclusion, in my opinion, and it's something that we can discuss to some degree this morning. But that's it. I don't see anything coming out of this beyond moving on to another level. And that would -- that level would include the participation, and comments, and support that Deloitte brought to the table. And that's why they were hired, as I said previous.

MR. CLOWE: And, Mr. Chairman, just to reiterate the process is under way. The search firm is employed, that's Korn Ferry. They're in the process of conducting interviews with commissioners and the colonels and others that are recommended. They have reported in -- is this in the agenda okay, Duncan?

DUNCAN FOX: Yes.

MR. CLOWE: This all right, Mr. Chairman?

MR. POLUNSKY: Yes, sir.

MR. CLOWE: They have worked over the holidays to prepare for those interviews. They're trying to contact commissioners and the colonels. I think they've already had their interview with Commissioner Barth. They're moving ahead hoping to have a recommendation back to the committee. Commissioner
Barth and I have been assigned by the Chairman promptly. The PMO RFQ is out. It closes January the 20th. The director of human resources is working on the grading matrix. We already have agreement from a number of outstanding individuals to serve on the selection committee reporting to Commissioner Steen and myself, the committee the chairman appointed.

So we're moving ahead as quickly as we can in government service. And everyone is being cooperative and lending their best efforts.

MR. POLUNSKY: Do any of you have any specific comments or suggestions or recommendations with respect to this chart today? Let me just jump in. In my mind, the General Counsel, there should be a line to the Public Safety Commission. Just a comment of mine. This is something we can go to -- go into further detail later. That's something that's very important to me.

MS. BARTH: I'd like to see procurement out of the CFO's office.

MR. STEEN: Mr. Chairman, just a question I have. Mr. Fox, if I could put you on the spot here. But what is the statute that -- that says that the Rangers --

DUNCAN FOX: There is a provision (Inaudible) I can provide that for you.
MR. STEEN: Would you mind -- I just -- is it something you can address right now? And that's a question I'd ask Deloitte. Were they aware of that statute or --

DUNCAN FOX: They were.

MR. POLUNSKY: They were aware of it.

MR. STEEN: And so in setting up their chart, what were they saying, that that statute needs to be changed by the legislature?

MR. CLOWE: They offered it up, in the conversations I had with them, as compromised.

DUNCAN FOX: Commissioner, the statute is 411.021 of the Texas Government Code, and it provides that the Texas Rangers are a major division of the Department consisting of a number of Rangers authorized by legislature. The highest ranking officer of the Rangers is responsible to and reports directly to the director.

MR. STEEN: Thank you.

MR. POLUNSKY: All right. Before we take a break, let me make sure we have a sense of the Commission here. My feeling is that we are just going to have to defer this on to, I guess, our next meeting, and invite the representatives of Deloitte to be present in order to participate in discussing this matter. And
we may or may not take action at that point. But -- but
no action will be taken today. Am I -- am I reading
everybody correctly?

    MR. STEEN: Mr. Chairman, are we in good
shape in terms of putting that on the agenda?

    DUNCAN FOX: We are -- fortunately, we do
have a -- an agenda statement for the January 15th
meeting. It has language that I think fairly calls this
into (Inaudible) Discussion and possible action
concerning the organizational structure study of the
Department. So I believe that's pretty clear will
support the discussion and action if that was desired.

    MR. STEEN: Are we going to take a break?

    MR. POLUNSKY: Yes, sir.

    MR. STEEN: I have a -- a comment. And
you'll have -- you know, a number of us are chairmen --
came over here as chairmen of other commissions and what
have you, so you'll have to forgive me on this. And I'm
not -- I'm not a technologically up to speed person.

But over at the TABC, when we met, we would have a
computer in front of us. And if a presentation was
being made, instead of shuffling papers, we were
actually looking at the screen. And -- and I know
there's been this movement to open this up. We'd have
screens tilted toward the audience so that as we're
going through -- for example, going through these charts, people sitting out in the audience could follow along.

I think that would be a good thing to look to do here. I don't think it would be that expensive. And I think it would make -- make it easier on us. I had to shuffle some papers today. But also, I think -- I wouldn't want to be a member of the audience sitting out there, and we're all talking about things, and the chart up here, and they can't see any of it. So I'd like to bring them in on it, too. So it's just a suggestion.

MR. POLUNSKY: I think that's very valid and a good suggestion. Is that okay with everybody?

MS. BROWN: That's a great suggestion.

MR. POLUNSKY: Yeah, I think. So can we go ahead and do that --

COLONEL CLARK: We can do that.

MR. POLUNSKY: -- going forward? Okay. We will now recess for ten minutes and be back basically at 12:30.

(BREAK)

MR. POLUNSKY: The Texas Public Safety Commission is now reconvened. It is 12:37. The next item on the agenda is Discussion and possible action on
revisions to Exceptional Items List for FY 2010 to 11, Legislative Appropriations Request. That'll be Colonel Beckworth.

COLONEL BECKWORTH: Commissioners, I would like to, first of all, apologize for having to provide you additional documents at a late time. But that's where we are in reference to providing you some documentation. I'm going to ask Dorothy to provide you some copies of our exceptional items update information and also some new items for consideration. And you have in your booklet the previous LAR that you approved on the 19th of June 2008 to be included in the document there under the LAR. And I have Oscar Ybarra, Chief of Accounting, here to kind of help assist us in this particular process.

If you look at the document that we provided you, one of them shows exceptional item FY 10 and 11 worksheet. The second item identifies exceptional items for consideration on a day-to-day. And it identifies updates for those particular issues. When we look at this area on the sheet -- on both sheets, we talk about issues, why we made some changes on our IMS technology personnel. Our old request was $3.7 million, -- $2.7 million, and our new request is $1.6 million which is a difference of $1,110,000. In our explanation, we
went back and reanalyzed our request for funding. And
the dollar cost was much -- was a lot less than what we
initially projected.

So we're asking consideration to update that
particular category on our critical staff on
information -- critical staff compensation. Secondly,
on the commissioned officer salary, you approved in
June, $106,154,920. We went back and addressed our
figures. Based on the current funding of commissioned
officers, we underestimated that number. And it's now
$401,670,000, which is $4,408,644 less, and we ask your
consideration to make that adjustment and update that
particular LAR as it relates to those particular.

The other category is information
technology, which is on your exceptional item under
distributed computer environment. We estimated that to
be 61,547,000. The new request is 73,239,000 for a
difference of $11,692,000, and we're asking that --
we'll provide an explanation. That has to do with the
Driver License reengineering project.

And those particular issues, as it relates
to Driver License reengineering has to do with the fact
that we have the funding for the first year pushing
Driver License reengineering out. But the second and
third year, there are no funding for that. So that
calls us to add those additional necessary funding moving forward for the previous next two years, for 10 and 11. That's why we're asking you to consider allowing us to make that change to our LAR as it relates to that.

The next category, as it relates to updates, deals with Real ID. We're saying that we requested $129,147,000. But because of us moving forward with the business model of Driver License, we went back and removed the commissioned personnel out of that particular information we provided you earlier, which reduces that amount by $24,200,000. And we're asking your consideration to make that particular adjustment to our LAR.

And then we go to item "B" under new items, and we've identified the need for FTEs noncommissioned personnel. The biennium cost $48,427,488. That is what chief Brown provided you in her civilian business model in Driver License. And our question is consideration to include that particular cost in our LAR to address the business model for Driver License. This is a new initiative we're asking you to consider.

And secondly under new items, we have two state disaster resource supporting staffing sites and we're asking for $3.6 million in our emergency
management program to provide the lease space for
establishing our resources to deploy to the hurricane or
disaster event anywhere across the state. Currently in
the past, Hurricane Ike, we had a resource facility in
San Antonio at a military base there, and when that
particular storm event occurred, we had to develop
another one in Lufkin north of that particular storm.
We realized how effective those particular components
were. And Chief Colley and his staff is asking that we
lease two permanent storage and state facilities in
those two areas futuristic, going forward. And he's
left with 3.6 -- $3,687,250 for that.

So those are the things that we're asking
the Commission to consider to update the current LAR and
to consider adding to the current LAR. And we have
those items listed on the document dated update on
exception items. And that's the information we want to
report to you as relates to changes to the LAR. Oscar,
go ahead with any kind of follow-up that you might have.

OSCAR YBARRA: The other things we did talk
about outside of these were consideration in one of the
exceptional items, the operating shortfall regarding
gasoline. As we all know, the price of gas has dropped
dramatically. I think -- I think the national average
is projected to be around $2 this year. The projection
that we made in the exceptional item is $3.60 which was about 11-and-a-half-million dollars. And that might be something the Commission may want to consider as far as changing.

We do have something in our legislative corporation request. We used to have it in the past that we'd put in there just in case we didn't get the operating dollars for gasoline. And that's a rider. It was back in our GA -- General Appropriations Act 1906 and '07. And that rider basically -- what that rider did is if the price of gas went above a $1.38 per gallon, then the Comptroller would provide us funding once that average gas went above that amount. And the agency kind of had the decision to make whether they had funding to cover the shortfall or ask for the money from the Comptroller.

This last session that rider was changed, and it increased the price per gallon to $2.48. But it didn't provide us the opportunity to ask for additional funding from the Comptroller, but rather it allowed us to transfer funds from the next year into the current year which would then make it probably be short in the next year. The rider we've proposed, would kind of put it back to what we had in '06 and '07 giving us the opportunity to ask for additional dollars. We wanted to
bank on that rider because of the price of gas being so volatile right now, and just kind of focus on the rider. That would afford the agency dollars if we needed them due to the price of gasoline. And I have a copy of that rider. That was something that was approved in the LAR. So that's something you all may want to consider.

There's some other things in the operating shortfall that you may want to consider also, the Attorney General rider. That rider specifically, we request $650,000 from the AG's office -- excuse me, to pay the AG's office for services every year. The way the writer's written today, it identified that if we have the money, we'll pay the AG's office. And we always have to have to wait till the end of the year to determine whether we're going to pay them or not. And the strategy behind the operating shortfall is to say why don't you just fund it and we'll pay it.

But that's something you may want to consider also as far as eliminating that and leaving the rider as is. And a lot of this I mention would be with the current economic times. If you recall, Governor Perry sent the letter over to the agency regarding us to consider looking at our current budget and our LAR request to see what we could do to cut back. These is some things that the agency could do to reduce our
exceptional items and kind of -- and kind of deal with
the expenditures the way we have in the past, these
writers that exist today, or potential writers that will
help us with gasoline in the future.

MR. POLUNSKY: Is that it, sir?

OSCAR YBARRA: Yes, sir.

MR. POLUNSKY: Chief, let me ask you a
question with respect to the FTEs that are revolving
around the changes in Driver License. There's been some
for want of a better description, agreement between the
Department and, say, the Governor's office of how
they're interpreting all of this. Can you explain a
little as to what's going on there and --

OSCAR YBARRA: Well --

MR. POLUNSKY: -- what -- what the -- why
these interpretations or opinions are different?

OSCAR YBARRA: There's -- there's -- I
believe there's two issues here that -- that -- that are
being considered by the agency based on what Sunset
recommended; "A," is let's move the commissioned
officers over to Texas Highway Patrol. That particular
issue identified the deduction of law enforcement in the
state of Texas. That's one thing that -- that -- that
would definitely happen. And that's a concern for the
agency moving into the session.
The other issue is that Sunset, I believe, identifies that it's a zero cost to do what they recommended. But in order to implement a civilian business model that will serve the State of Texas, Chief Brown and her staffed worked with the directors, and my staff have identified what it would take to provide that service to the State of Texas. And that costs money. And that's my summary, and I'd be glad to defer to Chief Brown like to add to that if she'd like to.

MR. POLUNSKY: Chief.

JUDY BROWN: As a point of clarification, Chairman Polunsky, the two different schools of thought are with regards to the budget that's assigned to those commissioned positions. There's about $14 million that comes into the Driver License Division that supports the commissioned officers on my staff. If those positions move to Highway Patrol and the money moves to Highway Patrol with them for support in the Driver License offices versus the positions move to Highway Patrol and the money stays in Driver License.

You can look at it from probably four different angles. The premise behind the recommendation for the civilian management model is that all but about $1.8 million transfers. When we went through -- if you'll recall the recommendations were to move certain
amount of commissioned officers to different arenas, and that left us with a small number of positions that we would -- the positions would be lost through attrition, and the salary would be retained by DL. And that was about 1.8 million.

So you can -- you can enhance our proposal either by reducing that cost. However, if those positions -- if those commissioned officers stay in Driver License, they need to be paid. I'm being allocated the money for it now whether I ask for it or whether we move them to THP and THP asks for it. I think it's a zero balance when you get to the bottom of the agency's request. But those are the two different schools of thought as to whether that money stays in Driver License to support Driver License programs, or whether that money moves with those positions to THP.

MR. POLUNSKY: All right. But is there a third school of thought here that's coming out of the budget and policy office?

JUDY BROWN: Recent conversations, the third school of thought is if those DL positions are going to stay in Driver License offices to support Driver License activity, that that budget ought to come out -- ought to stay in DL to support those positions.

MR. POLUNSKY: Okay.
MR. CLOWE: Are you clear on that? I don't think I am.

JUDY BROWN: Want me to take another stab at it?

MR. CLOWE: Well, can I ask a question?

MR. POLUNSKY: Absolutely.

MR. CLOWE: I think I saw where you said the cost of civilian management in the DL Division was 32 million the first fiscal year and 34 the second fiscal year?

JUDY BROWN: That is civilian management and all the customer service initiatives.

MR. CLOWE: So that includes some new FTEs and higher compensation throughout the division?

JUDY BROWN: Yes, sir.

MR. CLOWE: And that's the cost with the money staying in the Division or going with the uniformed commissioned individuals to THP?

JUDY BROWN: That is the cost with $1.8 million of the current commissioned salary staying in DL and 12-something going to THP.

MR. CLOWE: Going to THP. Now, what has THP got in unfilled FTEs to compensate those individuals if they come to THP?

DAVID BAKER: We have 240 vacancies.
MR. CLOWE: So you've got the money.

OSCAR YBARRA: But one factor to consider also is we also have a school that's about to graduate in April. So majority of those folks will be going into THP.

JUDY BROWN: And when you talk about those positions, I think that's where we've got to maintain a clarity. If Chief Baker pays for those positions out of his salary dollars to support my function, that's that many sets of boots on the ground that are now in Driver License offices and not on the highway. And therein lies the reason that we transferred the money under the expectation that the Commission wanted those positions to be in Driver License office to support those functions.

MS. BARTH: Aren't you reducing the number of commissioned officers in the offices?

JUDY BROWN: We are not reducing the number of troopers, we are reducing the number of supervisors that would be required. However, again, those supervisors when we look at --

MS. BARTH: Supervisors meaning commissioned officers?

JUDY BROWN: Commissioned supervisors, would be reduce to support the Driver License function. But
we're also talking 30 of those sergeants moving them
into the CLE for the -- for the identify theft
increasing that unit -- that task in CLE.

MR. CLOWE: And, in your mind, does that
comply with the sense of the Sunset recommendation that
by transferring those commissioned officers in
management roles out of Driver License but keeping the
troopers, it follows the recommendation of Sunset which
this Commission has adopted?

JUDY BROWN: I would -- I would tell you
that I believe the original sense of Sunset was you
remove those positions and the supervisors out of Driver
License offices.

MR. CLOWE: That was my impression.

JUDY BROWN: Now, if the Commission's
decision is that those commissioned officers perform
a -- a valuable function in the Driver License offices
and need to remain, we certainly could reduce the number
of supervisors to supervise those troopers, and we did
that moving the entire function to THP. We could do
that leaving the function under Driver License. It's a
matter of -- it's a matter of control and support and
training from that perspective.

But the early Sunset recommendation, as
we've spoken to Sunset, was that entire group of people
come out of Driver License offices. And I believe, again, that's part of the reason why Sunset felt like there was no budgetary impact. And if you look at my proposal, it's 14.3 to replace all of the commissioned with civilian managers. So if you looked at Sunset's recommendation and our proposal for the civilian managers, that would be a very little cost impact.

MR. CLOWE: That's where the confusion was in my mind.

MR. STEEN: Chief, I want to go back to something that you said. We went through the Sunset process, and Sunset Commission said we wanted —- you know, they focused on the Driver License Division, and they recommended that we go to civilian management model. You're saying when they made that recommendation they thought it wouldn't cost us anything? Did I hear that correctly?

OSCAR YBARRA: They stated in their report, sir.

MR. STEEN: And now we've done our work on it and we're talking about how much?

JUDY BROWN: As a total proposal, we're talking 20 —- get my numbers so I don't misquote —- OSCAR YBARRA: That the biennium?

JUDY BROWN: 26 the first year and 22 the
MR. STEEN: $48 million.

JUDY BROWN: And that's our civilian management model as well as $22 million plus of customer service initiatives to fix the process.

MR. STEEN: Someone help me with that, because there's a tremendous disconnect there between saying it's not going to cost anything and now we come back and say it's going to cost -- what'd you say, $40-something million? Give me the perspective.

JUDY BROWN: In looking --

MR. STEEN: How did the Sunset Commission miss that in terms of making that recommendation?

JUDY BROWN: Sunset recommended that we could make better us out of our commissioned peace officers by using civilian managers in driver license offices. And if you look at the fact that right now I have about $14 million allocated to -- to the complete commissioned process, troopers and supervisors in driver license offices, if I reduce all of those commissioned officers from Driver License, I can replace them with a civilian management staff at 14.3. So that -- that is a minimal cost from -- from a -- from a bigger picture perspective of the agency's budget.

However, Sunset also recommended that stated
that Driver License was similar to a retail service. However, we don't operate like a retail service. We operate very much within the confines of the budget that we're provided as a state agency. And so when we looked at their proposal and looked at the expectations of this Public Safety Commission, and I believe the legislature, what do we need to do to fix the process and operate more from a customer service perspective as a retail service. And in that, we laid out another $22 million in technology, services, restructuring, business processes that we could provide to the public; and reduce the number of complaints we have, reduce the wait times and therefore increase our services to the public and operate more like a retail environment.

MR. STEEN: So what you're saying is Sunset Commission said move this -- move our --

COLONEL CLARK: People.

MR. STEEN: Just move people, the certified peace officers, whatever, out of the -- out of Driver License and move civilians in, and that'll be a wash.

That's about as far as they got on it?

MR. POLUNSKY: I think they went further on it in the sense they were looking for better customer service and better methods for providing the end product of Driver License.
COLONEL CLARK: But I don't think they went into the detail that -- that Chief Brown has described.

MR. POLUNSKY: That's correct. But it wasn't just --

COLONEL CLARK: Yeah, they wanted the customer service improved.

MR. POLUNSKY: Right. That's where they were going with all that, is ways of accomplishing that would be to civilianize the division. So kind of the other way around.

MR. STEEN: But what's happening today, we're being asked to go ahead and embrace this as a plan? To go to the legislature and say, here's our plan and here's what it's going to cost?

JUDY BROWN: That's correct.

OSCAR YBARRA: As an exceptional item to be added to what we currently have.

MR. STEEN: And what's the -- how do we feel about that? Is that -- is everybody being brought along with that? Is that going to come as a shock to people?

OSCAR YBARRA: Well, I will tell you that customer service, and what I witness in front of the legislature when we're testifying is there's a big concern about the waits that -- that are happening, especially in Houston and Dallas. Dean Whitmire jokes
about people ordering pizza while they're in line, and what we can do about that. I know it's been a big issue with the legislature. And I think Chief Brown's staff have -- have looked at what can be done to improve that, and it has a price tag.

JUDY BROWN: Commissioner Steen, we have -- we have provided this proposal to a very small number of people. And the reason that we've hesitated to move forward with it is wanting the blessing and the direction of the Public Safety Commission. Governor's office staff has had an opportunity to review it; a couple of key legislatures; we've provided it to Sunset. I've provided it to Deloitte, and we've -- I've gotten comments back from Sunset, from Deloitte. Have not had the opportunity to follow-up on comments with the Governor's office and some of the key legislative staff.

But, again, hesitant to move completely forward until we knew what the will of the Public Safety Commission would be. We're in preparation to prepare a smaller version of this recommendation based on your blessing or -- or lack thereof, to show what we need to move forward what that would look like, and to clarify those dollars for key legislators.

MS. BARTH: How did the Governor's office react?
JUDY BROWN: I have had the opportunity to provide it to the Governor's office. I know there -- there are comments. We have not had the opportunity, due to the holidays, to go over those comments.

MR. POLUNSKY: Mr. Clowe.

MR. CLOWE: Commissioner Steen, I think you asked a good question. And there were a lot of discussions about this over a period of time. And I think the Sunset recommendation saw it, in one way, to achieve the results that the Chairman has identified, and that was better customer service. I think that's what the legislature has indicated they want.

My sense of it is we now as an agency gotten into it in depth, and we're saying we want better technology. We want expanded hours. We want higher paid management. We want higher paid front-line employees. This is the area we have the highest turnover of anywhere in the DPS. And we want to keep those uniforms there because of a number of reasons, and so we've come back with this higher cost.

And I think the question before us today is do we want to agree that these numbers are right and we want to go back to the budget office. Certainly ought to be communicating with Sunset saying we see it differently. We see it's going to cost quite a bit of
money.

And then I think you get into the negotiation and you could call it that, of here's what we will settle with and here's what ought to be asking for. But I think our people have done the right job saying well, if you really want this, we'll go get it and here's what it's going to cost, and think the key questions are what's the response from the Governor's office, what'd Sunset have to say about it, what shall we do with it.

I think that's basically the fundamental question. The more I got into this, the more I ended up concurring with the recommendation of the Sunset staff and thereafter, the Commission. I do feel it's in the best interest of the public, and certainly the Department, to civilianize the -- the Division as far as management is concerned, and also to provide additional customer services so that -- so that process can be improved because that process, in many cases, has been set out here are -- are less than desirable, particularly in the big cities, the urban areas.

So I am in agreement on -- on going forward and making these improvements and making the changes that we're talking about here. But I think that there probably is somewhat of an impasse, or maybe impasse is
not the correct word, but disagreement between our staff
and the Governor's office as to how some of this funding
is -- you know, should be characterized, particularly
with the FTEs. I think that's -- that's where a lot of
this is. So I guess we just need to -- you know, if we
don't exactly have the Governor's office position public
discussion here, we may just have to go forward. I
don't know.

MR. CLOWE: And I think it's important to
say what you just said, Mr. Chairman, that we're all in
favor of the recommendation and we're behind it. But we
think it's a legitimate estimate of cost. We're -- you
know, oh, you're just saying it's too expensive, you
don't want to do it. That's not the case at all. This
is what we really think the cost is going to be. And
now let's go into a discussion about that and justify
it, and then if it's a better solution to do something
else, we want to look at that. But we're all behind the
Sunset recommendation in fact, and in a commitment to do
this, to make the service better to the public and the
state of Texas.

JUDY BROWN: Chairman Polunsky, if it would
be your will, if you in theory want to approve the
recommendation as is, Colonel Beckworth, Chief Baker and
I can meet with the Governor's office, iron out what we
need to with regards to salary. It will -- could alter
the bottom line. But as we go from today, we'll have to
move this document into LAR format and finalize it. So
we'd have a couple of days, I would expect, that we
could work through that discussion and try to reach
agreement at that point. We could convey that to the
Public Safety Commission.

MR. POLUNSKY: Well, and that's fine, Chief,
and we may end up doing that. But you've not had
discussions with the Governor's office prior to today?

JUDY BROWN: I've had several conversations
with the Governor's office, multiple conversations prior
to today. As I said, the most recent conversation that
I had was the conversation with regards to if the Driver
License troopers are going to stay in Driver License
offices, maybe the Driver License trooper budget should
stay under the control of the Driver License Division.
That was the most recent conversation that I've had.

As I said, I'll be glad to move forward. I
really think it almost is going to be a wash unless we
change the decision -- unless the Commission changes the
decision with regards to those officers being in DL
offices.

MR. POLUNSKY: So, again, the additional
money is for the enhanced customer services.
MR. CLOWE: I -- I think it's a fair question to say does the Commission still feel that those uniformed troopers ought to be in the DL offices. We felt that way in the past, but that's a big part of this number, cost wise.

MR. POLUNSKY: Well, to tell you the truth, I'm not convinced as I was previously that they need to be in these offices.

MR. CLOWE: Well, that will make -- if -- if the Commission changes that position, that'll make, what, $14 million difference?

JUDY BROWN: Yes, sir.

MR. POLUNSKY: Or that they need to be in all of those offices.

MR. CLOWE: Now, there, that -- that might be the key to it.

MS. BROWN: Well, and to chime in, isn't that kind of the pilot program that -- don't you have a pilot program going where you have kind of a roving --

JUDY BROWN: We have a pilot program today where we have a civilian supervisor in the North Lamar Driver License office. The person that she was replacing was on military leave; he's just returned. We are asking -- we are actually at this moment using him
to help train him and then we're going to move her to a smaller office where there are no troopers. Again, we have troopers in minimal offices. We do not have them in all of our offices. But if you want us to look at the reduction of troopers, then we could look at the reduction of those positions.

Right now we have 118 troopers; we could look at the reduction of those. The -- the issue with reducing the troopers also is an issue with reducing our effectiveness from a -- from a law enforcement perspective because the -- the fraud and the crime goes to offices where we don't have troopers today. They follow that pathway to know when -- when a trooper's going to be there or where an office is where there's not a trooper assigned.

MR. CLOWE: But to answer Commission Brown's question directly, your test is on management, it's not on --

JUDY BROWN: My test is on management. It's not -- just this month we will move her to an office where there's no troopers assigned to give her an opportunity to see how that works in that environment. That's an office today that doesn't have a full-time supervisor at it anyway. So it -- it's almost destined for success because it gives them an added layer that
they've not had in the past.

MR. CLOWE: But she hasn't taken troopers out as a test.

MS. BROWN: Okay. So -- so we haven't -- we haven't -- we do not have a pilot program on that particular issue.

JUDY BROWN: That's correct.

MS. BROWN: Okay.

MR. CLOWE: That was your question.

MS. BROWN: Yes. Thanks.

JUDY BROWN: I'm sorry.

MS. BROWN: That's okay. I got the answer.

MR. CLOWE: It might be that we want to look at where the greatest need for uniformed troopers is in these DL offices and see if, you know, the number could be reduced and thereby the cost diminished. And my sense is that probably we're the greatest demand, and congestion, and unhappiness is, is probably where the need is the greatest.

MR. POLUNSKY: I'll agree with that.

MR. CLOWE: Probably Houston, Dallas, San Antonio --

MS. BROWN: If I could chime in for --

MR. CLOWE: El Paso.

MS. BROWN: -- for a moment, if our dual
concerns in having a uniformed trooper are prevention of fraud and having someone there, I guess, to arrest on warrants, I mean, it seems -- like you were saying, it's common sense would say that because you have more people in Dallas that that's where you're going to have most of your fraud, that's where you're going to have most of your arrests. Does statistics bear that out where your smaller, more rural places have less fraud?

JUDY BROWN: They -- they do bear that out and they also bear out that that's where the majority of my troopers are placed.

MS. BROWN: Okay.

MR. CLOWE: Judge, we have, in McLennan County, individuals who are on probation who are showing up to appear before a judge who are under the influence of alcohol and drugs to the extent that they have provided testing facilities, and they take them into custody and test them right then. It's on the front page of the Waco newspaper this morning. And we have people who come in these driver license offices who are under the influence and have an active arrest warrant or subpoena out for them. And that's where the need for the uniformed commissioned officer is.

MS. BROWN: And I sure do want them to be able to snatch that person up. I mean, I -- I don't
think any of us can sleep at night if they (Inaudible) on their way home. Here's my question. I mean, practically, if you don't have a trooper in every location, I'm assuming even the most competent employee can only stall so long. Most people know they've got warrants. And if you're scratching your ear for ten minutes, they know somebody's coming; is that right?

JUDY BROWN: If you begin to delay in an offices where there's not a trooper, if it's a -- if it's a case of fraudulent documents, they leave the documents on the counter. They can go buy another set. They're gone.

MS. BROWN: Do you find the same with people with active warrants? I mean, I remember being on the bench, and you knew when you walked into court if you would be taken in. So I would assume if you don't have somebody there right then --

JUDY BROWN: I would tell you --

MS. BROWN: -- they're leaving.

JUDY BROWN: -- that there's a -- there's a -- at least 50 percent of the people who come into the offices either don't know they had warrants or they're not aware that we serve warrants in Driver License offices.

MS. BROWN: Okay.
JUDY BROWN: So we -- we get a lot of those unaware of the situation. Usually -- usually when there's a warrant and there's a trooper in the office, the warrant's served. The person -- the person is taken care of on the spot.

MR. STEEN: Chief, when -- when we were going through Sunset, sounds like they just said, wouldn't it be a great idea to civilianize the Driver License Division, and maybe there was not an appreciation of the things we're talking about. There were other reasons that maybe they didn't consider why troopers needed to be in the offices.

MR. CLOWE: Commissioner Steen, I know the Chairman was at our meeting where this was discussed, and he answered a number of questions eloquently. There was a strong desire to do a better job of making the public happy. And quite frankly, the alternative was we're just going to take DL out of DPS and we're going to put it in TxDot, or we're going to make it a separate entity. And the chairman responded to that, said, we're going to do the right thing.

But I -- my sense of just being in the room and hearing the exchanges, was the Sunset committee and the legislatures wanted service to the public. And they expect us to deal with the problems that now Judge Brown
and the Chief are discussing. And I think it's a
legitimate response for us to say, we want to do what
you've told us to do. We're committed to that, and
here's our best cut on how to do it and what the cost
is. And then I think you -- you go from there. But
we're sincerely committed to giving better customer
service. That's the underlying place that we start.

MR. POLUNSKY: Yeah. We -- we made an
express commitment to the Sunset Commission and to other
members of the legislature that we are going to do what
needs to be done in order to improve customer service
and make it the very best possible. So to me that's not
an issue. The additional cost there, I would be in
favor of. I'm -- I'm just kind of focussing on these
FTEs and who's paying for what there, where they end up,
and whether they need to stay there. But the
additional -- additional services that are being asked
for, I'm in favor of.

MR. CLOWE: Well, that's basically her
proposal, I think, at this point. How about going to
that to the Governor's office and then if the response
is, that's too much money, then we begin to look at how
to reduce it.

MR. POLUNSKY: That's the only way to do it.

MR. CLOWE: And that would be a reduction of
the uniformed commissioned officers to where we perceive
the problem is the greatest and the need for enforcement
on the scene. Keep the management cost, keep the FTEs,
keep the paid of clerical individuals, keep the
technology. That's all part of basic package. And I
would like to try to sell the idea of keeping the
troopers in the offices. I've always been personally in
favor or that as much as possible.

MS. BROWN: Can I ask a question, do we have
any idea what percentage of active warrants are actually
discharged by picking somebody up at -- because that
might be helpful to say that, you know, of active
warrants, you know, 25 percent of them are actually
picked up when somebody comes to Driver License.

MR. CLOWE: They've got some of those
statistics. They -- they have told us that those
uniformed officers make higher percentages of arrests
than the officers who are out --

MR. POLUNSKY: On the field.

MR. CLOWE: -- on the field.

MS. BROWN: That's pretty compelling.

JUDY BROWN: We've got numbers --

MR. CLOWE: Am I correct?

JUDY BROWN: You are correct. Per capita,
the driver license trooper makes more warrant and more
arrests than any other in -- in -- in the state. I personally don't know the number of comparison of how many warrants they serve versus how many warrants are in the system. We can get you the statistics on how many they serve and we can look at the other. I'm not sure it's a -- it's a real valuable perspective because of the number of warrants that are actually put in the system. It may be a smaller number when you look at the percentage. But I think when you look at the day to day activities, the number or warrants served, number or arrests made. I think you'd be astounded by the numbers we would provide.

MS. BROWN: And I don't want you to feel like you've got to go compile some statistics. It sounds like you've got another number that presents how important that is just by being able to say that you are -- you're serving -- you're getting rid of warrants more from people coming in than troopers on the road are stopping them.

JUDY BROWN: Absolutely. We've got those numbers available.

MR. CLOWE: And there's an intangible, judge, of the uniformed officers being there. It's called a command presence. You know, having a bailiff in the court.
MS. BROWN: I agree. Makes people not cut
up. And I would think with the issue of fraud, if one
were so inclined to try to get a phony ID or not have
proper credentials, certainly they would hopefully give
it greater -- greater thought by seeing somebody who
could slap the cuffs on them.

JUDY BROWN: That's correct.

MR. STEEN: It sounds like to me coming in
this stage, what happened is that you get this notion
and on the surface it sounds real good. Let's
civilianize the Driver License Division. And what
you're thinking is, the public wonders, well, why are
all these troopers in an office like this. Why aren't
they on the street arresting people and doing the things
that they're trained to do. But in fact what we're
finding out is that there's a real reason for them to be
in those offices, and maybe that hasn't been
communicated like we should. And if that's the case,
are we getting off on a tangent getting this whole idea
of civilianizing the -- the Driver License offices or
what do you think?

MR. POLUNSKY: Well, I think the
civilianizing the Driver License office -- the Driver
License Division is more on the management side.

That's -- I think that's where the Sunset Commission was
recommending that we go with all of this. And I firmly concur with that recommendation. As far -- as far as staffing these offices with troopers, I mean, it's pretty much the same situation that we have now. It's just matter of who's paying for it, where do they end up.

MS. BROWN: Commissioner Steen, my understanding, and please tell me if I'm wrong, Chief, is that as it stands now, you have a uniformed officer that's not just being a law enforcement presence and arresting people if they have warrants, but also acting as a supervisor, is that it?

JUDY BROWN: We have 123 troopers acting to do enforcement work, investigations, deterrence of fraud serving warrants. We have 89 supervisors. Those supervisors not only supervise the trooper but they supervise the civilian technicians and examiners and the public as they come into the office in the process. And therein lies the significant value is could those commissioned supervisors be better utilized as commissioned supervisors supervising commission ranks for strictly commission duties rather than the civilian duties managed in the Driver License Division.

MS. BROWN: So is the uniformed trooper, just to make sure, am I understanding that correctly,
you would have a uniformed trooper as it stands now that
would supervising civilians in addition to the other
duties; is that right?

JUDY BROWN: The trooper does not

supervise --

MS. BROWN: Oh.

JUDY BROWN: -- the civilians.

MS. BROWN: I'm sorry.

JUDY BROWN: The trooper answers to the

sergeant and the civilians answer to the sergeant.

MS. BROWN: Okay. Got ya.

JUDY BROWN: So there's a -- there's a, you

know, great cost savings reduction when you look at the

commissioned management numbers outside of just the

troopers.

MS. BROWN: Thank you for clarifying that

for me. I appreciate it.

MR. CLOWE: But judge, the trooper will get

behind the desk and issue driver's licenses. They'll

actually --

MS. BROWN: Goodness gracious, that's a lot

of jobs.

MR. CLOWE: Deal with the public from time

to time.

MS. BROWN: You arrest, you -- I mean, what
don't they do?

JUDY BROWN: In -- in the larger offices, that's a little bit more of a rarity because they have more enforcement investigative activity. But they should absolutely, and as far as I know, all have the capability of to sit down and do that. They need to know that option and how it -- how it works in order to -- to get --

MR. CLOWE: So that does --

JUDY BROWN: Testimony and make sure of --

it does happen. It does happen.

MR. CLOWE: Well, I've seen it in Waco, but I didn't know that it doesn't happen in Dallas or Houston. They -- they don't have the time to do that.

MS. BARTH: I would disagree. I've been in an office where trooper's behind the desk doing something.

MS. BROWN: So it sounds like they provide many functions. They're actually working as -- doing civilians' jobs, and doing arrests when it's necessary, and just by their very presence, they're a deterrent to fraud.

JUDY BROWN: That's correct.

MR. CLOWE: Commissioner Steen, we -- we really had some lively discussions, I think, from a term
I used on this subject. And it was not a quick
decision. We really beat this around.

    MR. STEEN: Well, I guess what I'm saying is
you look at two things. There's civilianizing Driver
License Division, and then something that we're all
embracing which is improving customer service. And just
wonder if we're -- if you had to break those down cost
wise, if you divided it that way, what is -- what is
civilianizing cost versus improving customer service?

    JUDY BROWN: We have it broken down. The --
the materials that you have in your packet, the -- the
one chart shows that the civilian management is 25
million over the biennium, and the customer service
initiatives are 22 million over the -- over the
biennium. Commissioner Steen, when you -- when you
compare the Sunset report to the Deloitte report, I
think it -- there's some added value. Sunset makes the
recommendation that we need to operate more like a
retail environment, more like a retail business.
Deloitte comes in and goes into more depth.

    And the pleasing thing, from my perspective,
is as Deloitte's doing their study, we're doing our
research and trying to move forward with the Sunset
recommendation. Our technology customer service
initiatives are aligned almost identical when we got the
Deloitte report. There's maybe one in ours that Deloitte didn't have, or one in Deloitte's that we didn't use. But Deloitte goes a little more in depth with the things that we could do to provide better service and become more like a retail service operation in our ability to serve the public.

MR. CLOWE: You okay with letting this run on a little bit in?

MR. POLUNSKY: I'm okay with it.

MR. CLOWE: Commissioner Steen --

MS. BARTH: I'd just like to see the BCS tonight.

MR. CLOWE: In another light -- in another light --

MR. POLUNSKY: We can bring a monitor in.

MR. CLOWE: -- I ran a retail business that had public offices where people came in to pay their bills, and we were focussed on customer service. You know, in a call center there was a flashing light, how long people had to wait before an operator answered, how many seconds, and we would time in the payment centers how long a person stood in line before they got to the cashier. And my sense is that what we're trying to do is to achieve customer satisfaction in that way of thinking in the issuance of driver's license.
The thing that makes it a little more difficult for us is that it's not just here's my money, give me my stamped receipt. You know, we had clerks behind 3-inch Kevlar glass, and a scoop that money was passed out and received. Next in line, get out of way and bang, bang, bang. Here, you've got to coach so many who come in about the document requirements. You've got to visit with them. We have a language issue, particularly in Houston, Harris County, also in other counties where you have many bilingual or multilingual requirements. And you have a high percentage of people who come with invalid documents or insufficient documents; requires a lot of personal interaction. And that slows things down.

And because this group has the highest turnover, they're, in many cases, not as well trained as we'd like them to be. And I'm not saying anything about -- derogatory about the good job that so many do. But the fact is that other jobs pay more and people are seeking increased compensation. And I think it's only fair to say -- Chief Brown may want to make a comment on this -- there's the issue of bribery that we see come to surface from time to time, and that's something that you don't see in a retail business. A person will attempt to bribe a clerk with hundreds of dollars of cash from
time to time. And that's an issue that you don't have in retail business.

MR. STEEN: See, I've come around on this. I think when I first heard this about civilianizing it, really what I was focussed on is why are those troopers in offices behind desks, why aren't they out, you know, catching the gad guys. So I've come around on my thinking that there is a reason to have the troopers there. And so, you know, I'm wondering if -- you know, we're talking about civilianizing is 25 million, improving customer services is 22 million. Is it valid just to think about let's just really focus on improving customer service and maybe move away from this civilianizing idea. And I guess the question I have in that regard, how does civilianizing DLD fit into improving customer services; is that part of what you're considering?

JUDY BROWN: I think another --

MR. STEEN: Are they separate?

JUDY BROWN: -- illustrious commissioner on the board has asked that question to me in the past. Civilianizing -- the difference between what a civilian manager can do and a commissioned manager is minimal. It's up to us to do the training, to provide -- provide the tools that a person needs to manage this process.
The significant difference in that same cost perspective is the number of supervisors that we can provide for the same dollars. We have 89 commissioned supervisors; that's sergeants, lieutenants and captains. Within -- within our $14 million proposal is 256 civilian managers. So it allows us to put more managers over a process that needs to be managed.

Quite often now you'll see a sergeant is responsible for three or four offices, even in larger cities. They're responsible for multiple locations. And so in the civilian management model, for the same cost that we pay our commissioned officers, we almost triple the number of managers that we have and allow a better saturation, if you will, of supervisory personnel, ensuring the process is moving, making the right decisions being there to -- being there to serve.

MS. BARTH: I just want to say one thing. Commissioner Steen, I think Sunset and, I believe, ourselves, have looked at other states along the way. I don't think this is, like, some new concept out there, okay. Other states have the same issues that we have, people coming in that aren't supposed to get a license, language barriers, et cetera. So I just -- I really think -- I don't want to get looking at this in a vacuum on the situation. Because I fully believe this is where
we need to head with some law enforcement in the offices, and I understand and recognize that. But I believe that Sunset saw, what I think, is out there, some deficiencies by going to a civilian model. And we aren't and other states are moving this way, okay. So with all sorts of incentives out there and ideas to drive license renewal electronically, we're appropriate. I think it was the state of Virginia where it cost you more to come in if you're eligible to do it electronically. So I think these are ideas that we have to look at. It's just I don't want to be looking at oh, gosh, we can't do this. We've got to have a law enforcement presence.

MR. POLUNSKY: Chief Brown, remind me, how many states are totally civilian with respect to issuance of driver's licenses?

JUDY BROWN: There are less than eight that use law enforcement in their driver license offices.

MR. POLUNSKY: All right. So there's at lease 42 states that have completely removed law enforcement supervision totally; is that correct?

JUDY BROWN: That's correct.

MR. STEEN: And how are they dealing with these issues about warrants and fraud?

JUDY BROWN: The difference is the majority
of those driver license functions are in a Department of Motor Vehicles, or in a Department of Revenue. They're not in a law enforcement agency. So they are -- are if you -- if you will, oblivious to that the warrant exists. They don't have access to that information and so these people are issued licenses and move on about their business.

MS. BROWN: I'm not seeing this as inconsistent. And -- and if I can chime in here, it sounds like the civilian model that's being proposed is effective and cost effective, especially if we can balance in law enforcement presence where feasible. But what I'm taking from this is the big change is rather than having law enforcement in management all the time, we're not wanting -- I don't think any of us want to completely do away with the presence of law enforcement because of deterrence of fraud.

MR. POLUNSKY: That's correct. I know of no one here who wants to totally eliminate law enforcement presence in these offices. There may -- there may be some offices where --

MS. BROWN: Sure.

MR. POLUNSKY: -- they could be eliminated or reduced. But for the most part, that's not the issue. What we're looking at, in my mind, as far as
MS. BROWN: And that sounds like it's effective.

MR. POLUNSKY: And I -- you know, the Sunset Commission has come forward with this recommendation, Deloitte has come forward with this recommendation. And I'm in agreement on that with respect to that part. Just to be very blunt about it, I have a problem with spending the money to send people to recruit school for six months to become law enforcement people -- law enforcement officers, and then they actually are turned into administrators in the Driver License Division. And that doesn't make a whole lot of sense to me. They're not trained -- they're trained to be law enforcement people but end up being administrators.

MS. BROWN: I agree. And it sounds like what -- what we're doing is -- is using them in an appropriate method and taking a civilian to task the civilian to do.

MR. POLUNSKY: Right. So that's, in my mind, the civilianizing part. Not certainly completely or dramatically removing the troopers from the driver's license offices. Although, like I said, I've walked into a couple in rural areas where -- not that I'm an expert, but it appears that they're -- they're not
properly being utilized for long-term purposes to a large degree. But when you go into the urban areas, yes, there's -- absolutely, I -- there's no question that -- that there is a necessity to have law enforcement people there.

That's the argument I made at the Sunset Commission. And members of the Sunset Commission when this issue was brought up and certainly argued vigorously, publicly, privately by a Representative McClendon. I feel that -- that there are reasons to have Driver License under the auspices and supervision of a law enforcement agency like DPS. We don't want to change that. But -- but we can certainly make service more efficient and more accountable, I feel, if it has a civilian management structure.

We kind of got off the track here. This was all on FTEs to begin with. But -- so your -- you request is what, Chief?

JUDY BROWN: To move forward with the proposal working with the Governor's office, Chief Baker, and Colonel Beckworth to come to a resolution on the salaries for those FTEs, whether it stands as it's recommended or whether we need to alter it in some format so that we can move forward with getting it into the exceptional item list.
MR. POLUNSKY: I would like to do that. I mean, does anyone else feel differently?

MR. STEEN: We need formal action.

MS. BROWN: I agree.

MR. POLUNSKY: Okay. Would somebody like to make a motion to that effect, then?

MR. CLOWE: So moved.

MS. BROWN: Second.

MR. POLUNSKY: Moved by --

MR. STEEN: Sorry, maybe Chief Brown could tell us what the motion is.

MR. POLUNSKY: Well, I think she did, but you want to go ahead and restate it.

JUDY BROWN: To move forward with the DL restructure recommendation as it stands ironing out the final detail with regards to FTE and salary placement between Driver License and THP and the Governor's office.

MR. STEEN: When you said, as it stands, what -- where -- where is that?

JUDY BROWN: You should have it in your package.

OSCAR YBARRA: Under "L" on the summary sheet that you have, the one with all the detail on the exceptional item list.
MR. STEEN: You mean on this right here?

OSCAR YBARRA: Yes, sir.

MR. STEEN: Where it says, civilian business model DL?

OSCAR YBARRA: Yes, sir. It's also on the exceptional item comparison spreadsheet, and it'll be under letter "B," first item under letter "B."

JUDY BROWN: And then within your materials you have a chapter out of our recommendation that's got more detail.

MR. POLUNSKY: Okay. There's a motion on the floor that was made by Commissioner Clowe and seconded by Commissioner Brown. Is there any discussion on the motion? There's no discussion -- I'm sorry?

MR. STEEN: Just to be clear, so what we're voting on, the civilian business model portion of it? Are we also voting on the customer service part of it?

MR. POLUNSKY: Yes.

MR. STEEN: It's all wrapped in together?

MR. POLUNSKY: Yes.

MR. STEEN: Thank you.

MR. POLUNSKY: Any further discussion?

MR. STEEN: No.

MS. BARTH: May I amend that motion?

Because I think Chief needs also to add the list of
disaster recovery support to the exceptional item; is that right?

OSCAR YBARRA: Yes. That would be a separate item. Unless you want to approve those together that would be fine, yes. If you're so in favor of that, yes, that would work.

MS. BARTH: Whichever way you'd do it.

OSCAR YBARRA: The other item on the letter "B," sir, which is for the warehouse and staff that Chief Lecklider could -- can update the Commission if necessary.

MR. CLOWE: Well, that's a good question. Are we going to do them one at a time or we just going to do it all?

MR. STEEN: Well, there are only two.

MR. POLUNSKY: Oscar, we've got more than two, we've got all of this, don't we?

OSCAR YBARRA: The -- the letter "A," sir, are simply updates for your review. And if you have any questions we would provide that for you. The letter "B" would be additions to exceptional items that you would need to vote on today, sir.

MR. POLUNSKY: Okay.

MR. CLOWE: But don't you have an increase in the LAR from what we approved back in August before...
us today for approval?

OSCAR YBARRA: Those are simply updates due to information that's been researched or things of that sort. The items remain the same. The numbers have been updated.

MR. CLOWE: Well, it's $179 million more, isn't it?

OSCAR YBARRA: Yes, sir, it is. If you want to look at it that way, you would be improving the increases.

MR. CLOWE: Does that require Commission approval?

OSCAR YBARRA: The way we look at -- the way I was looking at the exceptional items, is you've approved the items. The amounts changed due to some further research, and we're informing you of the changes.

MR. POLUNSKY: Well, I -- for something like that, I think we probably need to go ahead and --

OSCAR YBARRA: That's fine.

MR. POLUNSKY: -- be on the record.

MR. CLOWE: That's $180 million.

MR. POLUNSKY: Yeah. Okay. So --

MS. BARTH: I withdraw my (Inaudible)

MR. POLUNSKY: All right. There's a motion
on the floor. Let's go ahead and do the Driver License.

All in favor, please say, "Aye."

COMMISSIONERS BROWN AND CLOWE: Aye.

MR. POLUNSKY: Any against? No. Motion passes. Does somebody want to address the -- the disaster resource support sites?

MS. BARTH: Move to approve.

MR. CLOWE: Second.

MR. POLUNSKY: All right. There's a motion by Commissioner Barth and seconded by Commissioner Clowe on the two state disaster resource support staff sites. Any discussion? No discussion. All in favor, please say, "Aye."

COMMISSIONERS BROWN AND CLOWE: Aye.

MR. POLUNSKY: Any against? No. Motion passes. Okay. Commissioner Clowe, do you want to address --

MR. CLOWE: Well, I think from what the numbers were in August of '08 to this presentation today, the amount is increased 179,545,540 some-odd dollars. My calculator doesn't carry that last digit. I would think you'd want to discuss these with the Commission, Oscar --

OSCAR YBARRA: Sure.

MR. CLOWE: -- and tell us where this
OSCAR YBARRA: As far as the items that were provided for letter "A" on the exceptional item list with the updates, which have blue ink on them, Colonel Beckworth did discuss this when he made the presentation of what changed, which this spreadsheet identifies as of what changed. The -- I'm unfamiliar with what you're identifying as to what has changed from the bottom line outside of what's on this variance report, Commissioner. What we've identified is what has changed in the exceptional items. The civilian based model is the $48 million that would've caused that change.

You've got the two disaster resource, which would be on the second page, which is an addition of $3.687 million. Those would be the big, big numbers that would change what we requested in the past. So --

MR. CLOWE: Okay. Oscar, straighten me out. On the worksheet where you say this list was approved by the PSC, 61908, the total's 265,639. And this total is 445,185. That's what I'm adding and subtracting. Am I -- am I in the wrong place?

OSCAR YBARRA: Yes. If you'll note -- if you'll not, on that old spreadsheet, sir, you do not have letter "L" which is the civilian business model. There's your 48,427,000. That's your biggest change.
Okay. That's the big changer right there.

MR. CLOWE: And that's a blue number.

OSCAR YBARRA: Yes, sir.

MR. CLOWE: But then you've got other blue numbers.

OSCAR YBARRA: Right. If you look at the information technology, letter "B," there's a change there. There's an increase of $11,692,000 on your variance report due to things that were identified on the variance report. And then there are a few reductions under the critical staff compensation senate due to adjustments made by Accounting & Budget Control and the divisions due to some findings, and that would be a reduction of 4,487,000 over the biennium for the commissioned salaries, and 1,110,000 reduction for the information management service personnel request. So this particular variance report addresses all of the changes.

MR. CLOWE: Well, I think I'm seeing commissioned officer salaries increased 101 million.

OSCAR YBARRA: No, sir. If you'll look at the original request, which was 106,154,000 was the biennial request. The request on the updated version is 101,670.

MR. CLOWE: Okay. I'm confused because it's
under "A" on the new sheet, and it's up there at the top
under critical staff compensation incentives.

OSCAR YBARRA: We tried to summarize. I
guess it caused some confusion.

MR. CLOWE: Yeah. I'm in the wrong place.

So it's all --

OSCAR YBARRA: It's all laid out here, sir.

MR. CLOWE: -- for the most part.

OSCAR YBARRA: All laid out here.

MR. CLOWE: Yeah.

MR. POLUNSKY: So we're okay then.

OSCAR YBARRA: Yes, sir.

MR. CLOWE: I think so. Thank you for that
explanation.

MR. POLUNSKY: So you're all right,
Commissioner Clowe?

MR. CLOWE: Yes, sir.

MR. STEEN: Chief, you're saying just, in
essence, just ignore these two exceptional item --
comparing these two worksheets --

OSCAR YBARRA: We --

MR. STEEN -- because you summarized it,

here?

OSCAR YBARRA: Correct, sir.

MR. STEEN: And what we've done just now,
we've approved the -- the two new items.

OSCAR YBARRA: Yes, sir.

MR. STEEN: And so you're saying if we wanted to approve the updates then we would cover everything, as far as what's --

OSCAR YBARRA: Yes, sir.

MR. STEEN: -- changed.

OSCAR YBARRA: Unless -- you know, there was discussion at the last Commission meeting about gasoline. I've kind of -- 11 million. We'll be going to the legislatures at $3.60.

MR. STEEN: Give us -- give us the quick summary on that, on the gasoline.

OSCAR YBARRA: Gasoline, the agency is probably paying on average $3 right now because of what we were paying in early September. But everything I'm reading is -- probably the average is going to be about $2 a gallon for the year in 2009.

MR. STEEN: But you said there's two ways we could handle it, either --

OSCAR YBARRA: Yes, sir. There's two ways. We could try to identify a dollar per gallon -- which is -- I laid out to the Commission, that number's going up and down. Right now it's actually going back up, went up 7 cents -- and try to figure out what number

22
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we'd want to advertise to lock in to a number to gain
for the agency an exceptional item. I believe that's --
that could hurt us in the end if the price of gas goes
back up to $3.60 a gallon.

MR. STEEN: Then we're just -- at that point
we're kind of guessing.

OSCAR YBARRA: Yes, sir. The security
blanket we put in the LAR rider was to put that rider
back in where based on current activity, we would be
funded at a certain level via that rider, keep it
simple. And that has covered us in the past. And it
gives the decision back to the Commission and the
director as to whether they want to go to the
Comptroller -- back then it would go to the
Comptroller -- and ask for additional funding. In the
past we only did that once.

MR. STEEN: Well, and that's the way you're
bringing it to us really is you're saying if you'll
approve these updates, that'll be covered. And are you
asking us to approve the rider, too?

OSCAR YBARRA: The writer's already
approved. My question to you is do you want me to
eliminate the operating shortfall associated with
gasoline that we presented at $3.60, which is
$11 million, which is a big difference than what we're
paying right now.

COLONEL BECKWORTH: Could I clear this up a little bit, if I could?

MR. POLUNSKY: Colonel Beckworth.

COLONEL BECKWORTH: If you take a look at what we've done previously, we appropriated a little over $7 million annually for gasoline. In 2007, we spent $11 million in gasoline; 4 million over the amount was appropriated. In 2008, we spent $17 million in gasoline; 10 million over what we appropriated. At the time that you approved -- at the time that you approved this particular document in June, gasoline was extremely high, virtually $4. Based on our projection, we indicated that our shortfall amount would be $3.60 times 5.9 million gallons used annually, come out to $11 million.

So if you look at item number "C" on the shortfall amount, we're showing $21 million. What Oscar is saying is if we use the previous process that we had, we would subtract $11 million from that 21 million shortfall and go with the $1.38 rider that we've had in place for years. The previous session before, the legislature, based on -- I'm not sure why they did it, but they put in -- they took out this particular $1.38 rider and put a $2.40 rider in place.
That $2.40 rider said that once you exceeded $2.40 per gallon, you can borrow money on the next year but you don't get that back. So it really doesn't help us any way. So Oscar's saying we have two options: either leave the $21 million in shortfall, or we go back and ask the LBB and legislature to allow us to go back to the previous $1.38 rider. What that does is basically whatever gasoline price is, all up and downs it's going through, it keeps us at a constant price. We're not asking for more than what we need, only what we need when we need it. And that's what the $1.38 would do to allow us to do that. If we went back to the rider, that's the way it would be. So if you approve this, we would take out $11 million by that shortfall.

MR. POLUNSKY: Which I think we ought to be doing.

COLONEL BECKWORTH: And when you look at it from that perspective, we're basically saying we're being honest an upfront about exactly what we're spending, and we're not forecasting based on an unknown.

MR. STEEN: Colonel, what's your recommendation?

COLONEL BECKWORTH: I recommend we go back to the rider of $1.38.

MR. STEEN: You concur with that?
OSCAR YBARRA: Yes, sir, with a lot of advertising. We've got to be sure it shows up.

COLONEL BECKWORTH: We have to make sure we get it.

MR. STEEN: If we're going to do that, what do we need to do as a Commission?

OSCAR YBARRA: Remove the gasoline shortfall exceptional item from this list and we rely on the rider that we're proposing. So that would reduce our exceptional items $11 million.

MR. POLUNSKY: I think we have to do that.

MR. STEEN: So moved. I'll make the motion to do that. That's what you're looking for, is formal action?

OSCAR YBARRA: Yes. I think based on the information we received from the Governor's office, I think I would recommend it, yes, sir.

MS. BROWN: I'll second.

MR. POLUNSKY: Thank you. There's a motion that's been made by Mr. Steen and seconded by Ms. Brown to remove that item.

MR. STEEN: Colonel, how do you weigh it?

COLONEL CLARK: Same thing. I like the $1.38. Pay as we go.

MR. POLUNSKY: Discussion? There's no
discussion. All in favor, please say, "Aye."

COMMISSIONERS STEEN, BROWN AND CLOWE: Aye.

MR. POLUNSKY: Any against? No. Motion passes.

OSCAR YBARRA: I guess I would leave it at this point for the Commission to look at any of the items that are listed on the summary sheet of exceptional items on whether they would want to consider adjusting or removing any of the other items that are on the exceptional items today.

MR. STEEN: What about this discussion we had about the updates?

OSCAR YBARRA: Oh, I'm sorry.

MR. STEEN: Commissioner Clowe, do you still want to do a motion on the updates?

MR. CLOWE: No. I think I'm satisfied with the explanation that was given.

MR. STEEN: And your explanation, again, was on the updates?

OSCAR YBARRA: Was that we have made adjustments to what was approved in the past as far as dollar amount. Our concern, Colonel Beckworth went into detail about every one of those--well, summarized why we made changes on each one of those items. And just for the record, sir, as far as the schedule "C" is
concerned, the schedule did not change. It was a matter
of the funding mechanism that we used to measure what we
needed. So the schedule did not change, want to make
that clear for the record.

MR. POLUNSKY: Are there any items that
anybody wants to --

MR. STEEN: I think we covered it in terms
of what you expect -- you wanted the approval on the two
new items, and then you were going -- then you've given
us the report on the updates.

OSCAR YBARRA: Yes, sir.

MR. POLUNSKY: I know. But he's asking
whether we want to pull any of these other items out of
here.

OSCAR YBARRA: Yes, sir. Due to the current
economic situation.

MR. POLUNSKY: Colonel Clark?

COLONEL CLARK: Well, I would ask you to, in
all fairness, based on this economy, you might want to
look at "K." We don't overlook that and make sure that
we're all on board there.

MR. CLOWE: That's really a good point. My
sense is we're not going to get that.

COLONEL CLARK: Chief Nabors is here to
answer any questions about that. You know, we're flying
a 1985 Commander. There's pros and cons. And it's in the exceptional items. There's a lot of advantages to having a jet aircraft. But the one we have is paid for and it does get us around.

MR. CLOWE: It's old and it's slow, and we probably need a new one. But a jet airplane for a state agency, I don't think we're going to sell it. And my sense is we need to ask for what we really need. And I think we lose some stamina if we go after a jet airplane, and ought to be putting our people cost and our customer service cost and those items ahead. We can get by for another biennium with that old, worn out Aero Commander. And I don't like it. I'm a pilot. I know all the good reasons. I've been through the selling process on the new airplane. I'd love to have it. But I just -- I think we have other items that are more critical. I appreciate you calling that to our attention.

MR. STEEN: Commissioner Clowe, and I agree with you on this in the environment we're in about a jet aircraft. But who'd you say could talk about it?

COLONEL CLARK: Chief Nabors is our chief pilot.

MR. STEEN: Chief, you want to come up here?

BILL NEIGHBORS: And for the record, Bill
MR. CLOWE: Chief --

MR. STEEN: It's a 1985 aircraft. Could you just comment on the safety of it?

BILL NEIGHBORS: I believe it's currently safe. I don't have a problem flying it for another biennium. I think probably the industry standard is moving to the jet. But I can also appreciate the fact that we also have to sell the legislature on making these types of purchases especially in this type of biennium. I don't have a problem flying it for another two years.

MR. STEEN: What's the 12 million, for what -- what kind of aircraft?

BILL NEIGHBORS: That would be -- kind of hate to put a name on a particular jet, but it would be a Citation XLS is what we were looking at. There are other jets. I know there's a dirty three-letter word. But there's an Encore that's about eight-and-a-half million. There's a King Air that's about six-and-a-half million. So there are other alternatives to that particular make and model.

MR. STEEN: Commissioner Clowe, you're a pilot, so I'm saying isn't there something between flying a pretty old aircraft that I might be concerned
about getting on versus a new Citation? Isn't there something -- a new prop plane maybe?

MR. CLOWE: I think you bring an excellent point to the table. The answer is yes, and maybe that's the more correct position for us to assume. You know, the legislature's been very good, as the Colonel said earlier, about law enforcement aircraft. And we have probably the finest aircraft section of any law enforcement, maybe the feds have better than we do. But our helicopters are out in the state. They're responsive. We just got, what, seven new ones?

BILL NEIGHBORS: Six.

MR. CLOWE: Six. And we've got that dual helicopter. We're the only police force in the United States that has that. We're in good shape on that. The point that the Chief would make, I think, is that 40 percent of the trips that Aero Commander makes are out of state. Am I right in that number, Chief?

BILL NEIGHBORS: That is correct. Somewhere around 35 percent to 40.

MR. CLOWE: Well, give me a little --

BILL NEIGHBORS: Yes, sir.

MR. CLOWE: And, you know, we're going to Colorado. We're going to lots of places with evidence. We're taking prisoners. We're bringing prisoners. We
went up to, where was it, to get all those DL records?

BILL NEIGHBORS: That was Boston. But last month we flew to San Bernadino, California; then from there on to Olympia, Washington; then the following week, New York City taking some investigators to see some money up in New York. So we do fly it for law enforcement missions quite a bit outside the State of Texas.

MR. CLOWE: So, you know, you've got that on one side. On the other side, I've asked members of the legislature how's the water. Don't ask for it. And so maybe the better position is something that is newer and really safe. I appreciate the Chief's response that he'll get behind the left seat — or behind the left wheel. I've flown some airplanes like that, too. But I'd much rather have flown a newer, more modern airplane. And we may be at that point.

BILL NEIGHBORS: It does become a -- if I could interject, it does become a bit of a cost factor also. The last 150-hour inspection — and we do operate about 300 hours a year. The last 150-hour inspection required two pieces to be added to the main gear that cost 22,000 a piece for $45,000. I had an environmental unit fail on me going to New York. Just recently got that repaired and it was about $20,000 for that repair.
There are costs to operating a piece of equipment that is 20 to 25 years old.

MR. CLOWE: And, you know -- go ahead.

MR. POLUNSKY: Why are you flying to Boston and New York City for, Driver License?

BILL NEIGHBORS: No, sir. I went to Boston for the Driver License records. I might get Chief Brown to jump in here and help out.

JUDY BROWN: We flew -- we asked aircraft to fly us to Boston. As you're aware, we've got our image verification system, and we utilized the vendor that we selected to enroll all those images and store them on servers in Boston so we could go through the enrollment of those images, the cleaning of those images to ensure that they enrolled properly. We got them all enrolled. And then we sat in Boston with 24 million images on servers that needed to be moved to Texas.

We researched every potential moving company option to try to get it here -- get those images here and get them here securely. And every step, as we would go through the research to look at opportunities to get them here, we had them sitting in a hotel parking lot overnight, or sitting in a, you know, van. But in a virtually open storage facility overnight. And so we opted at that point -- and, again, as we looked at each
one of these -- these options, we also looked at
increased cost. So we felt like at that point the
safest way to get those images back securely and ensure
that they could not create a problem for the agency was
we asked aircraft to fly up and pick those -- pick those
servers up and bring them back to the state.

BILL NEIGHBORS: And as far as the New York
trip in December, I believe some *eight* liner money was
going to be seized, and I believe the figure's somewhere
and 2.4 to 3 million. We flew five investigators to
New York City. The very next day they conducted three
interviews. And then on Wednesday of that trip, they
seized, or at least froze, two-and-a-half to $3 million
on that trip.

MR. POLUNSKY: Couldn't fly commercial to
New York City from Austin, Texas?

BILL NEIGHBORS: I would assume you could.
The -- the advantage to the airplane is they didn't
exactly know when the investigation was going to finish.
They could conduct it and not feel rushed on a return
flight back, and not have to stay maybe a day or two
booking those flights. Cost is about $400 an hour just
for fuel. We use a DLD fuel. I'm able to purchase fuel
for about $2.50 a gallon as opposed to $7 a gallon in
New York City. So we had quite a bit of savings as far
as that goes.

    MS. BARTH: Wait a second. What does it
cost you to fly it an hour?

    BILL NEIGHBORS: Now, it depends on exactly
how you're looking at it. The plane came free, gratis.
It was seized in '88.

    MS. BARTH: The -- the operating cost.

    BILL NEIGHBORS: It roughly costs $400 an
hour to operate as far as the fuel burn. A typical
150-hour inspection runs about anywhere from 15,000 to
20,000 on average.

    MS. BARTH: So would you say it's $2,000 an
hour, not including fuel?

    BILL NEIGHBORS: I would say probably 1,00,
1,200 an hour at least, including fuel.

    MS. BARTH: I'm surprised it's that low.

    BILL NEIGHBORS: It's really not too bad.

    MR. STEEN: Chief, you're worrying me more
about this aircraft. So it's not only a 1985 aircraft,
but it was seized?

    BILL NEIGHBORS: Well, it was seized
relatively new. Actually, the person that was making
the purchase did not everyone get to fly it. He was
walking out it to and then they seized the aircraft from
him.
MR. STEEN: Bill my question -- I mean,
you're prepared today to -- because I do think if you go
to the legislature, and I'm glad you pointed this out,
and you say we want a Citation (Inaudible) I think
they'd say, get real.

BILL NEIGHBORS: Yes, sir, I think so, too.

MR. STEEN: But I also think that -- that
not being reluctant to fly in an old -- I don't know
about you, judge. You're looking at me.

MS. BROWN: I think bad guys have the really
good stuff usually.

MR. STEEN: But a 1985 aircraft? I think we
would do well to buy -- you know, buy something new.
That's gotten a lot of use over almost 25 years. But
what -- what would -- if you wanted to put something out
there --

BILL NEIGHBORS: I can tell you what
University of Texas just purchased, and they were given
direction to -- they said buy it used, so they bought
something about (Inaudible). They said no jet. They
just recently purchased a King Air 350. I think it is
real comparable, maybe even exceeds an Air Speed, what
we currently have. Exceeds in seating by two. They
have a two plus nine, so they can seat 11. We're two
plus seven. I think it cost them about 6.3 million.
And that would be real comparable, and it would still certainly do everything that we need to do.

MS. BARTH: So University of Texas got approved 6.9 million in this environment?

BILL NEIGHBORS: They just made the purchase four months ago. Yes, ma'am.

MR. STEEN: Chief, but, you know, even in those four months, it's getting to be a buyer's market, isn't it, with planes with the economy going the way --

BILL NEIGHBORS: Yes, sir, that's correct.

MR. STEEN: So if we put 6 million in there, would you think that would --

BILL NEIGHBORS: If I could just put maybe 7 million in there, and we could always get less.

MR. STEEN: I'll make the motion that we -- that we change it. I don't know if I'll get a second on this, from -- from 12 million to 7 million, and that we look to, you know -- with the idea -- I know you don't want to focus in, but the type of aircraft you're talking about, may be a used King Air.

MR. CLOWE: Used Turboprop.

MR. STEEN: Used Turboprop.

BILL NEIGHBORS: I think -- I think -- there may be a problem buying a used (Inaudible) That would have to be checked. The State does not encourage -- a
lot of times we'll hear this -- buying used property.

OSCAR YBARRA: But a rider would definitely

fix that if they put it?

BILL NEIGHBORS: Sure. Yeah.

DUNCAN FOX: Part of the LAR.

*OSCAR YBARRA:* Right.

BILL NEIGHBORS: Yeah. We can seize used

but we can't buy used.

MS. BROWN: So from law abiding citizens you
can't buy it used.

BILL NEIGHBORS: That's right. Certainly I

think what ever figure you put in to this, you know, we

would make a really good purchase below with that

amount. I think just like the Commissioner. I know

several times he's flown with me, he wants to do the

preflight of the airplane.

MR. CLOWE: Commissioner Steen, the Chairman

and I are going to jump out of it this afternoon.

BILL NEIGHBORS: (Inaudible) Walking around

kicking the tires before he gets onboard.

MR. STEEN: We all -- we all want to do

right with the taxpayer's money, but I can also see a

situation where you're flying an old aircraft that we

seized. What if we had some kind of a problem, people

came back and said, y'all were flying a 1985 --
*MR. POLUNSKY*: That's not that unusual.

TDCJ has --

BILL NEIGHBORS: And it's really -- and I don't want to over-dramatize the age. I mean, it's not unusual for people to be operating mid-80s aircraft. I can just say from a standpoint of moving on, we have a 15-year replacement schedule on our helicopters, also on our Cessnas. Previous legislature and administrations have seen that that -- it's a good idea to have a replacement schedule. And this one is -- it is time to replace it. Firmly -- and we've had this conversation, so has the administration -- we think that a King Air will suffice especially in this market. And I would look forward to the purchase of a King Air for replacement.

MS. BROWN: I've got a question. If we -- hypothetically, if we purchase this, how long do you foresee being able to, with a very gently used one, will that hold us for another decade? I mean, ballpark.

BILL NEIGHBORS: I really think the -- the -- it'll hold us for another 20 years --

MS. BROWN: Okay.

BILL NEIGHBORS: -- to tell you the truth.

MS. BROWN: Okay. Thank you.

MR. POLUNSKY: All right. There's a motion
made by Commissioner Steen.

    MR. CLOWE: I'd like to second his motion.

    MR. STEEN: Thank you.

    MR. POLUNSKY: Seconded by Commissioner

    Clowe. For discussion purposes, I'll be voting against

    the motion. I think this is an inappropriate time for

    us to be going to the legislature, even for $7 million.

    Chief has stated that we can get by for another

    biennium. I think our money would be better spent on

    pay raises and other things. So that's just my

    position, but I certainly respect your thoughts.

    MS. BARTH: I will agree with Chairman

    Polunsky.

    MS. BROWN: One quick question for you. Can

    you safely -- do you feel like you can safely operate it

    for another two years?

    BILL NEIGHBORS: Yes, ma'am.

    MS. BROWN: Okay.

    BILL NEIGHBORS: Yes, ma'am.

    MR. CLOWE: Well, I wish you'd spoken up

    before Commissioner Steen made his motion and I

    seconded. I don't think we ought to go to the

    legislature unless we're unanimous on this. John, I

    hate to --

    MR. STEEN: I thank you for seconding the
motion.

MS. BARTH: (Inaudible)

MS. BROWN: And I'm assuming the concern is
that we -- by asking for something we can do without
that perhaps we'll get no's to things that we really
can't do without.

MR. CLOWE: Yeah. That's the concern.

MR. POLUNSKY: Well, yeah. And over and
above that, this -- just to be very blunt about it, this
is kind of a flash point issue with some people. I'm
not saying this is the case, but some people would
characterize that as a toy or something. I know it's
not. I'm not saying that it is. But if that comes out
and somehow --

MR. CLOWE: That's very true.

MR. POLUNSKY: -- You know, all of a sudden
some other things get thrown in the pot with the toy or
the thing that they're using as a request that was
inappropriate to begin with, and what about this, what
about that, and then some other things kind of get
peeled off along the line or along the way. And, you
know, again, I don't disagree with the request. And in
a healthy fiscal environment, if there was lots of money
out there and so on, then that might be a different
situation. But I just have a problem with it because
it, in my mind, could jeopardize some of the other
things that we're asking for.

And if you're saying -- I'm not trying to
coerce you or put you -- put any pressure on you or
anything like that.

MR. CLOWE: Oh --

MR. POLUNSKY: No, really. I'm not. If --
if you -- if you legitimately feel that it's unsafe or
unwise to operate this aircraft for another two years,
then say so and I'll respect that. I'm not going to do
that with anybody.

BILL NEIGHBORS: Certainly. And I
appreciate your giving me that opportunity. But I would
say that I do not have any problem operating it for
another two years. I would like to revisit the
opportunity to replace it at the next legislative
session if we could.

MR. CLOWE: And, Commissioner Steen, I think
it's very important that the Board be unanimous on
something like this.

MR. STEEN: But I do have a question,
because there were some questions about how we use the
aircraft. Do we need this aircraft? Does everybody
agree with that?

MR. POLUNSKY: I think we need the aircraft.
The Department needs an aircraft, yes.

BILL NEIGHBORS: It is quite --

MR. POLUNSKY: I'm not quite sure we need it to fly to New York City when you can fly commercial.

But any other number of other places where this --

MR. STEEN: Because I guess I'm just explaining my thought process, because if we don't need it, that's fine. I just want to say it's -- you know, it's something that's nice to have. In this environment, we can do without. But -- and, you know, I agree with Commissioner Clowe -- I'll withdraw my motion. But I feel like if we need it, we shouldn't be asking people to fly around in a 1985 aircraft that was -- that was a seizure, that we ought to be -- and I think you've got -- have you been around that long?

BILL NEIGHBORS: I just look like I have.

MR. STEEN: Did you fly this aircraft when we first got it?

MR. CLOWE: Let me give you --

BILL NEIGHBORS: No, sir.

MR. CLOWE: -- comfort on that, Commissioner.

MR. STEEN: Yes.

MR. CLOWE: The fact that it is of the vintage it is not really an issue in aircraft. The
point the Chief made about the maintenance and how that
machine is taken care of is really the issue. And I
really am comfortable flying in it. I've flown in it
quite a bit, Border Star and that sort of thing.

BILL NEIGHBORS: And it is -- it's still an
airframe that is highly sought by -- I think our
trade-in value would probably be $1.5 million.

MR. CLOWE: And the Aero Commander has a
great reputation. It was the first airplane that a
president in the United States was authorized to fly in
like Twin.

MS. BARTH: We use other seizure vehicles,
right? I just want him to understand.

MR. STEEN: Well, I don't mind riding in a
seized vehicle, but I'm not sure about a seized
airplane. You know, do you know if the maintenance had
been done on it?

BILL NEIGHBORS: It was virtually used when
they seized it. They didn't have an opportunity to haul
dope and overstress it or what have you. So it was not
an abused aircraft.

MR. POLUNSKY: I mean, if there was a
problem we would've found out by now.

BILL NEIGHBORS: We also keep up (Inaudible)
directives, and we have a really good maintenance
facility. So I -- I really --

MR. STEEN: Okay. Well, we better move on.

But I'll -- I'll withdraw my motion.

MR. CLOWE: I'll withdraw my second.

MS. BARTH: And then I would like to make --

MR. CLOWE: John, I tried. I really tried.

MS. BARTH: Mr. Chairman, I'd like to make a motion to remove 12 million exceptional item list.

MS. POLUNSKY: Is there a second to Commissioner Barth's motion?

MS. BROWN: I'll second.

MR. POLUNSKY: Seconded by Commissioner Brown. The Motion is to remove the aircraft request.

Discussion on this motion? There's no discussion. All in favor, please say, "Aye."

COMMISSIONERS: Aye.

MR. POLUNSKY: Against? No. Motion passes.

BILL NEIGHBORS: Thank you for your time. I appreciate it.

MS. BROWN: Thank you for being candid.

MR. POLUNSKY: Thank you. Chief, anything else?

OSCAR YBARRA: No.

COLONEL BECKWORTH: Mr. Chairman, couple-- couple of other issues we want to discuss. As we talked
in our presentation earlier about the need for funding
to address retention on our employees, we do not have
any funds appropriated for that process. There've been
some discussions by legislatures for us to look at
probably asking for some funding for advertisement. And
right now, as I spoke to you earlier, there's about
$14,000 that the agency provides for that particular
function. And so we'd ask you to consider an
opportunity to allow us to include as an item funding
for advertising for retention and hiring of employees.

MR. POLUNSKY: That's something that I agree
with completely. That's the life load of this
Department, and I think that that's -- not that any of
this other -- any of these other items are
inconsequential or anything, but I've been surprised
that we haven't funded efforts such as that before.

COLONEL BECKWORTH: We -- we believe that
starting out, based on the fact of the economy's
situation, that at least $100,000 to $200,000 ought to
be considered for funds set aside specifically for that
purpose. We just don't have any funds available. We
rob from different services to even go to job fairs
because they charge you now to get into job fairs,
*$255* each time you go, and we just don't have those
funds set aside. We don't have any other advertisement
that we do.

There's some advertisement that we pay for in some of the smaller newspapers we can afford to put an article in there. We don't have the ability to put anything on television. We don't have much to put anything on the radio. We go to some of their late spots on radio and get some advertisement. But beyond that, we just don't have funds.

MR. POLUNSKY: I strongly support that. Do you have -- do you have a specific recommendation?

COLONEL BECKWORTH: I recommend that the Public Safety Commission consider putting an advertisement line in the exceptional item for $100,000 each year of the biennium to address the advertisement and hiring of retention of employees in the agency.

MR. POLUNSKY: Is that enough?

COLONEL BECKWORTH: I think that would be a good significant start for us, sir.

MS. BARTH: (Inaudible) let's make sure we have the right number before we -- I don't even know what $100,000 buys.

COLONEL BECKWORTH: Well, it allows us to advertise in some of the late hour activities. I'm saying this from a standpoint that we're looking at an economic downturn issue. The true issue is that that
will allow us to be able to advertise in some papers, some newspapers, do some advertisement on radio, and that will allow us to buy some brochures and things that we can use to sale the agency as a beginning process.

MR. POLUNSKY: All right. Well, I certainly agree with that. I think Commissioner Barth's point, although not exactly made, was that there should be something -- there should be a specific amount and explanation of how this money would be utilized.

COLONEL BECKWORTH: I suggest then that -- do we have a spot on that we can put --

OSCAR YBARRA: Yes.

COLONEL BECKWORTH: -- Public Safety Commission meeting next week? If we'll provide that information to you at the next Public Safety Commission meeting to include in this (Inaudible) in the LAR.

MR. CLOWE: Is it on the agenda, Duncan?

OSCAR YBARRA: Under budget matters.

DUNCAN FOX: That's a report on budget matters.

OSCAR YBARRA: No, it says discussion and possible action.

DUNCAN FOX: Oh, on LAR. It is on the agenda.

COLONEL BECKWORTH: It's on the agenda, sir.
MR. POLUNSKY: So you want to come --

COLONEL BECKWORTH: Come back --

MR. POLUNSKY: Come back with that.

COLONEL BECKWORTH: -- with some information, and justify the need for that and what we would use it for.

MR. POLUNSKY: That okay with you, Carin?

MS. BARTH: That's fine. I mean, I just look at a 445 million of exceptional items and we want to add $100,000 and you'd think we'd be able to put it into the critical staff compensation area there --

MR. POLUNSKY: Right.

MS. BARTH: -- as opposed to having a $100,000 request.

MR. POLUNSKY: Okay.

OSCAR YBARRA: So we encompass it in the listing request.

MR. POLUNSKY: Are you suggesting it could be -- that money could be utilized in lieu of the additional 100,000 or whatever amount they come out with should be merged into that?

MS. BARTH: I think it should be merged.

COLONEL BECKWORTH: So in our critical staff compensation incentive, you're saying merge that amount, whatever that amount is, into that category.
MS. BARTH: Absolutely. That's fine with me.

COLONEL BECKWORTH: Okay. We can do that.

Thank you.

The other thing finalizing this process, we had some discussions with the Governor's office in reference to how our exceptional item is laid out. As you can see, our items are "A," "B," "C," "D," "E," "F," "G," "H," "I," they asked us to consider the possibility of identifying these based on priority. In the past, we've not done it that particular way. They've asked us to consider identifying these in which priority we need those to be identified. So they asked that to be addressed. So that was something that the Governor's office asked us to consider.

The information on research and why we do it this way in discussions with previous administrations, the thought process was every one of these items that we're requesting on the LAR is a critical need for the agency. Too often times when you put them -- when you put them in a chronicle order of 1, 2, 3, different constituents have desire to move on one. And it's not up on your list on a higher category, and that begins to cause some friction as it relates to why you didn't move my item number three compared to number eight. So
that's why they pretty well said, all of these particular items are vital needs of the agency and we have not prioritized in that fashion in previous processes. So that's the background that I found out about why we didn't have them that way.

MR. POLUNSKY: Okay. What are the wishes of the Commission?

MR. CLOWE: Well, are they rated then that way?

COLONEL BECKWORTH: They're rated in our -- in our -- in our LAR book, if you go into this book, there's a priority section. They're rated there based the way they're lined out here.

OSCAR YBARRA: They're in that order.

COLONEL BECKWORTH: They're in this order.

MR. CLOWE: Yeah. So you've got the people cost first.

COLONEL BECKWORTH: Yes, sir.

MR. CLOWE: That would be my reaction to what you said.

COLONEL BECKWORTH: We have the people cost first and then IT issues that are -- would fall in this category second. There's concerns that certain items might need be given stronger consideration based on where they lay on this sheet. So just want to make you
aware of those concerns in the Governor's office.

MS. BARTH: Is that the way other agencies do it, by priority?

COLONEL BECKWORTH: Oscar, you've got to help me there.

OSCAR YBARRA: Yes, some agencies do prioritize their exceptional items.

MS. BARTH: Most. Are we the exception?

OSCAR YBARRA: I -- I can tell you that the way it's laid out on this spreadsheet, it's a presentation that has been utilized by the director in the past for budget appropriation purposes.

MS. BARTH: But the question I have is is this the exception, do both of the agencies within the state lay it out differently. Must be reason they're requesting us to do it.

OSCAR YBARRA: It keeps them in order within the yellow book in the LAR and they can identify to the order of priority. In other words, the agency is giving the message that this is the priority order.

MS. BARTH: Let me ask you this another way. How many other agencies do it this way?

OSCAR YBARRA: Not many.

MS. BARTH: Less than five?

OSCAR YBARRA: I -- I couldn't answer your
question.

MR. POLUNSKY: Yes, sir.

MIKE MYER: I can make a comment on that if you'd like. Make Myer, I'm with the senate finance committee. I work with Articles 1, 5 and 6. I don't do all the agencies, but I work with about 40 to 42. And of those, DPS is the only one that does this format.

MR. POLUNSKY: I'll ask again, what are the wishes of Commission?

MR. STEEN: Well, these are not prioritized.

MR. POLUNSKY: I think they are, aren't they?

COLONEL BECKWORTH: Well, they're prioritized in format in the book. But there might be consideration based on how you as a Public Safety Commission want to place these items. And Commissioner Clowe indicated critical staff compensation should be number one, then where should the other items be in regard to that priority. And so we have several items listed there operating shortfalls, driver track operation personnel, deferred maintenance compensation, TDEX funding, new training academy, fleet operation, addition of personnel, all the building issues, border security, and we removed the fixed wing. And then we have civilian business model, and Real ID, and emergency
management issues behind this.

MS. BARTH: So let me just understand, we just added civilian business model, and we just popped it down as "L," right?

COLONEL BECKWORTH: You moved out the fixed aircraft, so civilian business model moved up to "K" now rather than air, basically what we've done.

MR. STEEN: Colonel, the Governor -- Governor's office wants us to prioritize.

COLONEL BECKWORTH: That's correct.

MR. STEEN: I think we better prioritize.

COLONEL CLARK: Mr. Chairman, one other issue you'll notice, I brought up the aircraft, I'll bring this up, too, for your consideration. If you'll look at "G," the new training academy and fleet operations, you'll notice we have a dollar there. Our architectural estimates on moving this facility out there approaches $500 million, and that's not listed on here. But because the time this was put together, we had no dollar amount on that. And I defer it to Chief Fulmer, am I close to a figure 400 plus?

VALERIE FULMER: The original estimate is, I think, 477 million. They haven't given us a final estimate yet --

COLONEL CLARK: But, I mean --
VALERIE FULMER: -- but it's going to be high.

COLONEL CLARK: -- down -- downtown about that. That's the figure we're going to throw out. Now, it can be, of course, built incrementally. But to build what we want out there, the estimate was approaching $500 million.

VALERIE FULMER: What we're asking them to do right now is to give us a cost for phases where we would do part of it over one biennium and then add to it in future bienniums. So the number for this biennium may come out to be significantly less than that.

COLONEL CLARK: Just for your consideration.

MR. STEEN: What does -- help me with that.

What does Florence mean?

COLONEL CLARK: Florence is the property. It's the city north of Austin, the community where we have 1,100, 1,200 acres where our firearms training facility is now. That is the future site of the training academy, and our fleet operations, and our driving track.

MR. STEEN: And the reason it's this high from fleet operations (Inaudible)

COLONEL CLARK: Yes, sir.

MR. STEEN: Both those functions.
MR. POLUNSKY: Well, you can't use the name Florence over in the Capitol. That's an old -- old joke.

COLONEL CLARK: Mr. Chairman, we'd be glad to, if you'd like for us to, we'll get together and prioritize these and present them to you next week.

MR. POLUNSKY: Colonel, I mean, based on the fact that it appears that we're the only agency that does it and the Governor's has requested that we do, I think it would be in our best interest and (Inaudible) policy for us to go ahead and prioritize these items, unless somebody here disagrees.

MR. CLOWE: I agree with that. I'd like to give you another comment in the way of being hopefully responsive to help you. I think the people cost ought to be first, and IT ought to be second, then Driver License ought to be third. And --

MR. STEEN: You're doing pretty well, Commissioner. Just go through the list.

MR. CLOWE: Well, I don't have any problem with the way you've got them ranked here. But I think the Chair has directed you correctly to give us your slant on it. But I think those first three items that I mentioned would be my one, two and three.

MR. STEEN: Mr. Chairman, I have a request.
Could we get it in advance of the meeting so we can have a chance to think about it and not just be given it during the meeting.

COLONEL CLARK: We'll assemble the team and get those numbers to you.

MR. POLUNSKY: In the spirit of openness here, you've got these other construction items, they're a dollar as well.

COLONEL CLARK: Yes.

MS. BARTH: And deferred maintenance.

COLONEL BECKWORTH: We have tried our very best to get some cost estimates from the Texas Facility Commission, and we've been adamantly trying to do that. We have not been provided any additional information from the TFC.

MR. POLUNSKY: But I've seen numbers on these before.

OSCAR YBARRA: Those are the -- those are the numbers that were presented last biennium. Based on that, they've taken what those costs were and how inflation has impacted that and they're giving us new estimates.

MS. BROWN: Is that something we could help with? Is that something if we made a phone call maybe they'd give us some numbers?
SANDRA FULENWIDER: Excuse me, they actually plan to have those two, I think, by next -- by the end of next week, but it probably will be Friday and the meeting's on Thursday.

MR. POLUNSKY: Well, can you tell them the meeting's on Thursday so we'd like it on Wednesday.

What are they here for.

SANDRA FULENWIDER: We will do what we can, sir. We will not have a figure on the deferred maintenance, though. They are still working on that contract.

MS. BARTH: That's a big number. I mean, I saw something back in maybe four or five, six months ago. That's a big number.

OSCAR YBARRA: 31 million.

MS. BARTH: How much?

OSCAR YBARRA: 31 million. And we haven't had independent study on that, I'm not sure, ever. So I'd bet you to say that 31 million is not enough.

OSCAR YBARRA: Certainly.

MS. BARTH: There are facilities that clearly have -- I wouldn't even call it deferred maintenance. (Inaudible) I've seen a project list several months ago and I was very shocked at 31 million and the project's in there, and it then felt like we
needed to have someone come in and take a look at deferred maintenance.

MR. POLUNSKY: Okay. Well let's see if we can get those -- those numbers as well. ***we'll do our best to get the numbers on the construction projects.

MR. POLUNSKY: On those construction projects. ***yes, sir.

MR. POLUNSKY: So we'll have those numbers hopefully and then we'll have priority -- the prioritized items.

COLONEL CLARK: Yes, sir.

MR. POLUNSKY: Okay. We done with this?

OSCAR YBARRA: Yes, sir.

MR. POLUNSKY: Had enough. Okay. Thank you, sir.

COLONEL CLARK: Mr. Chairman, if I may, are we -- did we just finish "B"? Are you about to finish up with "B"?

MR. POLUNSKY: Is there something we need to do on "B"?

COLONEL CLARK: Well, we need to jump back to "A" just a moment. This was an item that was asked -- you asked to be put on the agenda. Bryan Lane
needs to discuss our disaster recovery needs. That was an issue that you wanted discussed. So if you would like to, we can -- it should've been discussed under "A."

MR. POLUNSKY: Okay. I'm sorry. Chief Lane.

BRYAN LANE: Yes, sir. I believe you have a document that I presented to you last week. It's a phased approach plan in response to your request, Chairman Polunsky, to address our immediate and future disaster recovery needs of the agency. So we came together with this plan provides us as an agency to address some of the critical systems that were identified in the past from the business areas and ensure the -- the functionality of those systems continue to exist in the event of a disaster.

You also tasked us, sir, to come up with a funding source for that estimated cost. And I believe, Oscar, we've come up with the $1.2 million that we estimate will take us to, what I'll call the preliminary phase of a disaster recovery plan. If you have the opportunity to review the document, I brought out the point that from a technology perspective, standing up the systems is quite frankly pretty straight forward because we know what those systems. There's an expense
associated with it, but they're identified and they're running here.

There's other major elements within a business continuity plan, which a disaster recovery plan is a part of. So I kind of brought those out just at a high level for you in this document that lines out why we can't do everything right now and addressed all of our challenges. We have to look at the continuity of services, the command and control during a mission, how we reestablish our agency if we do have a disaster here, and the plans around how do you get back into business.

So as an IT disaster recovery, we can bring you the technology to stand it back up. But there's the people issue, our partnerships with our vendors and our citizens, our customers, et cetera.

The -- the immediate actions that we identified here that we could do is update our current disaster recovery contract that we have today, purchase -- and including updating that contract would be purchasing some hardware/software/network connectivity to our Boulder, Colorado disaster site. Third, establish service level agreements with our vending community to ensure they understand what our needs are in the event that we have a disaster or an outage. Fourth, establish data line connectivity so
that we can actually reach Boulder via terrestrial lines and keep our systems running. Then, of course, test those disaster capabilities.

We've put together for you as well, Commissioners, kind of a high level chart that I will provide you either now or via e-mail to you, whichever you'd like, which outlines kind of a -- an approach of addressing our disaster recovery scenarios. The plan that we're presenting to you this afternoon really gets us just to the gold colored block, which is minimal capability. We've asked for, in our legislative appropriation request, $3.5 million. That will take us toward what you'll see the continuity of operations plan, which is what you'll here referred to as a cooper plan.

We believe that in the time frame to move from the gold block to the yellow block, we'll be quickly approaching several major decisions within the agency. One, the rollout of NDLS will be in process. Secondly, the enterprise architecture will have a better idea of the funding we're going to get through the LAR to determine if we can standardize our technology, which will significantly impact a disaster recovery plan. But thirdly, it takes 90 days to get these things rolling, and the funding source for the LAR of 3.5 million may be
more readily available for us.

So the document that I provided you will give us the immediate opportunity to stand up, are the Texas Law Enforcement telecommunication switch, the CCH, or Computerized Criminal History, TCIC which provides the Texas Criminal Information Center, and quarry capability on the driver's license system, meaning that we would still be able to get quarry capability.

Wanted to point out, that does not allow us opportunity to stand up our in-car computing systems or the -- what we know of today as the THP com system. So we will have to derive, working with Chief Baker and others, derive how we will do that in the short-term as we bring those into our disaster recovery capabilities. The applications we're standing up were explicitly identified by the agency. That needs to be updated. That's part of a business impact analysis, which again, is part of a business continuity plan. With that, I think the document hopefully will address any other questions. But I'm definitely available.

MR. POLUNSKY: Are there questions for Chief Lane?

BRYAN LANE: Chairman Polunsky, I believe since the funding's available, we just move forward with this; is that correct?
MS. BARTH: Yes.

BRYAN LANE: Okay.

MR. POLUNSKY: Everybody okay with that?

BRYAN LANE: Okay. I'll keep you posted as we move forward. Thank you.

MR. POLUNSKY: Next item is discussion and possible action concerning DPS legislative strategy and priorities in the 81st Legislative Session. Colonel Clark.

COLONEL CLARK: Mr. Chairman, I believe, actually, we've kind of already talked about this. We wanted to discuss some funding and possible statutory authority, but specifically with Driver License and the implementation of moving to commissioned people. Chief Brown has already discussed that. And then the IT infrastructure, that was one of those issues that we would be addressing with the legislature. Chief Lane, is there anything you need to address about that?

BRYAN LANE: No, sir. I think we've covered it all here.

COLONEL CLARK: I really think we've already discussed those issues, all of letter "C," I believe.

MR. POLUNSKY: So you have nothing further?

COLONEL CLARK: Nothing further.

MR. POLUNSKY: Thank you. "D,"
presentation, discussion and possible action regarding DPS legislative monitoring process and procedures. Mr. Fox, Mr. Kelley.

MICHAEL KELLEY: Mr. Chairman, I'm the legislative liaison. This afternoon we'd like to present -- I have Duncan Fox from the Office of General Counsel, Major Jude Schexnyder from Audi & Inspection. We would like to provide you an overview. Or I'm going to talk a little bit about what we're doing with bills requested by the Department of Public Safety and what we're doing to keep you informed with legislative updates.

We're going to have Major Schexnyder talk about the bills as far as the legislative work flow that we're doing to monitor and track the bills that will impact or DPS will have to provide background back to the legislature. And then Mr. Fox will provide bill tracking and use of Telecon to assist you with looking at the Telecon system and talk about the bill tracking that we're doing.

What I'd like to -- first of all, if I could point out, Mike Myer was here earlier. Cathy Panasek is new to the house appropriations committee. And those officials are -- have been here present working with us on the budget. We also -- earlier today we had Pete
Winkler with Senator Hager's office. Steven Polunsky, Adam Berkland and Sonny Garza were with the Senate Transportation Homeland Security Committee. Kyle Mitchell's here from the Governor's office. Katy Sellers is still here from the House of Law Enforcement committee. And Candice, the clerk, was here earlier.

And these officials are working with us as we track and monitor bills. And I appreciate the fact that they attend these meetings and continue to work directly with us and so I wanted to recognize them.

The handout you've been given is the same format. It's the bill track, where we are in the bills that you approved in October as far as us getting the bills drafted and entered into the legislative process by finding authors and sponsors. The last update I sent you was by e-mail on the 23rd of January -- excuse me, December. And then from now on, what we've agreed is to work together and we will meet every Friday at 9 a.m. standing, since that's the day that the legislature tends not to meet on, to go over where we are on bills that we've asked for, and where are we on bills that we are tracking, which, again, Duncan will go over in a little more detail.

After that meeting, I will then send you an e-mail that contains both documents so that you will be
receiving them weekly. And that way you'll know, where
are we on the bills that we've asked for, where are we
on all bills that we're tracking and monitoring through
the process.

The color coding that we're using on this to
assist you is if it's in black, that means we have a
final draft from the Texas legislative counsel. Now,
the legislative counsel are the attorneys that work for
both the House and the Senate to draft and work on
legislation for the lawmakers. So they are the persons
that are actually doing the writing of the laws, to put
it in the proper format, bill format, to be introduced.
And so we have individuals from each one of the
divisions for which the division chiefs have provided us
contact to make sure that they are talking directly with
the bill drafters so that the bills are drafted in a
format that we are actually seeking.

And I want to make a comment about that as
well. The only way this process will succeed is by
continuing to have the support that we currently do from
the division chiefs, and I want to say thank you to all
the divisions. Because as we've gone through and worked
on the bill drafts and asking for these things, they and
their officials have been readily available to help us
be able to get these bills ready, to answer questions
from bill drafters, to answer questions from the legislative staff. And as long as we continue to work together like this, I know we'll continue to be successful.

   Now, anything that's colored in blue means that the Texas legislative counsel has not yet provided the final draft. That means they're still going back and forth with our agency, they're still going back and forth with Senator Corona, or our Representative Driver staff, and they haven't given us a final draft.
   Anything in green will be new items since the last time I gave you this report. So anything in green on this item here is something new compared to what you had in the last report on the 23rd of January.

   So what I will do is I will send you this as an e-mail tomorrow after we update it tonight and have our meeting in the morning so you will continue to have this on a weekly basis. Next I want to give you, as far as legislative updates. You've already been receiving e-mails that I provided you and the leaders about what I'm hearing and seeing downtown. And the divisions and the others are helping me keep up so that way we can keep you informed fully about what we're hearing about issues that may be impact us, such as the speakers race.

   We will continue to do that. So I will
provide you the Friday regular update, and then
periodically as needed will e-mail you with updates. If
I feel like there's something critical, major that you
need to know about, then I will provide that to you, the
colonels, and the division chiefs so that way you'll be
kept in the loop about what we're hearing. You can look
at this kind of as an intelligence piece. It's my job
to be down at the Capitol and a working to find out
everything that we need to know in order to be
successful as an agency, and that means finding out
what's happening and disseminate it back to you guys who
are the policy makers. And I'll continue to do that.

Subject to your questions, that completes my
portion, and then Major Schexnyder will continue.

JUDE SCHEXNYDER: Any questions? Like to
just give you a quick overview of the work flow process
for the bill analysis within the Department. As you
probably know, the Office of General Counsel does an
initial review of all pieces of legislation as they come
out. After they review that legislation, when they
encounter particular bills that may touch a portion of
the Department of Public Safety, they pull those bills
and they make a determination of what areas of the
Department would be impacted by that legislation. And
they send those out via the atlas system to different
monitors within each of the divisions that are impacted.

In addition, they send all of those bills
all -- of those that might impact the agency to the
office of Audit Inspection. As I receive those bills, I
then assign them to an individual inspector within my
office. Because we have subject matter experts from all
the divisions of the agency within that office. So I
just make a determination of which one fits best and I
send it to that particular inspector. As the analysts
from across the different divisions complete their
different bill analysis and put those within the atlas
system, my inspector goes back, does an overview of all
those different analysts and compiles that into one
report trying to touch base with all the different areas
that may have some kind of impact with that legislation.

It's then forwarded to me. I do a final
review of what my inspector's done, make sure that we
haven't missed anything. And at that point in time we
upload that into the atlas system at which point you
would review it. We have a similar system for fiscal
note process. You may or may not have received fiscal
notes at this point. But we have had at this point 68
requests for fiscal notes from the legislative budget
board. We've completed 38 of those. Eight of them have
had an impact. 30 of them were deemed no significant
impact to the agency.

We get those requests directly from the legislative budget board. It's assigned to the inspector that did the analysis on the bill. He touches base with all the different analysts from across the agency. They build a methodology and working in conjunction with the accounting and budget section, they build the fiscal notes and it's submitted to the LBB after approval by the Colonel and copies sent.

DUNCAN FOX: Just to sum up again, then on the General Counsel's side, we receive the bills overnight in hard copy and begin doing our process where we get through identifying the bills by subject matter to the particular divisions. We assign a bill -- we assign the bill to the effective division. We also make sure that internal audit has a copy of that, too. Then the subject matter experts prepare analysis reports which are then uploaded into the atlas system, which is what we call -- which you can look at in what's called the Telecon system. That's an online tool that we have provided in the past with information being able to access.

And in the January materials, I also have screen shots for how you can look up a bill, how you can look at the bill analysis that we've conducted, and how
you can look at the fiscal note that's been prepared. This is -- we've also -- one thing you're aware of so that you can pull information out as you want it. We also -- Michael works towards making sure we can push the information to you is appropriate and (Inaudible) where you will be able to see how it fits together because of the number of bills. So far we've had 997 bills in the prefile. And we have -- we are tracking, I believe, 185 and have analyzed --

JUDE SCHEXNYDER: 157.

DUNCAN FOX: So that's a lot of bills we try to hold onto even before we hop into the work force section. So what we looked to do when we got together was building a prioritization system so we can at least try to cull out those for you that we think, these are the hot bills, these are the high priority bills based upon the impact of either Department, fiscal implications or impact the public. So we would give that a high prioritization and make sure that that's reported out first.

Then we have a prioritization for medium where there's some impact, and then a prioritization of low impact where there's no real significant impact on the Department operations or fiscal implications. This will help us as far as having fewer total bills that
will be able to -- at least being able to have them packaged for you so you can see our prioritization. And then also enables you to see whether or not we need to reprioritize what we've presented.

I do have a -- if you would like to see a presentation on the Telecon system, that would require me to get the projector up. Again, I do have the screen shots that are in the package. (Inaudible) the Commission (Inaudible) would like to see the presentation now or I can provide it to you individually. That completes my presentation.

MICHAEL KELLEY: So again, in conclusion, we've gone over is we will continue on Fridays to provide you a list. There'll be two list, the Telecon list with all the bills that we just discussed that we're monitoring regardless if we ask for them or not. The other list will be this chart that will tell you what bills we've asked for, where we are in the process. Then we'll give you updates periodically as needed.

MR. POLUNSKY: Sounds good.

MR. CLOWE: Thank you very much.

MS. BROWN: Thank you. And the e-mails are very helpful.

COLONEL BECKWORTH: Mr. Chairman, we have here some documentation that we want to provide to the
members of the Public Safety Commission. We're going
for confirmation -- Senate confirmation. Michael is
going to be kind of managing that component for you.
But these are documents of questions that are frequently
asked in the past. Those that are going before that
process we think this information might be beneficial.

MR. POLUNSKY: Do any of all have any
questions about the confirmation process? Everybody's
been through it? Ms. Brown has none?

MS. BROWN: I have none.

MR. POLUNSKY: Okay.

COLONEL CLARK: Nothing further, sir.

MR. POLUNSKY: Does anybody have an item for
future agendas?

MR. CLOWE: We need action on the six months
restriction on appointment to positions internally
within the agency, need an action item in the February
agenda.

MR. POLUNSKY: Okay. Could you get with
Mr. Fox on that?

MR. CLOWE: Well, I think he knows what to
put on there. And Ms. Logan is here, and she'll work
with him, I'm sure.

MR. POLUNSKY: Okay. Could you take care of
that, please, Mr. Fox.
DUNCAN FOX: Yes, sir.

MR. POLUNSKY: I would like to ask the

Commission if -- and I know this deviates from what we
discussed previously, but would it be possible for us to
move the March meeting date? There's a conflict that I
need to have addressed.

MR. CLOWE: Fine with me.

MR. STEEN: What's the current date?

MR. POLUNSKY: What is the current date?

MR. CLOWE: The third Thursday.

COLONEL CLARK: Be the 19th. March 19th,

that's the third Thursday in March.

MR. POLUNSKY: Okay. Is there a day that

anybody has a problem with other than the 19th? Can we

just get back to you? We'll just get back to you on

that.

COLONEL CLARK: Were you going to try to

utilize the third Thursday of every month as --

MR. POLUNSKY: Well --

COLONEL CLARK: -- a standard meeting?

MR. POLUNSKY: -- let's talk about that. I

feel that we need to have a specific date going forward

that we stick to so that people set their -- their

calenders and their certainty so on. If the third

Thursday is not a good day, then let's hear it.
COLONEL CLARK: We're here 8 to 5 every day.

MR. CLOWE: Third Thursday's a good day.

MS. BROWN: Good for me.

MR. POLUNSKY: Okay. So going forward, then the third Thursday is the day, unless there's some extraordinary set of circumstances that come to play.

MR. CLOWE: And we have that in March.

MR. POLUNSKY: Except for March.

MR. CLOWE: And Friday is a bad day in Austin for March. It's tough to get out of this town on a Friday afternoon.

COLONEL CLARK: But you have set February the 19th, which will be the Public Safety Commission.

MR. POLUNSKY: Okay. All right. Anything else?

MR. STEEN: Might be helpful, Ms. Wright, if you could just e-mail us all those dates so we can put it on our calendar. And going back -- can I make a comment -- Colonel, I think when we come back to meet, I like the way that the Deloitte chart had where the darkened rectangles are recommended new functions. If you could adapt that.

COLONEL CLARK: We could do that.

MR. STEEN: And also, I was talking during the break, I know we've got this issue with the Texas
Rangers about there being a specific statute. And I'm wondering if we can -- I understand there are other situations like that where we're potentially restricted of what we can do because there's statutory language.

COLONEL CLARK: Concerning divisions or --

MR. STEEN: Is that the only instance?

DUNCAN FOX: There's a -- there's a provision about the number of divisions and bureaus as of August 1957 that's kind of an obscure provision.

MR. STEEN: Just wonder if there are any like that. If we could somehow asterisk or something like that so we'd be aware of if we're making a change that we'd actually need to get the legislature to do as opposed to something we can do. Somebody during the break was showing me, I think with the Governor's office, if there are other areas where there's some specificity about our organization that we need to be aware of.

COLONEL CLARK: Is that Mr. Mitchell shaking his head? If you'll get with me, let us know.

MR. STEEN: As we go through this, I'd just like to be aware of those areas where there's a statute.

MR. POLUNSKY: Any -- any further discussion? The meeting of the Texas Public Safety Commission is hereby adjourned. It is five minutes
after 3.
THE STATE OF TEXAS       
COUNTY OF TRAVIS        

I, Joy N. Quiroz-Hernandez, Certified Shorthand Reporter No. 8391 in and for the State of Texas, do hereby certify that the above and foregoing contains a true and correct transcription of my stenographic notes taken in the above-captioned cause at the Texas Public Safety Commission meeting in Austin, Texas.

Witness my hand this the ______ day of __________, 2009.

_______________________________________
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