

UJ  
10  
A939  
1986R  
Vol 2 R

**PUBLIC HEARING**

before

**ASSEMBLY SELECT COMMITTEE ON THE DIVISION OF MOTOR VEHICLES**

on

Proposals for the Reform of the  
Division of Motor Vehicles

October 30, 1986 ✓  
Room 403  
State House Annex  
Trenton, New Jersey

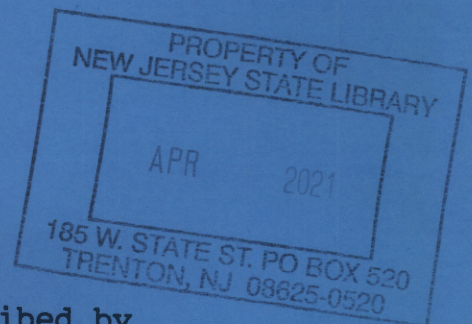
**MEMBERS OF COMMITTEE PRESENT:**

Assemblyman William "Pat" Schuber, Chairman  
Assemblyman Robert J. Martin  
Assemblyman Joseph L. Bocchini, Jr.  
Assemblyman Thomas P. Foy

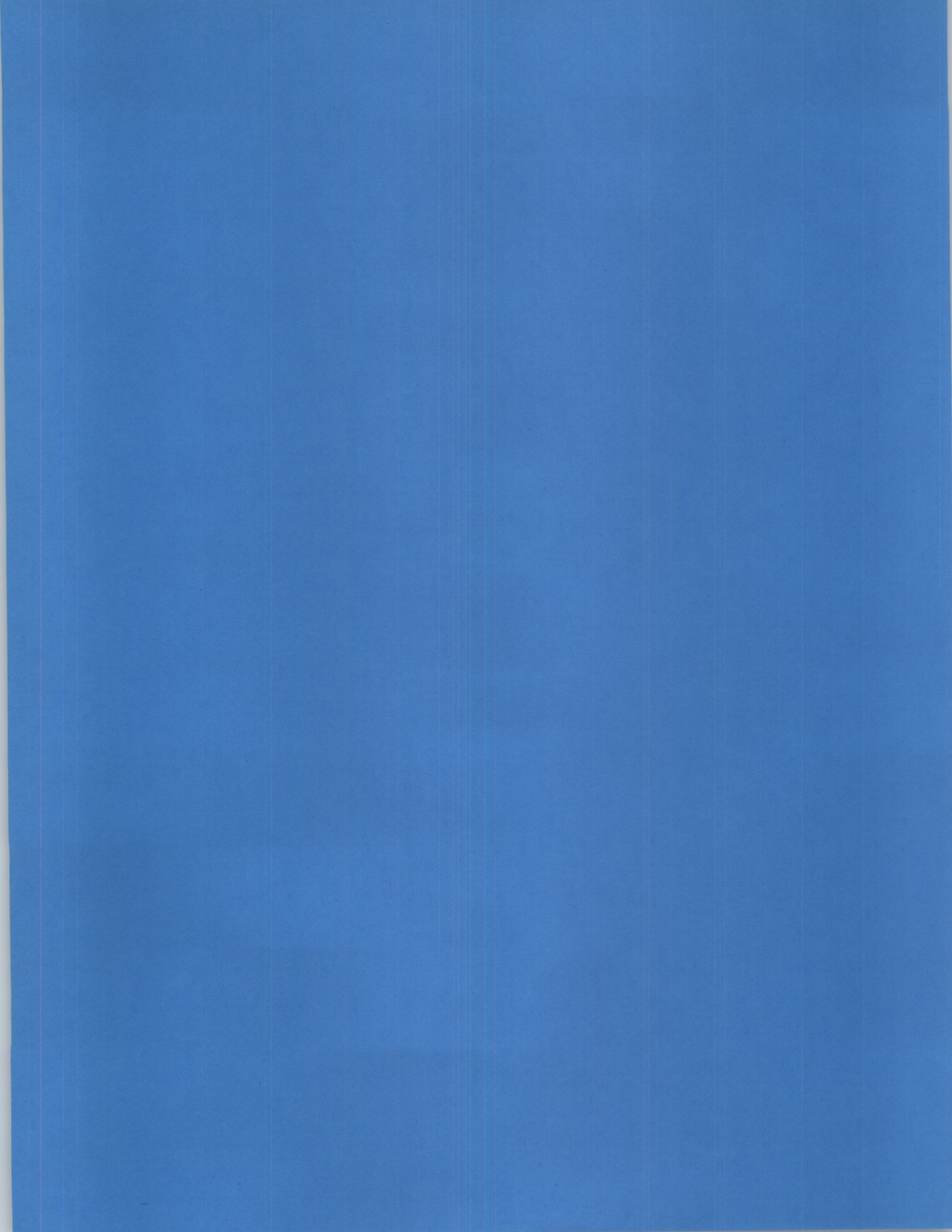
**ALSO PRESENT:**

Aggie Szilagyi  
Office of Legislative Services  
Aide, Assembly Select Committee on the  
Division of Motor Vehicles

\* \* \* \* \*



Hearing Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
State House Annex  
CN 068  
Trenton, New Jersey 08625





**WILLIAM P. SCHUBER**  
*Chairman*  
**THOMAS J. SHUSTED**  
*Vice-Chairman*  
**JOSEPH W. CHINNICI**  
**ROBERT E. MARTIN**  
**NEWTON E. MILLER**  
**JOSEPH L. BOCCHINI, JR.**  
**THOMAS P. FOY**

**New Jersey State Legislature**  
**ASSEMBLY SELECT COMMITTEE**  
**ON THE DIVISION OF MOTOR VEHICLES**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625  
TELEPHONE: (609) 984-0231

**MEMORANDUM**

**TO:** *Members of the Assembly Select  
Committee on the Division of Motor  
Vehicles*

**FROM:** *William P. Schuber, Chairman*

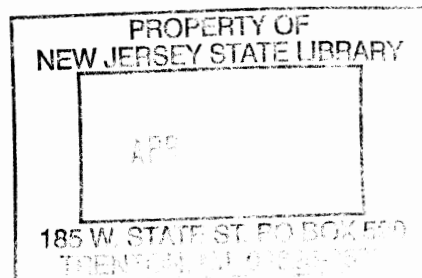
**DATE:** *October 22, 1986*

**SUBJECT:** *PUBLIC HEARING on Thursday, October 30,  
1986*

The ASSEMBLY SELECT COMMITTEE ON THE DIVISION OF MOTOR VEHICLES will hold a public hearing on Thursday, October 30, 1986 at 10:00 a.m. in Room 403 of the State House Annex in Trenton.

The purpose of this public hearing is to meet with the Director of the Division of Motor Vehicles in order to discuss the continuing efforts for the reform of the Division of Motor Vehicles.

Questions and comments should be addressed to Aggie Szilagyi, Committee Aide, at (609) 984-0231.





**TABLE OF CONTENTS**

	<b>PAGE</b>
W. Cary Edwards Attorney General Department of Law and Public Safety	1
Glenn R. Paulsen Director, Division of Motor Vehicles	23
Christine Cox Deputy Director of the Reform Process Division of Motor Vehicles	24

**APPENDIX**

Statement and supplemental material submitted by W. Cary Edwards, Attorney General Department of Law and Public Safety	1x
---	----

\* \* \* \* \*

pmp: 1-45  
ig: 46-60



**ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman):** Good morning. We are going to convene this meeting of the Assembly Select Committee on the Division of Motor Vehicles. With me today on the Committee are Assemblyman Martin from Morris County and Assemblyman Bocchini from Mercer County. Our witnesses today are the Attorney General, Cary Edwards and the Director of the Division, Glenn Paulsen.

The purpose of today's hearing is to receive testimony to update the Committee on the progress of the Division and the Department with regard to the ongoing reform of the Division of Motor Vehicles. And so without further ado-- I'm sorry -- I'm sorry, Chris. Chris Cox, the Deputy Director of the Division, is also with us today. I apologize. And without further ado, Mr. Attorney General, why don't you proceed?

**A T T O R N E Y G E N E R A L W. C A R Y E D W A R D S:** Thank you, Mr. Chairman. I have been here on at least two other occasions and I know members of the staff, the Director Glenn Paulsen, Chris, and other people who have worked with this Committee over the last 10 months on this issue of DMV, its status, and its reform process.

I have a statement. I think all of you have copies in front of you. I had planned to bore you for about an hour and a half reading that. I don't know if it's some sadistic tendency on my part to want to do that, but my staff talked me out of that process, so I will spare you all of the great words of wisdom that are in there by giving it to you verbally. But I would urge you to read that. It has a lot of detailed explanations or -- explanation conceptually -- in some logical framework as to where we're going and what we're doing.

On the back of it there are three charts, that I think are significant, that I'll be referring to in this process that you may want to follow through with or follow me with. One of them is on the chart in front of you.

**ASSEMBLYMAN SCHUBER:** We appreciate the consideration of

your staff and we will be making the statement a part of the permanent record, as they say in the business.

ATTORNEY GENERAL EDWARDS: Thank you, Mr. Chairman. You are a gentleman and a scholar. I've said that for years.

I did first come here in March and again in April to discuss the status of DMV, what the overall concepts were, and where we were going. At that point in time, there was a major issue that was before you, which had to do with the public/private inspection system -- in getting that permanentized -- which is part of our goals and objectives.

The two charts that you see to my left-- One is the list of goals and objectives which is the one down here. The other one is the existing organizational structure that I showed back in April, which had to do with the conceptual framework as to how we will go in trying to manage the operations of the Motor Vehicle Division in my Department.

There was a reorganization concept that was a major part of that. It had to do with the philosophy with which we approach each and every function of Motor Vehicles and how every single employee of Motor Vehicles and the agency system, deals with the general public. There was a targeted goal and objectives that are outlined right here, which are long-term goals and objectives to achieve in addition to that reoriented philosophy.

There's a management structure, which is the chart up on my left up on the easel, that had a two-prong approach attached to it. One is the continuing operation of Motor Vehicles on an ongoing basis. We can't afford to close Motor Vehicles and take a year or two to fix it; We have to continue to deliver the services that the statutes require us to do. So, we've developed that two-prong management system to continue to operate Motor Vehicles, make improvements, and to enhance it to the extent that we could in that process, while we had a parallel operation being put together.

The planning process, which is the extreme -- from my side -- the left side of that chart, is outlined exactly how we were going to go about that. We can't close down Motor Vehicles. We have to keep running on a daily basis, and while we're doing that, we're trying to improve it by the best of our ability within the existing structure of framework, how we are going to function.

There had been a couple of components of that reform system that had been put in place -- at least they were agreed to by the Legislature. The permanentization of the public/private inspection system was a major step that will allow us now to review the function of the inspection system to see what we are doing, what we should continue to do, how we deal with ongoing inspection problems in the State, and more specifically, our air quality requirements through our State SIP program. They are continuing to enhance and increase our responsibility to do more to improve the air quality of this State through that system.

But, it's so important to have the public/private system in place. We can now do the management planning that's necessary. For instance, we have stabilized the number of lanes in '86 that we need in the State right now to handle and balance against the 32,000 private inspection systems that are out there. We need to continue to put together those management components which will take a period of time to do. At the same time, we need to study the functions of inspection.

I have a belief that it's not necessary for us to be testing horns, for instance. And there are other modern motor vehicles that have different specific requirements that need to be inspected -- that are not necessarily historically part of our regulations that require those things to happen.

I don't think any changes in that will change the time in line that it takes a person to go through the line, but it may change the resources that are necessary to maintain that line

and make it more efficient and more effective if we are not doing things that are not really meaningful. We will be studying those functions over the next period of time.

The one issue that has been the most difficult for me to communicate and for the Division to communicate is the reform of Motor Vehicle will not happen overnight. It took 20 or 30 years for us to get to the level of performance or lack of performance that we're at. It was 20 to 30 years of regulatory governmental philosophy that dominated its operations that has to be reversed. That reversal is not only attitudinal, but is functional. And to do that in an agency that is a \$110 or \$120 million operation on an annual basis, that deals with 5.2 million people and 24 million transactions a year, is not something that one does in a month, two months, six months or a year. It takes a long time to reorient everyone's thinking to that process.

The one thing I've asked everyone to do, the Legislature particularly -- and I want to thank everyone on this Committee, you've been more than cooperative in that process -- is to be patient. Be patient with the process that we put together and it will deliver the best Motor Vehicle operation in the country when we finish.

The public: to be patient with the processes that we're going through. You have held back -- and I commend the members of this Committee and the members of the Assembly -- you have held back from burdening the agency with more duties and functions, other pieces of legislation, and jumping to decisions.

I know how difficult that is with your constituents still complaining and with your colleagues who don't have the familiarity that you do with the problem in the process. It is putting a lot of pressure on you, and I want to tell you that on behalf of all the employees of Motor Vehicle, who are working so hard to make this reform work and to make it long-term and comprehensive, that we appreciate that.

We would ask that you continue to have patience with us as we walk through this particular process. There are no quick fixes. There is no one thing that you can do that's really going to resolve this problem. In saying that, it does not mean we are not improving or attempting to improve the operation as we found it as a group when we took over the management scheme of that, nor as you found it when this Select Committee was, in fact, put together. We have problems in that process and I'll give you an example.

Microfilming has been a process that has been ongoing in the Division for some extended period of time. The courts require that we deliver certified copies of motor vehicle records in order to enforce the traffic laws of this State. It's one of our responsibilities. The volume of records was in the tens of millions and they were all in individual files set up in-- We had runners running back and pulling these files out trying to get certified copies of these particular documents.

It was decided a while ago -- not by us or the existing administration of Motor Vehicles -- to convert that to a microfilm system and a computerized retrieval of those microfilm records for efficiency, effectiveness and speed. Just native intelligence will tell you that under today's technology, we should be doing that.

Through a bidding process we bid a company a few years ago to do the microfilm. This summer, the microfilm company went bankrupt while they were trying to do a major backlog of that system. Well, everything came to a screaming halt. They were a joint venturing but for a month or so, we were running around like the proverbial Dutch boy putting his finger in a dike trying to deliver the microfilm records before the system was out -- dealing with the bankrupt joint venture that controlled all components of both the computer component, the delivery of the computer, the software, the actual microfilming, and the indexing system that is so vital to retrieve those documents.

Those kinds of things are ongoing. We were successful in renegotiating with the rest of the joint venture to continue that process. And the microfilming process is ongoing and we will improve that. But we have a backlog of documents that was a four year program that probably won't be completed until this coming July. We think we'll be on-line and functioning very well in the microfilming system by January of this year.

Now, what does that mean? That means we have a microfilming system and a method in place -- that was one, two, or three years ago -- that does not necessarily have the components or the consumer service and customer service that we are looking for. We will then be going about a process, as we have microfilm data available to us, to deliver it to the court system in a more efficient and effective way, and further enhance and improve it for better delivery.

Price Waterhouse, and the backlogs, suspension notices-- You've all noticed, and I sent you all letters about the two components of the computer system that were falling into place-- One: We had a major job to undertake which was a refund of surcharges that were mandated by the Legislature, changing the effective date of the surcharge law.

We had to effectively marshal a whole lot of people to do that in a very short period of time. I think we did that very, very successfully -- to allot a dedicated effort by the people of Motor Vehicle to deliver a courteous and efficient service.

Another thing happened: In July, as with the program, Price Waterhouse has redesigned a system allowing us to bring on-line what we call, "The Violations Component." We had not been issuing violations or suspensions of drivers' licensing for a year except in DWI and court mandated suspensions. All others were held in abeyance because the system wasn't functioning, nor did it have the capacity to do the violations part.

About 150,000 violation suspensions had not been issued by the Division over that previous year. We worked very hard to put together what we thought was a very comprehensive program to deal with issuing those suspensions. Now, they fall into a whole lot of categories -- some bad checks. Everyone remembers reading the Mr. Foster story in the paper about a \$10,000 bad check he sent. Well, it wasn't a \$10,000 check he sent, it was his son that sent one for his company for \$100. In translating that into a suspension, it was sent to his father, who is the Senior -- same name -- and a couple of zeros were added to the notice. I think Mr. Foster's son was just as embarrassed by having issued a bad check as the Division was for having done that.

That highlights, however, the fact that there are errors that will happen. In any complex system, the Mr. Foster problems will happen. They will continue to happen over the next decade. You can't do 24 million transactions without mistakes happening, either mistakes caused by the system, by human error within the system, or by human error from outside -- how the people deliver information to us. Whether that be the court, the individual registrant, or licensee, that process will give us bad information on the system. We will be making mistakes.

The important thing that I would like to have the Division judged by is how well we manage those particular mistakes. But what we did do by bringing that suspension up and by making the suspension that rightfully should have been made in that process, we got to a position where we could bring the whole violations component of the Price Waterhouse reform on-line. That system will be on-line in December. When that comes into place, we're in a position to test the entire Price Waterhouse computer system as to its function and its work.

We have teams that are still there from Price Waterhouse. We set up our own in-house operation in Motor Vehicle to

continue to improve, enhance, operate, and monitor that system so that it continues to function in an aggressive way.

We have the management tools in place, so that we can begin to deliver the kind of product that was originally anticipated as a result of that computer system. That is not, however, the product that we want to deliver to the public, ultimately. It will be better than what they have been getting over the last 18 months, but it will not, in fact, have resolved the directions that we want to take Motor Vehicles in.

We do have that OTIS/DMV team that's working to continue that stabilization, and this is what I'd like to refer to: What's happening in Motor Vehicles is an effort to stabilize the system so that we can improve it. If we don't have a stable operating system, we can't make modifications to that to enhance the capacity to deliver a better and more effective service.

Another example: We are putting in an enhanced computer system within each of the 55 Motor Vehicle agencies, and they are being put forth by Honeywell. We're closing down those agencies for a two-day period to install them. That will give us the capacity when we come up with an expanded level of service and types of services to various agencies. That system -- when we decide what to do -- will then be capable of, in fact, doing it.

We're not wasting the time, by the way, when we close the agencies down for two days. We're taking all the personnel and running them through a very comprehensive training course on customer service, attitudes, and how to deal better with the general public -- and in many instances, a very nasty general public. I know this Committee has been out visiting the agencies and inspection stations and the public isn't always as friendly as they should be, nor are they right in the complaints that they bring. But the people who work in the

agency and work with the public, have to know how deal with them in a courteous, efficient, and effective manner to get the services On the right track for them without reacting negatively.

We're using those two-day periods and we're closing those agencies down to enhance their abilities to deal with those very difficult problems that they face on a daily basis. So, with that enhancement in place, it doesn't mean that we're going to be delivering better services, but it gives us the foundation upon which we can, when we decide what we want to do in the agencies and what we want to do in the central office.

You've all heard about the error file -- this volume of errors that have accumulated over the period of the last 12 to 14 months. When the computer went down in July, it was not functioning, and the new system was not functioning, but a juryrigged system -- a bridge system with components of the old, and components of the new was put in place.

If you're in an agency, for instance, and you walk in and want to get your license because you didn't get one in the mail and you know it was going to be a registration renewal, you'd walk into the agency, and the agent would try to pull your drivers' record up on the screen so they could issue you a new registration. Your record would not come up on the drivers' screen because the system wasn't functioning right. In order to allow the agencies to continue to deliver plates, registrations, licenses, and titles, they were able to bridge back to the old system so that they could issue to you as a customer the actual document.

But the document was never getting reported properly in the data base. So that the person who got his registration, for instance at an agency-- They could not call up out of the central data base because the computer was down. They would call up a screen, issue the person a registration and license, but it would not be recorded in the data base. So that person

would not be receiving a mailed renewal of that document in subsequent years. It also kicked it into what we call a big error file. Now, that's only one example. A lot of other errors have wound up in that file.

We have come to the conclusion after a lot of studying that we weren't able to begin this really until July when the whole system was up and we started doing that suspension mode, that there were about one million errors in the file, involving about 400,000 people.

Now, to correct a million errors, it takes a lot of work. To deal with 400,000 people, requires a lot of problems. But it's not even as simple as that. There's a compounding to that. Every time that person's document comes back into the system in which it wasn't originally recorded in it, it creates another error. So, this compounding error is on errors and they're compounding at about 50,000 to 60,000 a month -- is what our numbers show. Our capacity to correct those errors was down around 5000 at the time we looked at this.

So, we were continuing to build this mountain of problems. We sat down and analyzed all of the different components of the errors that were there. We put a three-prong program together to correct those errors that involved 21 existing people within the agency and 63 different people -- that is in place -- that is now chewing away -- you've only got 21 of them on -- about 20,000 to 30,000 errors a month when we're creating 50,000 on an average. Some months are higher than others. By December, we will have all 84 people on board and for a 12 month period, on cycle, we will be going through every single transaction that's there, correcting all of the errors, and trying to do it in advance of the renewals coming up. So at the end of that 12 month period every error in the system-- We will never correct every error, but the errors in the system will not be in the million category, but in some normal range of predictable errors in any human system.

That stabilization is necessary in order to do any enhancements to the computer system. We believe merely by programming changes, we can correct about 250,000 of those errors. So, there's an ongoing error correction process. But, that still means that there are some 400,000 registrants and licensee out there that have a problem in that data base with reference to them getting their documents.

It also means, for whatever it's worth, it's about 4.8 to 5 million people out there whose general documents are right -- that we're able to better service. If the system comes up in December the way we anticipate, if our test periods within the next 30 to 90 days iron out the final bugs in that, we will have a stabilized computer system; we will have an error correction program in place so the data base will in fact be accurate, and we will be getting ahead of the number of errors that are being corrected.

And I've always said with reference to errors, and I can't emphasize this more, there are going to be tens of thousands, maybe hundreds of thousands of errors every year, no matter how good a system we design. We should not be judged on whether a Mr. Foster happens. That should not be the criteria upon which Motor Vehicles works -- if the errors are within the framework of reasonable anticipation and human ability to design a system.

We should be judged on how well we correct a Mr. Foster's error. How well we correct-- If it's one-half of one percent of our transactions a year error, that would be 120,000. Now everybody and every one of you may get 50 of those letters in the mail about some of those 120,000. You cannot react to the system and say it's not working; it is working. Judge how well we respond either to you as legislators, who get the complaint, or to the individual people.

In order to deal with that problem, we also put on a constituent complaint system, already in-house, to deal with the number of complaints, problems, and errors that are there

to be sure that people who have the problem are handled efficiently, effectively, and courteously.

If there's one feedback that I've been getting for the past three or four months, is that people are getting better service from an attitudinal standpoint -- faster service on their complaint. They're going into agencies, and the agencies -- whether they are private or the State ones that we run -- are doing a better job. They still, however-- None of them have the tools, the system, or the structure in place to do that.

We've been successful, I think, in a lot of things -- like the surcharge refund, that I think worked very well. The attitude among the employees at Motor Vehicles which when in December and January of this year, I think, was at an all time low, is very enthusiastic about solving the problems of Motor Vehicles. I found them to have a great deal of more pride. I went to a dinner the other night that was thrown by the telephone center people. We have 170 people, I guess, in the telephone center operation that answer 11,000 phone calls a day. That's a lot of phone call coming in. They raised their own money to throw their own dinner. They had a skit that they put on about DMV and service to people, that they wrote themselves. We had nothing. We were just invited guests to this whole process. And you can't believe what a level of enthusiasm that I saw among that particular group of individuals, their desire to meet their goals, to be respected in the communities that they live in. The level of performance that they deliver is something I'm finding throughout Motor Vehicle that I'm very impressed with.

A lot of them had bought into the system the concepts and are very anxious to see them work. That is probably more important than all the planning and the policy changes that we make. If they're there to make it a better system, it will be a better system in point in fact.

We've done some other things. Our communications -- we're trying to enhance our public information. If people don't understand how to deal with the agency, if they don't understand where to go and how to do it, the mistakes are only going to be compounded. We need to communicate to all those 7.5 million on how Motor Vehicle works during this mode and when it's reformed.

That will cut down on errors and cut down on the kinds of complaints that they get, and I think it would help to start communicating with the legislators as to how the system works so that they understand it. It will help them make policy judgments better. We're doing some small things like that and bigger ones are on the way.

I think it's important for you to know where we stand on the intergovernmental task force and the planning mode as to where it's going. And I'm going to flip this chart, if I can, for a minute and try to deal with the structure and where we are--

(Speaker walks away from the mike.)

These were the goals -- and I know you all have seen these a number of times -- that we're trying to do. This is the basic management structure. This is the continuing operation side where all of those things that I just talked about happen. And the people that are trying to make that happen with--

ASSEMBLYMAN SCHUBER: Cary, you're going to have carry the mike. I don't think it's being picked up on the recorder.

ATTORNEY GENERAL EDWARDS: Do you want me to turn around? I can always hold the microphone. Why did everybody giggle when I said that? This system over here is where the planning structure is taking place, and the reforms and the changes in the basic operations of Motor Vehicles are.

If you remember, the Governor put together and signed an executive order creating an intergovernmental task force. We

had two, three, or four meetings of that task force to set up the various planning components. We've designated staff to work with it. We've got commitments from various other departments and divisions of government in order to be able to have the resources to make the move.

We all know that no division or departments in the State operates alone, without the cooperate of the budget -- of Treasury, for facilities of the new Department of Personnel -- our old Civil Service Commission. You can't move anything in government. They've all bought into this program and a part of the solution to it, as opposed to being road blocks in it. And some very talented people have dedicated lot of time from other divisions to make this work.

The main reason most of them have bought into it is that of all the things that the State government does, they judge you as legislators and myself as an Attorney General, and all employees in State government -- it's the Motor Vehicle that's the one area that the people of this State really touch. If they perceive that the Motor Vehicle is working in a certain fashion, it will influence or perhaps be their opinion as to how all of the State government, in fact, works, including the legislative process.

So, all of the divisions that I've seen and the people have bought in very extensively as has this Committee to try to make this system work. And they were all a part of the decision-making process as is the Legislature as is this particular Committee. We've had a number of meetings to see that it works.

There's another group up here called the Private Sector Advisory Group. We know that we don't have the expertise to do the things in government that are required to handle a consumer oriented operation of this magnitude. We've got ten different individuals so far on board on a private sector group who committed resources, manpower time, and arising enthusiasm, I

might add, in dealing with this problem as are the governmental people or the people down in Motor Vehicle to really make it work. People in banking, utility companies, and retail operations who have the kind of expertise that is necessary to make that work. We've managed to go into an orientation program with them as to what the system of DMV really is.

We've been putting together a planning staff to do this function. Everyone in the group in planning operations needs a full-time person because the people of the various subgroups that will be there have other jobs and responsibilities to do. That planning staff is just about hired in place; so, we'll have them ready in a week or two.

We know that the planning of this operation is not something that can be done when you're dealing with the volumes and complexities of it by just the people that are there. We went out for a consultant. We hired a planning consultant to do that through public bid -- not to tell us what moves to make, but to be sure that we're planning it right, to be sure that we're going to implement it right, and that our system of review of this is being done in a professional and effective way. Communication is the width and lengths and the impact of this is very broad. You miss one step and you move something wrong in column A in Motor Vehicles then it's going to effect columns B through Z when you do it in a negative effect.

We want to be sure that the process that we're going through is the right process. They're process people, not function people.

We've set up a group of-- Let me flip this chart over for you. On the back of your charts there's a copy of this which I think really outlines what we're doing. You can see it on your little documents that you have before you. We set up ten different functioning, planning, and reform groups. Not people to study the system, but people to reform the system.

The Governor said, as I've said many times, "There's been enough studies of what Motor Vehicles does or doesn't do." We need a method of implementing a reform and changes in Motor Vehicle, which I've outlined numerous times to this Committee, that the philosophy and the foundation upon which that should be done.

And we've set up groups that will be working from and reporting back with actual implementation plans from December of this year through June. The first one is legal which is a relatively simplistic one. It's dealing with the legal requirements and are we meeting them, or whether the framework, upon which all functions of Motor Vehicle must happen--

The enforcement and regulatory group is a foundation upon which why we give licenses and titles. What is the regulatory goals that we're trying to achieve -- whether it be on auto body license, whether it be in titles and stolen vehicles? What are the regulatory goals we're attempting to achieve and what should they be, and what are achievable are not achievable in that system?

If they don't define those regulatory goals, and everyone agrees with them, we are not going to be able to deliver on them. What's the foundation behind the statutes that create it? What can we do better in that system as opposed to what we shouldn't be doing at all, which is something they should be doing?

The next in line, and the time lines here were all melted together, is mission evaluation. The Legislature over the years has given Motor Vehicles certain responsibilities. You've got your licenses, titles, registrations, boats, auto body and shop licensing-- All of those functions need to be looked at, evaluated, and determined how we are doing them, what we're suppose to do, and how we can deliver that mandate that we've already been getting better. And should we be doing it?

That group will come back with recommendations to say, "Look, motor fuel tax collection should not be part of Motor Vehicle's operation," for instance. I don't know if they are going to say that, but I think they probably will. I think it's that way. They may come back and say no, I'm wrong. But they're going to take each one of those missions and responsibilities, evaluate them, and make recommendations as to where they are and what we should be doing with them. They should be finishing that process in February.

Budget and financial control is already functioning. The budgeting financing system under the Department of Law and Public Safety needed work. It needed more than just work in the Division of Motor Vehicles. The Division had been so dependent over the years in drawing down revenues, that they never had an on-line budgeting system. Whenever they needed money, they pulled down off the revenue authorizations in the budget. We're doing away with those revenue authorizations.

I did a line item budget this year. I've made a pledge to the Legislature that I would do away with those revenue processes for the FY '88 budget. They are in the process of putting that together. There is a group from all over the State government in operations dealing with how best to do that to deliver the Motor Vehicle services and questions.

If there is flexibility needed, where is it needed, and how do you go about doing it? What system gives Motor Vehicle the resources to be able to deliver its functions? And we will be reporting back.

Facilities management: I know this is an issue that is important to the members of the Committee. Facilities management is the area that involves the hundred pieces of property that Motor Vehicle operates in. It's inspection stations. It's agency operations. It's leasing, maintenance, repair, and quality of those particular facilities. There is no one who has been really managing those over a period of time in an effective way.

Our fragmented system -- and you've all heard about the leasing process and how we go about it-- We have waited sometimes in Motor Vehicles for three years for a lease to be signed and effectuated. That's unacceptable. There must be a better way to manage those hundred different facilities so that we're able to have the flexibility and control to maintain the quality that's there in an honest efficient way.

We all know about the Taggart contract that was part of getting the facilities at Sears stores to be able to do it. There's been a number of instances in which there's been disputes in the process of when a lease gets signed. How does it get signed? The Speaker has to sign the lease. The President of the Senate does; half the world does. By the time you get through satisfying them that it's a fair and equitable lease, you've probably lost the lease or you're not able to move into it, or you're not delivering services the way you're suppose to with the agency. There's got to be a better way.

This group is there to design a better way to manage those hundred facilities and to be sure that the necessary resources and procedures are in place to be able to accomplish that, to meet the goals and missions of Motor Vehicles and to still protect the general public in the process.

They will come back with a plan. We have them scheduled to do that in March of this year -- be it February or March -- and we will be reporting back through this process as these different reports come back out, to this particular Committee to explain them. I know it's been important to all of you.

The consumer complaint in public information is-- The Governor wanted a motorists' guide distributed to the motorists of this State that explains how Motor Vehicle works. That's one of the goals that was on our list here in a more specific way as a result of our citizen complaints public information process.

This group of people will be designing a citizens' complaint in public information process that will permeate Motor Vehicle, so that we can communicate with the 5.2 million people out there on a regular basis as to what we're doing and what changes are being made in a pro-active way.

One of Motor Vehicle's problems, in my opinion, has been that it's been reacting to complaints of the public from an informational standpoint rather than pro-actively to prevent the complaints from happening in the first place by having a better informed consumer that deals with the agency. The second part of that is the other one that we talked about earlier, which is consumer complaints. Don't judge Motor Vehicle if they're within a certain error range of mistakes to be made on the errors, but judge them on how well they correct those errors. A meaningful consumer complaint in error correction process is what the other part of that is all about. That process will be finished sometime in April.

Agency reform is the most difficult. There are three distinct subdivisions or subgroups within that agency operation to do and to deliver back to the Legislature and the Governor and everyone else, a recommended agency structure for the State. Public or private State takeover, how the internal operations should be, what functions should the agency, in fact, be doing, what the personnel system should be -- the training, the classification of people, and what the ambiance in the internal structure of an agency should look like. All of those things will be worked out through this agency reform group and through three different groups under it: One that deals with facilities themselves. One that deals with the agency structure and responsibilities. The other deals with the personnel training and their personnel system within that operation. That is designed to be back to us in April and back to the Legislature.





The next three information systems in management -- that's the computer system in the State. Once we stabilize the computer operations-- The Price Waterhouse master plan amendments that we put in place -- that is not a consumer friendly system. That is a DMV friendly system. That system was designed to make it easier for us to do our job, not designed to make it easier to deliver products that we have to deliver to the public.

OTIS and various other experts in the field will be meeting and reporting back in May with the recommendation as to a program as to how Motor Vehicle data collection information for distribution system should be structured and modified in order to make it a consumer oriented operation -- to make it easier for the consumer to get what they need out of that system without destroying our regulatory environment.

We believe that could be done much better than it's being done now -- particularly much better than the Price Waterhouse system was done. All personnel in the Division of Motor Vehicles need to have a series of training and various processes that will have them understand what their job function in the overall philosophy of the Division are, and their goals in it. It needs to be an ongoing personnel training process as they deal with their responsibility in meeting the public needs in Motor Vehicles.

We need a system designed for personnel training, classifications, work load, and levels of employment that are necessary to deliver the various services and functions that have already been determined before that.

The last of the two functions to be put together in that chart through the two strategic target groups, will be personnel and training systems in the central office facility final configuration. We believe that this system as it reports back in those different groups-- I'll go sit down now.

When they report back in that process, we'll report back up to the task force and the private sector advisory group for final review screening and analysis and final recommendation for implementation. You see on that chart three different titles. One says, "Ongoing Decision Making and Approval Process," Detailed Implementation Planning," and "Implementation to Take Place During FY '88 and FY '89."

That's the process after judgments have been made that each of those groups will be undertaking to implement that and blend that into the existing operations of DMV without missing a beat. Now, that's going to require reaction time by various outside groups outside of the planning group -- both within the agency, within the rest of the State government -- other divisions and departments of those that we can do administratively -- and by the Legislature with reference to the approvals of the various systems that require legislative modification. Rather than be in functional changes-- We want to move motor field carrier taxation. You're going to have to do that and you're going to have to react to that.

If we're going to change the budgetary system in the budget process, the appropriation committees in those are going to have to deal with that. We've come back with the recommendation on an agency structure. If it's a State takeover which was the one recommended by the Governor as a final configuration, you're going to have to react to that and give us back a system that allows that reform process to move forward as will the other agencies.

As I've stated before, many, many times, you will be as much a part of that process in the Legislature as will be the Executive Branch and the other departments of government in implementing it, and should be as much a part of the decision making and input system to make it better. We will then, once those judgments are made by whoever has to make them or whatever level has to make them -- this same group will continue to implement and blend those into the system.

So, we're not talking about massive reports and a study that comes out that everyone's going to be able to say, "Oh, this is the answer." We're going to be talking about an ongoing process that will take the next two to three years before each of the components have finished. I would assume the last thing to be done would be the actual moving into a new central official facility. All the other things should be in place, functionally, by the time that particular move takes place. And we should have a better operation. That does require a lot of cooperation of a lot of people.

One of the concepts behind the intergovernmental task force was to have the individuals -- who were going to have to implement -- be part of the planning process. And the various agencies are going to have to see that it happens, so that in fact, it does get implemented. They buy into their own plans because they're part of designing them.

And it's the same with the Legislature from a policy standpoint. It's important that these groups, as changes or modifications are made, report back to the legislative process to see that happens.

We think we've put together and are in the process and have been in the process of implementing each of those components in the foundations necessary to do what we have talked about on the modifications of the Motor Vehicle system, in a very aggressive, effective and a timely way. We will not be rushed to judgment. We will not try to do quick fixes to meet the demands of people who don't necessarily understand that process. We're going to do it right. It did take 20 to 30 years to get Motor Vehicle where it is today. It can take two to three years at a minimum -- we'll take that -- to get where we all believe it should be. We're not going to be rushed to judgment on it but we're also not going to dawdle on that process in doing it.

I thank you for your indulgence in hearing me out as I explained that -- not, maybe in a result in terms of how my staff did when preparing this statement for you -- but in as concise a way that I could do it, to do justice to the whole reform process so that you do understand. You are the individuals who will ultimately -- who are most knowledgeable now -- will making that process work. We will continue to give you, and the staff will be continuing to give you, updates as to how we proceed with that in the process. Thank you, Mr. Chairman.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Attorney General. Does the Director have anything that he would like to add to the--?

G L E N N R. P A U L S E N: How could I? No, I would just like to echo the comments made by the Attorney General in respect to the cooperation that we've had with this Committee and other members of the Legislature.

I would also like to emphasize that there are so many people through the State government and private sector people who we're dealing with, who are so enthusiastic and so wanting to help us in an constructive way. That's the type of attitude that sustains those of us who are in the trenches on a day-in/day-out basis. So, we're encouraged and we're going to keep plugging at it.

ASSEMBLYMAN SCHUBER: I appreciate you coming down. Chris Cox, do you have anything you'd like to add?

ATTORNEY GENERAL EDWARDS: Chris' responsibility, by the way, Mr. Chairman, for those who don't know, is to do all of that reform work. She is the Deputy Director in charge of the whole planning reform process, and that system that has been put together is the one that Chris has labored on for at least eight or ten months, and seeing to it that it works and it will work. She has put in an incredible amount of work in it.

ASSEMBLYMAN SCHUBER: We appreciate that. I think she should get the courage award.

ATTORNEY GENERAL EDWARDS: Definitely the courage award.

CHRISTINE COX: Now, you know why I'm speechless.

ASSEMBLYMAN SCHUBER: I think, basically, one of the key components of this whole proposed change of the system is probably the agency concept of what we do with the agencies in the field. We just got off a trip where we went through a few of them in the northeastern part of the State where it's populous, in particular Bergenfield, Lodi, and Wayne. And let me first preface my remarks by asking how many of our agencies out in the field now are public and how many are private?

ATTORNEY GENERAL EDWARDS: Thirty are private and 24 to 25 are public. We have one in flux right now.

ASSEMBLYMAN SCHUBER: Thirty are private?

ATTORNEY GENERAL EDWARDS: Thirty are private and 24 or 25 are public.

ASSEMBLYMAN SCHUBER: I think the ones we saw in Bergenfield are private agencies, Lodi is a private agency, and Wayne is a public agency now.

ATTORNEY GENERAL EDWARDS: Recently converted.

ASSEMBLYMAN SCHUBER: Recently changed over. I think, and Mr. Martin can correct me if I'm wrong, we found the degree of, shall we say, the elan of the workers in the different agencies is very good.

Regardless of whether it was private or public, we found the dedication of the individuals and two of those agencies, I think, we came in unannounced on. I think Wayne knew that we were going to be there, but I don't think Bergenfield and Lodi knew. I found the morale to be very good on all workers including the-- We also visited the workers at the inspection sites, even though we passed that legislation already. It was very -- I have to admit -- good. They were all working hard.

Bergenfield must of had an easy day that day. They did not have a big crowd which I've seen before. Lodi-- I took my driver's test there 20 years ago, and I think some of the same people that were in the line there on that day were-- I mean, I'm just joking.

ATTORNEY GENERAL EDWARDS: Me too, Mr. Chairman.

ASSEMBLYMAN SCHUBER: But, there were a lot of people out there. There were a lot of people in Lodi, but the workers were handling it very, very well. We went through the driver's test and talked to some of the people who were administering that. We looked into the inspection site and the lines on that were not bad either.

The Wayne system, which appears to be becoming a regionalized office for the area and is now being operated, I think, by somebody who once had been in the private sector, at that point, was operating quite well. I think what I'm wrestling with, quite frankly, is the following in that particular case.

We find that one of the key components of what we will probably come out with in the end of this is to depoliticize this particular system from top to bottom as best that you can do in a State political setup that we have here in New Jersey. I mean, that's one of our--

ATTORNEY GENERAL EDWARDS: But you can depoliticize the political environment.

ASSEMBLYMAN SCHUBER: Right. And my concern about the whole thing-- My feeling is that the only way that you can really depoliticize the thing in the end, probably is to endorse the State takeover because that would be done through a -- kind of like -- civil service system.

My concern is philosophically I find that the privatization is something that we shouldn't really throw by the wayside either, and I wonder, you know, just for hypothetically thinking out loud-- The Virginia people who

were up several months ago, had a system whereby, I think they were experimenting with regional retail outlets for just, I think, license renewals and registrations. You know, candy at malls and things like that, as an adjunct to the State's system.

I was wondering if you would consider that as part of your recommendation, or consider part of that? My concern about offering it out any other way other than to retail outlets, is that once you allow it into the private sector, I'm afraid that you get back into the political-- The people have to be chosen somehow. And given the nature of our system in the private sector, they're going to be chosen probably politically -- and we want to avoid that completely. That's not where we're going on this at all.

ATTORNEY GENERAL EDWARDS: Maybe I can help a little on this, Mr. Chairman. We recognized that in order to stabilize the operation, there is no industry out there who can take over -- who are a political industry out there -- who can take over 55 agencies.

We're also don't know what we want to take over. We don't know what we want the configuration of those agencies to be. That part of that agency reform strategic target group will be studying each of those particular issues. I personally have said that before at a number of committees and at my meetings with the overall strategic target groups and we've had-- I've met with all of the staff people and the other government people.

We need to look and be inventive in our review of that process. I would like to see them, and I will be sure that they clearly review a parallel system. Successfully, we ran, with the help of the Legislature, a public/private inspection experiment. Now, this is a little bit different function, but I don't see anything wrong with us simultaneously stabilizing and putting together the configuration, running a State system that we don't run parallel with that -- a private operation --

for two reasons: One. To ascertain and to judge as to who can do it better, more efficiently, and effectively. And also, whether or not it's a good system that would be superior to that of a State system. Or whether there is some combination of functions where the State could do some and the private sector could others -- maybe the higher volumes as you suggested from Virginia.

We will be looking at that and coming back to this Legislature after having evaluated those to the best of our ability using private sector people as part of the planning process to make that review. And let the retailers, the banking people, and the utility people who are involved give us their advice as to whether they think the private sector can do it. They are the ones in the private sector delivering those kinds of services now.

ASSEMBLYMAN SCHUBER: We had found, I think-- My analysis of it is that the State offices we went to are running very, very well. And one of the reasons was: Number one, there were more personnel there. They're better paid and they have benefits. So, there's certainly an incentive for those individuals to want to work there.

On the other hand, the one private firm, and the others that we looked at -- and some of the people have been here before -- obviously their setup of how they can derive their profit is such that it's self-defeating for them to put on a lot of workers. And they can't afford to give benefits. So as a result of that, we find that the private workers are going from the private into the public sector because the pay and the benefits are better.

As a result of that, it would appear that, you know, you're going to get a better shot out of a public agency on any experiment that you're going to do right now than you're going to get on a private because of the nature of that being the case. My concern beyond that is simply this: the ultimate

goal of this, other than the fact to provide efficiency and courtesy for the public, is to cleanse the system of politics. I can't see any other way that you're going to be able to do that other than a public takeover of that because, in the end, private operations are going to have to be chosen somehow.

Private people are going to have to be selective. And that selection process, regardless of how we like to talk about it, in the end it's got to be political -- unfortunately, but it's the nature of the game. That's the problem that we have with that. When you're talking about the economy of both, sure, if you want to put the same amount of money into the private operations, they're probably going to operate it just as well as the State does -- probably. But in the end, can you drive politics out of those? I'm not sure you can and I guess that's one of the things that you're going to have to be looking at.

The only thing that I can concede to you -- the possibility that you might want to look at in the private sector -- is to experiment with some type of mass retail outlets across the State, which is probably the tragedy as I've said before publicly here of the Taggart incident. That is, you know, where they are readily accessible to the public, and the public can come in and add like that, for those types of matters that they normally would do at an agency.

One of the things that we looked at -- maybe Bob will talk about -- is that one of the private agents had a merit system. He gave increased pay to certain workers based on productivity. And if I'm going to endorse, or this Committee is going to endorse, a public takeover, then we think, if it's possible to graph on there some type of merit system that we've seen-- We've seen it and it seemed to work in the one office that we looked at.

ATTORNEY GENERAL EDWARDS: We're looking, Mr Chairman. I told you that with three subcommittees to the agency group, one

was the personnel: to design a personnel system that does have those kinds of incentives that are designed to do a retailing operation, that there are incentives for people to give better service and to give more efficient and effective services.

I might mention that we are undergoing a kind of quasi experiment right now, with 24 or 25 agencies of State owned and 30 privately owned. If we could get them on an equal footing to compete, we might be able to see how effectively both do it. Or at least it would help the review process. And we're trying to come up with a system to accomplish that and we will be reporting back to you.

It is a tragedy that the Sears operation never worked for the absence of a name from a press release -- that Sears never got a chance to get in on a photo drivers' licenses, which would have been a good experiment to see how well that retail operation might have expanded into more Motor Vehicle services. But the Governor did give one absolute mandate with reference to the agency system -- that it be an apolitical system. There will be nothing, I think, that this Governor and his administration will accept, but an apolitical agency system. Anybody who wants to maintain the continuation of the existing agency patronage system, is not going to be successful.

ASSEMBLYMAN SCHUBER: Well, that's the view -- I think I can speak for this Committee-- That's the view of this Committee. We're not going to accept anything different, either.

ATTORNEY GENERAL EDWARDS: That's right.

ASSEMBLYMAN SCHUBER: That's going to have to be the bottom line of anything that we decide is going to be at the end. I just want to share my thoughts with you on the public/private takeover, which I have not mentioned publicly before. But in my mind it's coming down to the point that I am going to have to endorse the public takeover, because I can't see any other alternative that seems to be working here that

would accomplish everything I'd like to see done, and at the same time make it apolitical.

But, again, you're going to be providing us with more information which will help us in our deliberations as we go along with regard to that.

Let me ask you another thing when we go along this line, and that is the issue of the courtesy and efficiency to the public, which is another concern that we have. That's the issue that has been here before and it's legislation that's pending now. And that's the issue of setting up an ombudsman as we have in some other areas of State government to, you know-- As an ongoing complaint agency, let's say, for the Department of Motor Vehicles.

ATTORNEY GENERAL EDWARDS: Well, we have the strategic group. The strategic group is going to be reviewing the consumer complaint public information. They may come back and say an ombudsman is what they want and that there is a way to do it. But notwithstanding that, they will design a consumer complaint operation that will have as a responsibility to make sure, again, that those mistakes, errors, and problems are, in fact, corrected if we are going to be judged, and if we're asking to be judged by that vehicle.

Whether it's an ombudsman or what vehicle is best to achieve that, that group will be analyzing. An ombudsman is one of the things-- They have copies of all the legislation -- all the recommendations that they'll be able to review of options being presented from all sectors, including the ombudsman one. But the consumer complaint operation and how well that is handled-- They will be making recommendations back. I've never been a terribly big fan of ombudsmen. It sounds like a good idea, but I don't know if it does work or if it's produced any better results in areas of normal function.

It works very well when there's a cross agency responsibility. Ombudsman for the elderly, particularly. When

you have numbers of different agencies interacting, one of the problems is getting them all to act in the same direction. I have found ombudsmen very, very valuable people to help deal with governments on delivery of services that it's mandated to do. And their usefulness really is when you've got the bided responsibilities as opposed to, you know, a monolithic uniform one. Then it's really nothing more than a complaint system with a fancy name on it.

ASSEMBLYMAN SCHUBER: That may be true and you're right about the analysis and maybe this type of a division requires that to be the case.

ATTORNEY GENERAL EDWARDS: And we will look at it.

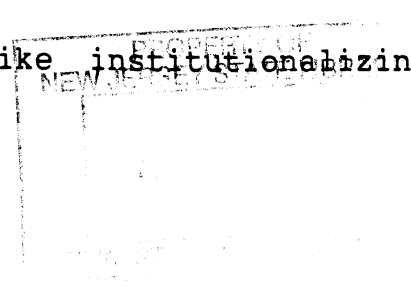
ASSEMBLYMAN SCHUBER: Given the nature of its contacts with the public, which is more than any other State department, I would think.

ATTORNEY GENERAL EDWARDS: Right.

ASSEMBLYMAN SCHUBER: And given the nature, that probably is an ongoing basis and there is always going to be some type of complaint with regard to it, regardless of what you may do. But it may be just the type. Right now we're blessed with the fact that we have a Director and an Attorney General who are very much interested in this and are dedicated to reform.

But, maybe in the future that's not going to be the case. Maybe after this is fixed and then maybe the interest is going to wane in the public's eye and we shouldn't allow that to happen. Maybe there's a need for that type of thing just on an ongoing basis to act as a watchdog. I hate to set up another layer of government, believe me. I'm really not a big fan of these types of things, but maybe this is one department or one division, or one aspect of the State government that requires that, just from the point of view of the public's access to the system.

ATTORNEY GENERAL EDWARDS: It's like institutionalizing the consumer service complaint process.



ASSEMBLYMAN SCHUBER: Correct.

ATTORNEY GENERAL EDWARDS: And I would have no objection to a process that did institutionalize that that consumer complaint process is continued -- ombudsman or whatever structure is best.

The strategic target group will be studying that issue and reporting back all options and there may be some that none of us have even thought of yet.

ASSEMBLYMAN SCHUBER: Because, I think in the end -- there's no question in my mind -- I find, you know, this has been something we've wrestled with during the course of this year because of the problems that we've had. And I really compliment you for the open cooperation that we've had from Mr. Paulsen and from yourself on this in helping us wade through this thing. But, I find coming down on this that possibly the State takeover is one area we're going to have to go into, that's the system of the ombudsman to act between the consumer the agency. It's something that we're going to have to consider actively. And the fact it that this Legislature can't allow its interest to wane after this Select Committee goes out of existence, either.

Because, I think that we have -- as a Legislature -- have an ongoing responsibility. Again, it's not a matter of making another committee. But again, given the nature of what we have had going on within the last couple of years here. You know, there's almost going to have to be a permanent legislative watchdog too, on this whole system.

We're only dealing with one aspect of it, and I'm sure Mr. Bocchini knows from Law and Public Safety that there's a pile of bills in there now that deal with law and public safety that we're not going to even touch if they're not part of this Committee. But that's another thing that we're going to have to look at for recommendation as the permanent legislative watchdog committee. Not this one, necessarily.

ATTORNEY GENERAL EDWARDS: Mr. Chairman, I would applaud the Legislature getting involved and one of the biggest problems Motor Vehicle has had, I think, over the last 20 years is the Legislature and its actions and activities not being informed of the consequences of the actions that it takes. And the impact is so profound, that I've given some dramatic examples of kinds of bills that have passed because they don't understand the complexities of this agency.

It does deal with the public more profoundly. So, I would applaud, you know, some permanentization of how the Legislature deals with Motor Vehicle issues, legislation, policies, and follow-ups. I think that would only benefit the system over the long haul.

ASSEMBLYMAN SCHUBER: As a follow-up to that, I know I've sat on Judiciary also, and Joe, I know, sits on Law and Public Safety, and I know they have a lot of bills on this. Judiciary had a couple of bills on the Division too. They were coming down and I know that the liaisons know that and whether they were going to impose new duties on the Department of Motor Vehicles-- If there's anything, we've found out from all of these hearings, it's that we can't -- carte blanche -- put more duties on you until we're finished here with this particular system. But yet, in trying to tell the other Committee members that, you know, it's not the same. So that in the end, you end up having to provide the expertise as one legislative Committee who just focused on that particular issue, given the nature of its exposure to the public, and the fact that there had been problems in the past. I think that the public's credibility of the whole agency system and how we operate Motor Vehicles has to be bolstered by that expertise of the Legislature in our responsibility to the Department.

But, in any event, I'd let Mr. Martin share his thoughts with regard to the inspections in what he saw in that and some of the questions that he derived from it.

ASSEMBLYMAN MARTIN: Thank you. Mr. Chairman, I have a couple of questions about this procedure that you outlined here.

ATTORNEY GENERAL EDWARDS: Sure.

ASSEMBLYMAN MARTIN: What we're talking about with the strategic target groups-- The groups that we're referring to are now in place as part of the planning component of the Division of Motor Vehicles? Is that true?

ATTORNEY GENERAL EDWARDS: Yes. The strategic target group is, I guess you can call it a subgroup of the intergovernmental task force. But they are employees of other State government agencies and departments -- DMV employees and private sector people who have been lent to us by the various private sector companies.

The strategic target groups are made up of anywhere from six to about 16 or 18 people and with that combination they have a chairman, a professional staff that's been hired to do the planning and follow up for them for each one of those. If you look at the back of your second to the last chart, you'll see what is our attempt to graph the planning process. You see each one of the groups, how they interact, and how they all function and come back up to a decision making process. They are all fully staffed now and they're all beginning their meetings in the last couple of weeks in the month of December, which is all their base line data collection of what they need to do to start doing their incremental judgments. The time lines that I described up there are when they're delivered.

ASSEMBLYMAN MARTIN: I guess that's what-- I mean, looking at this target approach of the deadlines -- your talking about a very awesome amount of work that has to be done over the next year. But you're telling us at this point in time, these groups are already in place and beginning, so that you feel fairly optimistic as they're going to be able to reach recommendations presuming to the deadlines.

ATTORNEY GENERAL EDWARDS: At least preliminary recommendations. We've also tried to design their time line deadline so that they interrelate, obviously. This is an effort to make-- We've about 120 people involved in this right now. I had a meeting and did a briefing two or three weeks ago of 85 of those in which we spent two or three hours going through the whole concept of where we wanted them to go as a group and of how they interrelated. The professional planning consultant is here to make sure that they do, and they do interrelate.

These dates are ambitious, Assemblyman, and these are dates that we've established for them to meet. If you don't give somebody a deadline, we'll be here two years from now while they're still looking at it. Those are deadlines. Whether they meet them or not, we have--

ASSEMBLYMAN MARTIN: That's why I'm trying to follow this thing out, because we've also talked about a two to three year period in which the ultimate process is going to continue. Once those preliminary recommendations are made by any one group, then I assume that there is an implementation period in which you made reference to -- part of which is going to involve this Legislature as well as the Department and perhaps the Governor's office and so forth of the whole component of what would be government.

At some point in time, are you going to have a continuing system of deadlines for the ultimate process?

ATTORNEY GENERAL EDWARDS: Yes. The process -- these are deadlines for their first recommendations as to what to do, for instance, on agency State takeover or no takeover. They then have to go through an ongoing decision making process and through the approval process and they continue in existence. They don't leave; they don't end when they give their report or say they're going to move. They then go through the detail. They've got to plan how to implement once those decisions are made.

Whether it's a decision that I can make as the Attorney General or you have to make as the Legislature, once it's made, they will go through a detailed planning mode as to how they intergrate it into the existing operations. And then they will begin to implement that integration into the operation. So they'll be with it from the beginning to the end.

ASSEMBLYMAN MARTIN: Well, since clearly, the Legislature is going to have to be involved with many of these, if not all of them, are these groups going to be in position within 60 or 90 days after their preliminary recommendations have come before some, you know, representation of the Legislature to ask for the Legislature to attack?

ATTORNEY GENERAL EDWARDS: Absolutely. Well, what you would get I think on each individual areas in recommendations is a report back from the intergovernmental task force at the top of that list. Let me see if I can show it to you this way. (Walks away from the mike.) The groups are going to have to report back up through Chris Cox, back up through--

ASSEMBLYMAN SCHUBER: You need a microphone, Cary.

ATTORNEY GENERAL EDWARDS: --back up through Chris as the Deputy Director, back up to the intergovernmental task force in the private sector advisor is what they want to do -- so that each one of these groups, and I sit on these groups, will get a last cut at what their recommendations are, bringing more talent and more, at least, viewpoints to bear as to what their recommendations and reasons for it are.

At that point, it gets to a decision making time. We will then be -- this group -- will then be recommending back to the Legislature, the Governor, or whoever has to act; what action should be taken. We will then -- on an individual issue-by-issue, problem-by-problem basis -- be reporting back to the committees of the Legislature as to where we are. We're perfectly prepared to come back with the individuals who worked in the groups to formulate those plans -- or without them if

they're not necessary -- to give you, in the Legislature, what you need both -- that you are going to sign it or not. It's important to get both components of that.

ASSEMBLYMAN MARTIN: Well, it's fair to say then that there's not going to be one huge package of recommendations that would be nicely packaged for the Legislature to act on. There may be some series of bills that deal with one of these specific areas at a point in time.

ATTORNEY GENERAL EDWARDS: Yes. That's right.

ASSEMBLYMAN MARTIN: Okay, thank you. The only other comments-- I did go with Pat, and basically I agree almost entirely with his observations of the Motor Vehicle agencies. I was particularly impressed with the operation in which we saw a private merit system. We talked about it and I thought that it seems to me, if we do go toward the direction of a State takeover, I think we should attempt in every way possible to embody some of the aspects of a merit system. I think that's particularly important in an agency which has been fairly criticized for the level of service. So, we do have that incentive of the employees.

The other aspect, certainly the apolitical feature -- I'm not ready to say that we can't have some form of privatization which could be apolitical and could exist side by side with a State agency. And with respect to the ombudsman, I don't think we need -- and I wouldn't want to see necessarily -- some outside ombudsman. I think what we really need to see is a complaint area within the Division which is going to be able to answer complaints without burying people, or amounts of red tape, which has usually been the problem. And I think a lot of that-- And what I would like to see is at least an emphasis on the concept of decentralization, so, if not at the agency, at least perhaps within a region of the State of New Jersey, somebody may be able to go without having to go to Trenton.

I think with our technology which is available today, I don't think that people need to be told-- And I've seen it as a municipal prosecutor as well as a legislator listening to complaints; people don't want to have to go down to Trenton for what they perceive to be as essentially a problem that should be able to be handled at some regional office. Thank you.

ATTORNEY GENERAL EDWARDS: If I might-- Two comments, Assemblyman. First of all, the "go to Trenton" issue is one of the most perplexing to me. It is inconceivable to me to have to bring all of these people to Trenton to handle-- The agency is only handling three different things. They give a title transfer, they do a registration, and they do a license. Nothing else. They should be able to do them a lot more independently.

We've also proposed a north/south regional central operation, even to just do hearings -- to do the full blown thing. The groups will be looking at that. It's very important that we decentralize that operation so people don't have to come to Trenton. The whole computer system is not designed. It's got all types of security things that you can't do things at agencies. That's what I was talking about, about a more consumer oriented or enhanced system that needs to be designed because the system was written for the comfort of the government not for the comfort of the public. It has to be re-enhanced to do that. That will also be done in that process.

The other issue-- And these groups will be coming back recommending how to accomplish exactly what you're talking about. The merit system-- I asked, when I first made the presentation to the Legislature with reference to the goals and objectives that are there, that I wanted a separate agency personnel system merit oriented. I sincerely hope when they -- the agency system -- comes back with the personnel program, that we will all remember how important that merit system seems to work in the field. I've been convinced of it for a long

time and I was very happy that you were able to observe it in function.

ASSEMBLYMAN MARTIN: We saw it in Lodi and basically the process was very simple, I thought. There was a certain level of expectations which the State had had and when that product-- Of course, it was a private agency, so they would make more money, at least in theory. But once that level was achieved, if it was achieved, then there was a sharing of all the employees of the additional revenues that was brought into that agency. It seemed like it, at least conceptually, it could work.

ATTORNEY GENERAL EDWARDS: The traditional Civil Service system doesn't lend itself to that. There needs to be some modification to that system if it's going to be a State operation to deal with the uniqueness of the agency retail environment, I think. We hope to be able to give you something that's profound in that, that'll meet those goals that you've seen seem to work.

ASSEMBLYMAN SCHUBER: I guess in the end, what we're saying is that we're moving towards the endorsement of a public takeover, but we're looking for that agency -- that mythical agency -- under that system to be a kind of a hybrid above a public and a private enterprise. That is, it provides the benefits and security that goes with Civil Service for the employees to make sure that they are properly paid for the job and at the same time, provides merit so that there's a constant encouragement on their part to show their best face to the public which combines both the public system and a retail outlet in one agency. I guess this is what we're looking for here. It'll be the first time, I think, we've ever tried that in State government, anyway, if we can get that to go and at the same time would probably remove it from the realm of politics which again is one of the goals of the Committee.

Let me ask you, finally, a couple of things that we are looking at also that I think have to be done also. You've touched on one of them today. We're going to be looking for, you know-- We're looking at now, and we're certainly looking for your recommendations on the method of the leasing of properties. Also, we want to make sure, you know, to talk about the depolarization of the agency system, is not enough. We got to go all through the whole system where there is ever an outlet that possibly politics can rear itself.

You know, your concerns about the leasing system are very accurate. It takes a considerable amount of time to get through that whole thing and we're certainly going to be looking to hear what you have to say as to what your recommendations are to streamline that a bit. At the same time, we want to make sure that there are no untoured incidents with regard to that -- to the allowing of the leasing to, you know -- on a political basis. That shouldn't be part of this either and we're going to be looking for a recommendation. We're going to be making a recommendation probably along those lines too, to prevent that from being the case, as you have to lease facilities.

ATTORNEY GENERAL EDWARDS: Let me point out, Mr. Chairman, that the leasing process for Motor Vehicles is the same as it is for all the other agencies. It's handled through Treasury. There is nothing unique. Any problem that develops as a result of a political problem or an influence problem or any of the potentials that are there, it will happen anywhere through the State government.

What I'm proposing is a separate kind of system for Motor Vehicles. It's different than that system. While I'm doing that, you can rest assured that we will be trying to design one that is as free of undo influence in the process as is humanly possible to do, but is more efficient and effective. Maybe we can be a good experimental place for the rest of the State in its management problems.

ASSEMBLYMAN SCHUBER: Correct. I think it certainly could be as a basis of that. Again, I just want to key you in that it's something we're looking at and that we're going to make a recommendation on, as well as the area of something Joe and I have been doing here, which is the issue of the contract too, and the SCI's report on that. This is an integral part of this whole system too, and we're going to make a recommendation on that also to prevent that kind of embarrassment from taking place again and to strengthen our requirements on those types of contracts and on what goes along with that.

ATTORNEY GENERAL EDWARDS: We have to do that and I have to deal with that as the Attorney General which is another hat that I have to wear. One thing that is very perplexing with another hat that I wear which is as an administrator of a large department, is that we create so many safeguards in our system. Or we create them in a very myopic way in a vacuume without looking at their impact in the rest of the system in trying to find a better way that we can paralyze the system's ability to function to get the best product, and to get the best services, to deliver its goals and objectives. To move in government is a very difficult thing and sometimes they don't think when we look at dealing with the small problem, such as a conflict of interest problem. In one small way, we forget the ripple effect it has on the whole system forever, and if we look at the whole ripple effect, we could accomplish both of those goals. While you are doing that I hope you will look at that.

Our ability to move in government is so cumbersome; so difficult, because of the kinds of safeguards that have already been put in place without regard to their impact on the total-- And I'm not saying do away with the safeguards. I don't want to be misunderstood with that. But I think when we do, we have to look at more than just the incident that's happening, whether it's a Taggart or a lease arrangement or

something, and look at what the impact across-the-board is and see if we can do it better.

That's what I'm trying to do in the facility area. I'm trying to get the best minds that we have around to look at that facility's management and leasing process and see if we can do it more efficiently and effectively -- so, we don't wait three or four years for a lease. You can't deliver this service if you don't have the building and you can't let that happen. A lot of the reasons it's out there is there are all kinds of safeguards along the way but nobody does anything untoward. We've got to be able to do both of those and I think we should have as our goal to achieve that. Obviously the protection of the integrity of the system would probably weigh out in that process, but I think we can do it better.

ASSEMBLYMAN SCHUBER: I think, obviously, from what I'm saying and from what the members of the Committee are saying, is kind of where this Committee is kind of moving towards now. I'm sure you will be taking that back to the intergovernmental group.

The purpose of this Committee, in my opinion is -- I mean -- it's very easy for us to bash the agency and it's certainly popular on the home front. But the fact of the matter is that this is not where I see us going. Obviously, we are here to cooperate and work together with your expertise and our expertise to try to make the system better. That's where I'm trying to bring this thing in the end. Not to work at cross purposes, not to confront one another with alternative solutions, but from our vantage point of what we've seen looking in on the agency as opposed to looking out. This is where, I think, we're going to have to be going.

We're looking forward, basically, to the cooperation with you and your intergovernmental task force and its report so that we can both move in the same direction to better the

system as a whole. So that's where I'm coming from -- So that you know that.

ATTORNEY GENERAL EDWARDS: I think the Committee has been excellent, Mr. Chairman, in that regard. To date, I don't see any changes.

ASSEMBLYMAN SCHUBER: Any other questions? Joe?

ASSEMBLYMAN BOCCHINI: Your presentation, Mr. Attorney General, quite candidly, I think it was impressive. If it works, it's great. And I think there's a possibility of a lot of it being very workable and doable. The time frame, while ambitious I think, is in fact doable and I certainly, for one, be willing to work with you, Glenn, and Chris in any way that I can from the minority side of the Assembly to see what can be done.

Mr. Paulsen, I really haven't met you until today and I certainly wish you well. Your two predecessors -- one of them is a good friend of mine, Mr. Snedeker, and I know Mr. Kline quite well. I certainly hope that your difficulties won't become as traumatic as theirs. But I will be honest with you, I was tough on them and I'll be just as tough on you and maybe even tougher because I don't know you quite as well as I knew the both of them. So, you know where I'm coming from.

But, to say from a standpoint, it's just a way I feel about this entire subject as a result of not looking for it, so to speak, but for it to be coming to be, I guess, is as a result of my chairmanship in the last term. I do have some questions in reference to the computerization, and I'd like to know what is the present status of the Price Waterhouse project? I know that you alluded to it, Mr. Attorney General. As I ask these questions, they are not directed to you, Mr. Attorney General, Mr. Paulsen, or Ms. Cox. If you wish to answer, it's fine by me.

ATTORNEY GENERAL EDWARDS: The Price Waterhouse project is ongoing. As I said, the violation system is the last to come

up as we finish that suspension issuing. We have to. In July we started issuing those suspensions -- those 150,000, for which you got newspaper stories about people waiting in lines to correct their problem. In Trenton, that was one of the things that drew everybody back, because nobody can deal with modifications without coming into Trenton, which is one of the crimes of the system. I can't change that in a week or a month.

When that system gets up and finishes the operation, we feel that the full violations mode will be on-line by December. We will then go through the final test period of the full operating system to debug any final bugs. We're going into that process anyway. But to debug any process, we will then be in a position to make a judgment as to what status it is with reference to Price Waterhouse.

ASSEMBLYMAN BOCCHINI: The report, through the newspapers and various other accounts, has been that the project has run approximately \$15 million. Is that an accurate number that I'm hearing? Is it higher or lower?

ATTORNEY GENERAL EDWARDS: I'm not-- I refrain from making any public statements as to what the total and final cost of the system will be when we're finish. There's a number of reasons for that are very obvious, I think, Assemblyman. We know we had a \$6.2 million contract with Price Waterhouse. That's a matter of public record. We know that there were expenditures for equipment that was co-committed with that was a part of that contract which brought it up over the \$10 million without knowing the precise number.

But the \$64,000 question is how much does it cost us to have a down system since last July? What has been the cost attributed to that, that either the taxpayers of the State or Price Waterhouse should absorb? And I'm not in a position, nor will I discuss that issue until the system is up and running and I've had a chance to work that out with Price Waterhouse, because we do have a contractual relationship with them that is

not served by a public debate on that issue, which I know you understand because we've talked about before.

ASSEMBLYMAN BOCCHINI: Yeah, which leads me to my next question, which indirectly, is probably going to be, when are you going to sue them? But I won't ask you based on what your statement was just before. I anticipated that and I would hope you would respond to this -- that you haven't foreclosed on possible litigation with Price Waterhouse once this matter is completed.

ATTORNEY GENERAL EDWARDS: We haven't ascertained the need for that. We don't know where we're going to stand and what their reaction will be to where we stand when that develops and the system is up and running. So, no--

ASSEMBLYMAN BOCCHINI: I'm speaking in terms of the contract.

ATTORNEY GENERAL EDWARDS: I understand.

ASSEMBLYMAN BOCCHINI: My recall on the contract isn't such that it's total recall, but I do recall as far as the damage portions of the contract and what our rights or the State's rights are as far as seeking damages, it seemed to be fairly decent as far as the cost factor to the State.

ATTORNEY GENERAL EDWARDS: We'll measure that at the time, Mr. Assemblyman.

ASSEMBLYMAN BOCCHINI: Now, last year, it seemed as though June was the deadline and nothing's cast in stone and I understand that. We're talking about December.

ATTORNEY GENERAL EDWARDS: No. We did get the rudiments of all of the systems together -- on time, I think -- based on what our projections were, which was the end of June or July. We have to run some of those down to do the completion of the system. I think the statement -- at least I consistently made -- was that all modules would be completed by around July 1. Then there would be a debugging process -- I guess that is the best way to describe it. In fact, the fundamental systems were

there. They were refinements of those systems which required a running of the program. The suspensions had to be issued in order to finish the violations component. I just couldn't do it, and that's the way the mechanics of the internal computer software system works.

So, we're now in the process of doing all of those runs that will allow the rest of the modules to interlink. We had to go back and do those actual suspensions. So, I have to say from Price Waterhouse's standpoint, we couldn't have asked for a more cooperative company who put more resources, time, and effort into the redesign of that system as originally contracted for. They are still on the scene and they are still providing the necessary support that is needed to arrive at that date.

So, these dates that we talked about were once mutually agreed upon between Price Waterhouse and the lawyers and everybody else who was involved in that process, and I find in meeting their level of obligation as right on the numbers.

Now, that will finish -- which we have said all along-- If there's going to be a debugging and a testing process attached to that, at some point in time when the testing is successful-- Suppose we run it for a month, and we find out that there's 15 modifications that need to be made -- not major. Well, until those are made, it's not finished. That's what the process is about, and the testing process is all about. We're going to take whatever time is necessary to have that system stabilized and be what we contracted for.

But meanwhile, we are delivering renewals by mail. We'll be up doing suspensions on time, without this massive backlog. We're almost doing that now. We're doing a lot of the things that the system was designed to do, and doing them as they were designed. My complaint is that they were never designed to do them with a consumer in mind. They were designed to make it easier in-house. If you read the master

plan, that's the stated goal. There's no question about that. That's my complaint about the attitude and the way we've approached Motor Vehicles in government for 30 years.

ASSEMBLYMAN BOCCHINI: The final, I guess, seal of approval on this project-- Does that fall with you, with Mr. Paulsen, with who?

ATTORNEY GENERAL EDWARDS: I think from a management standpoint, as to what we're getting delivered, and the time lines that we're getting them in -- whether it meets the concepts of the contract whereas legal termination we'll make. The technical people will be doing that. That's OTIS.

ASSEMBLYMAN BOCCHINI: In relation to OTIS. Has their role, as result-- I point out in the SCI report I believe they made reference to the fact that OTIS wasn't being utilized to the extent that it could be, or the part that it should take in this type of service. Has the role of OTIS increased in overseeing this computerization project?

ATTORNEY GENERAL EDWARDS: As of September or October of 1985, I sent a letter to Mr. Ridgeway, the head of OTIS, indicating that it was his ultimate -- as he was counsel to the Governor -- that it is his ultimate responsibility to guarantee the effectiveness and efficiency of this reform, and the implementation of the Price Waterhouse system. He has been meeting that obligation ever since that date, which predated the SCI's report by six months.

ASSEMBLYMAN BOCCHINI: Is he the project-- Are they the project directors now?

ATTORNEY GENERAL EDWARDS: Mr. Ridgeway is the director of OTIS.

ASSEMBLYMAN BOCCHINI: Yes, but I believe that Mr. Kline was originally project director to the computerization program. Am I correct?

ATTORNEY GENERAL EDWARDS: The structure that we have within Motor Vehicles is nowhere near what it was at that point

in time. There was a project director -- Mr. Kline was. From our vantage point, the ultimate people that are responsible for it are OTIS. You have to recognize, Assemblyman, though, that OTIS are technical people who understand systems -- how they're programmed, how their software works. They're not management people. They cannot do that without the assistance, and support and cooperation of Motor Vehicles. What in fact we've done is have a combined OTIS/DMV operation. As a matter of fact, since Price Waterhouse is getting close to turning over the whole system to us, it's operating within the Division of Motor Vehicles office, with OTIS and DMV management people working together to be sure that the system presently works, will continue to work, and will continue to be modified and approved after Price Waterhouse is gone. But under the supervision and ultimate authority of OTIS and Mr. Ridgeway-- They can't do it in a vacuum.

ASSEMBLYMAN BOCCHINI: So there's no one particular project manager now. We're not going to be in a situation where we're finished, and everybody turns around and points. You know, the proverbial circle.

ATTORNEY GENERAL EDWARDS: A lot of people will do that all the time, Joe. You know that. There's no need to go back and rehash the same thing.

ASSEMBLYMAN BOCCHINI: I mean you're the top of the heap. Everybody is going to point at you, eventually.

ATTORNEY GENERAL EDWARDS: Of course. You've got it. And that's my responsibility, and I'm prepared to take that. They are all human beings. Everyone is going to be able to perform at a certain level of ability. No one I've ever met is perfect. So there will always be problems in that process. As long as I'm satisfied, as long as everybody is giving 100 percent of the effort, and the project is moving ahead and it's doing the best that can be done under the circumstances -- resource, talent, etc. that's available. If they do that, I'll

When you write for a request, for an abstract or proof of mailing, be certain to tell the clerk to hold off six to eight weeks before we schedule it. Is that a reasonable turnaround time?

MR. PAULSEN: Yes.

ASSEMBLYMAN BOCCHINI: It is? All right, fine.

MR. PAULSEN: However, with the certified mailing list-- In fact, we aren't servicing the courts at all. For a very long period of time, and only since this microfilming got back up have we been able to start doing that so that the level of service has improved. It's the way it should be now.

ASSEMBLYMAN BOCCHINI: I'll be honest with you. I got my first one in the last six months -- four months in a case -- the other night. You know, I was shocked. I was ready to go over to the attorney and say, "See you later." The cop came up to me and said, "Guess what?" I said, "What?" He said, "We got the certified mail list." I said "All right." It's frustrating. I say this, I'm not ripping you apart, but I'm just trying to point out I get the cops. You know, I get it from both ends, from the standpoint that I go in to prosecute, and I have the cops saying to me, "What are you guys doing?" They blame me for what's going on down there. I say, "Hey it's not me. I don't work at DMV." But I'm part of the system the same way you're part of the system. You know, Bob is part of the system the same way we all are. I wouldn't say there's a severe morale problem, but officers are experiencing a great deal of frustration, and are reluctant, it seems in some instances, to issue these types of tickets.

ATTORNEY GENERAL EDWARDS: They have-- Their reluctance to do that, or their problems and frustrations have been directly voiced to us over the period of the last year. I have to say the people that have been complimenting us the most, however, is the police and traffic enforcement world. Based on the level of improved delivery of services to them,

and information and data both in look-ups, in documents and certified documents that they need.

I know the Director-- We've been all over the State -- both of us have -- to the traffic officers' groups. Assemblyman Schuber was at one of those. I have been most encouraged by their encouragement of us as how much better things have gotten over the last three or four months. And the Director-- I have to tell you that he's been there 16 hours a day, almost since he took this job on full-time, just trying to deal with the stabilization of that system.

I'm now getting positive letters in the mail from time to time. People say, "You know, we got our license in the mail." Traffic officers are telling us, "We're getting our updates, our look ups. We're getting our abstracts, at least in a reasonable period of time."

We're going to do a lot better than that. But that's the result of the long, hard work to bring that system to its level of stabilization. That's what I was trying to say earlier, when we talked about how far we've gone, and is that enough? I say that'll get us back to the level of performance that everyone expected us to be prior to the computer crash in July, and the level may be better than that, but based on the system that's there-- The system needs to be changed. I think we can do a lot of things in that system better, and that's what this whole planning process is about-- Much, much better.

ASSEMBLYMAN BOCCHINI: In the relation to the selection of agencies and motor vehicle agents, it was my position, I guess, seven or eight months ago, right after the Governor's address on the state of the State in his most recent term or session of the Legislature-- When he addressed the issues of Motor Vehicles that we should, I believe-- I'm glad to hear my colleagues joining in today with the State-run agencies are the way to look. I really personally believe that the depoliticization of it will never occur, unless it comes in

a State-run agency. In a perfect world, Mr. Chairman, there may be able to be a Sears, and there may be able to be some type of retail outlets. Even with that, I think there's always some difference of a political connection, a political what have you. It certainly would be less damaging or less political than the present system, where it's basically just a political plum, so to speak. I hope we move toward the permanent movement towards State agencies.

ATTORNEY GENERAL EDWARDS: I hope we never depoliticize the system. I just hope we apoliticize the system. Politics is not necessarily wrong in the process by which we do that.

ASSEMBLYMAN BOCCHINI: No, when I--

ATTORNEY GENERAL EDWARDS: I know what you mean.

ASSEMBLYMAN BOCCHINI: I appreciate what you're saying.

ATTORNEY GENERAL EDWARDS: I want the record to reflect that distinction.

ASSEMBLYMAN BOCCHINI: When I talk about depoliticizing, I'm talking about as far as the selection process, because it was so political on both sides. I mean, when we were in -- our guys and gals. When you're in, it's your guys and gals, and that's a universal truth.

ATTORNEY GENERAL EDWARDS: Was the universal truth.

ASSEMBLYMAN BOCCHINI: The truth beyond that is it wasn't working. For the time spent here, I have a couple more pages of questions, but I don't want to get into them. Your comments were fairly extensive. I had a chuckle. You said you were going to be brief. I hate to say you were wrong, but there's a lot of good stuff in it today. I didn't mind listening at all.

Assemblyman Foy had to leave. He wrote down a question for me to ask, if that's okay, Mr. Chairman.

ASSEMBLYMAN SCHUBER: Certainly.

ASSEMBLYMAN BOCCHINI: Assemblyman Foy had to leave to

attend a Real Estate Commission meeting. He had one key question for director Glenn Paulsen. All right? Has Burlington Township Motor Vehicle office gotten a non-toll -- toll free number for the local residents?

MR. PAULSEN: Not yet.

ASSEMBLYMAN BOCCHINI: Why not?

MR. PAULSEN: There, our preliminary indications are to put in the 800 number system is going to cost us \$1 million more per year than we're presently paying. However, we are actively pursuing how to make our phone contacts much, much better. That is part of what we are studying. It was the right thing to do. When we come up with that plan, citizen complaints and public information will be in there.

ATTORNEY GENERAL EDWARDS: There are two issues. Let me expand on this just a little. There are two issues involved. They may not have a toll-free number, but there is also an ability to call a local call that is not a toll call, that would then get transferred to another system, which may help resolve the Assemblyman's problem, without getting into the broader issue of whether we should or shouldn't have an 800 number.

There's a major debate as to whether that is the right thing to do, not because of the cost, but because of the efficiency of being able to handle the volume of calls -- what an 800 number encourages to happen in a system. If we can provide toll-free locally, and then have that call transferred through a trunking system would be a much more efficient way. That's one of the things that we're looking into.

ASSEMBLYMAN BOCCHINI: Okay, I can understand that.

ATTORNEY GENERAL EDWARDS: There are two issues.

ASSEMBLYMAN BOCCHINI: But I had to have--

ATTORNEY GENERAL EDWARDS: For Assemblyman Foy-- Tell him there are two ways of skinning a cat.

ASSEMBLYMAN BOCCHINI: Also, at the same time, I had a phone call-- Some more of-- To take the time for a little personal home district problem-- I had a phone call a couple weeks ago. It was sort of a chuckle, because the person is a friend of mine. He's a car dealer. He had a transaction at the Hamilton agency out on Route 33. He went back to his office, and realized that he didn't need, or needed a document. So, as opposed to driving back out to Route 33, he picked the phone up. He wanted to call the agency. There was no number listed. I mean, he tried. He called. He couldn't get the phone number for the agency. He called me and he went absolutely berserk. I thought it was so ridiculous that it was funny. I said that I can't believe that a Motor Vehicle agency's phone number would not be published or available. Why not?

ATTORNEY GENERAL EDWARDS: Well, there's not a phone number available for any of the 55 agencies in the State. All agency telephone calls that are made to the numbers are routed to the central phone system in Trenton. They have their own private numbers, which the agencies have, but they're not publicly listed.

It was determined a while ago -- not by us, but by the system that was developed years ago -- that we could not deal with the vagaries of whether the independent agents were or were not answering the phone, or if somebody was there to answer them. The public had a right to be guaranteed they were going to get responses to their inquiries when they called an agency. So all calls are automatically routed back to the central phone system -- 11,000 a day -- those that come in directly, and those that are routed throughout the agency system. You have a number of numbers -- 6500, 7500 -- the agency routing and the suspension violation section, which are different listed numbers. So you cannot find, in a public listing, an agency number to call anywhere in the State. They

all come into central. We're developing a way now in our phone system to reroute a more specific inquiry back up to the agency, and have a return call made.

ASSEMBLYMAN BOCCHINI: Wouldn't it be -- I mean, from a practical standpoint -- taking your chart as far as when you're getting into public information, consumer complaints-- I guess that might be part of it-- The relation to the agency system, even if-- I understand you were wanting to know that calls were being put in to the agency. But at least, as an example, in the white pages under "State of New Jersey, Division of Motor Vehicles" -- whatever -- in my area, or in any municipality. In those districts that would be most accessible, at least a phone number should be listed, even if it's going to come back to the main line. When he picked up the phone to look as to where to call, he didn't know where to begin. Did you understand what I'm saying?

ATTORNEY GENERAL EDWARDS: I think the general agency numbers are listed. They just trunk them down.

ASSEMBLYMAN BOCCHINI: Well, this particular agency wasn't listed. I checked. It wasn't listed in the phone book. It opened in 1985. It's an 1986 listing.

ATTORNEY GENERAL EDWARDS: If it's not in the phone book, it should be. They all have a number, but they all go to the central office.

ASSEMBLYMAN SCHUBER: There should be a listing. I know Lodi is listed, and all those go to Trenton.

ATTORNEY GENERAL EDWARDS: They all go to Trenton. But there should be a number for them.

ASSEMBLYMAN BOCCHINI: So I'll tell him that there will be a listing next year.

ATTORNEY GENERAL EDWARDS: As with some of the busy signals that we get, when people don't get responses, or the numbers like they don't-- They call the phone company. If they don't have enough trunk lines, they can't get all the

phone calls down from the agencies to us. Some of the busy signals are related to their tie-ups, not ours. If they didn't publish a number in the directory--

ASSEMBLYMAN BOCCHINI: The one thing you did say that concerned me-- You may have said it in jest, in part, but there was a certain sincerity on this person's part. I said, "Why didn't you get on the phone and call the Director's office, or whatever?" He said: "No, I don't want anybody to know it's me. I just want to run my business. I don't want anybody breaking my horns, you know, because I'm complaining."

I don't think that's a reflection on you, Glenn, or meant to be a reflection on you. It just struck me that there is--

ATTORNEY GENERAL EDWARDS: I think it is. His reputation has preceded me.

ASSEMBLYMAN BOCCHINI: There is an opinion, you know, by somebody that says, "If I call, I raise too much of a stink and create waves -- Somebody might come in and unnecessarily create a problem for me." That may have just been the individual. You know, I said, "That's ridiculous." I'm just--

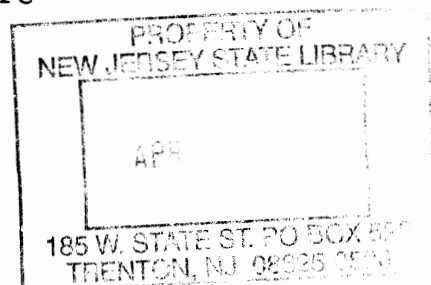
ATTORNEY GENERAL EDWARDS: That is ridiculous, and I wish everybody was as reluctant to complain to Motor Vehicle about what their problems were. We get a large volume of them on a regular basis.

ASSEMBLYMAN SCHUBER: You don't put these names in the computer, do you?

ATTORNEY GENERAL EDWARDS: Yes. Everybody that complains goes into the computer and they're marked for life. We have our own dirty tricks list. I'm being funny for the record.

ASSEMBLYMAN SCHUBER: I appreciate it. While Joe was looking, I was going to recommend that in the private sector, why don't you look at diners? I mean, these are--

ASSEMBLYMAN BOCCHINI: Look at what?



ASSEMBLYMAN SCHUBER: Diners. One of your favorite activities, I know-- There's a lot of them.

ATTORNEY GENERAL EDWARDS: Sure.

ASSEMBLYMAN BOCCHINI: In relation to leases, how many agency leases do we have in effect now? Are they all-- Those leases-- Excuse me, is it the same process? Do all leases in the State go through the Treasury? The Senate President has to sign.

ATTORNEY GENERAL EDWARDS: Every one of them.

ASSEMBLYMAN BOCCHINI: The Speaker has to sign--

ATTORNEY GENERAL EDWARDS: Every one of them. There's no difference, no special process. I want a special process for Motor Vehicles. That's part of what I asked the strategic target group to study. It is a more efficient and effective method. Because we can't turn over agencies. We can't-- We know our lease is up. We're stuck in a month-to-month-- We can't get anybody to sign a permanent lease. We even will change, you know, on some pretext of going to new places. They won't do any improvements. We've had years without being able to set up an office because we can't get through that morass. Four sets of Presidents and Speakers-- I mean, these guys are being asked to sign leases. They don't know who made what deal with whom. So, they sit back paranoid and don't do it. They look at price -- not an efficient way. There has got to be a better way to do this, than the way we do this in -- say -- government right now.

ASSEMBLYMAN BOCCHINI: I had a conversation with somebody recently. It was a statement that they made that I pretty much agreed with. Why don't we consider-- I know Purchase and Property goes out and looks for places to be leased. Why can't we put a bid process out for space needs? For example, for agencies, you need an agency somewhere. You know how many square feet you need. You know what the parking is that you're going to need. You know -- pretty much I would

think -- the type of the design that you're looking for. What would prevent-- Would you consider the possibility of creating a bid process for this, because obviously, if somebody is going to come in and say, "Hey, I have this. Take a look at it, and here's what I want per square foot?" Would that enhance, or--

ATTORNEY GENERAL EDWARDS: Well, anything that can bring us more options and more speed in selection of the process, and a more permanentized system is more efficient for us to manage it. Yes. How do you get the options picked from 15 to 20 different properties? Right now we got one guy, literally -- who runs around with the help of whomever he can get information in the area that they want one -- who tries to handle most of that work. It's not very efficient. Of course there are a lot of other ways.

ASSEMBLYMAN BOCCHINI: --because I would think--

ATTORNEY GENERAL EDWARDS: I don't know. Public bidding, in a truer sense, where guys compete gives you all the intangibles that you need, but some better notice and search processes is what you're really talking about.

ASSEMBLYMAN BOCCHINI: Because I would think that under a circumstance where you would be able to advise the local board of realtors in the area that you're looking for space -- that, "Hey, we're looking for such and such a size building with the following requirements for parking." You list it, and to my way--

ATTORNEY GENERAL EDWARDS: They do that with most of the brokers around. What I understand Treasury does, and their search people--

ASSEMBLYMAN BOCCHINI: But what I'm saying is-- Going one step further, you're saying we will accept bids for leases on those buildings -- you know -- on such-and-such a date.

ATTORNEY GENERAL EDWARDS: I think that's precisely what they do. They contact brokers in the area of the real estate country and say, "Look, this is what we're looking for.

If you've got anything that meets this, give me a bid on it." I think it's done -- in an informal way -- that way now. That takes a long time. It's something that has gotten respectable, but by the time they're inspectable, you've got to kill three, six, or eight months. But yes, that group will be looking at that.

ASSEMBLYMAN BOCCHINI: I have nothing further at this time. Thank you, Mr. Attorney General, Mr. Paulsen, Ms. Cox.

ATTORNEY GENERAL EDWARDS: Thank you.

ASSEMBLYMAN SCHUBER: Thank you, Mr. Bocchini. I appreciate it very much. Mr. Attorney General, we appreciate you being here. Mr. Paulsen, Ms. Cox we appreciate it.

This committee meeting stands adjourned.

(HEARING CONCLUDED)

APPENDIX



STATEMENT

OF THE

HONORABLE W. CARY EDWARDS  
ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY

BEFORE THE

ASSEMBLY SELECT COMMITTEE  
ON  
MOTOR VEHICLES

OCTOBER 30, 1986  
TRENTON, NEW JERSEY

MR. CHAIRMAN AND MEMBERS OF THE ASSEMBLY SELECT COMMITTEE  
ON MOTOR VEHICLES:

IT IS A PLEASURE FOR ME TO ONCE AGAIN APPEAR BEFORE THIS COMMITTEE TO DISCUSS THE PROGRESS OF THE EFFORT TO CREATE A DIVISION OF MOTOR VEHICLES (DMV) WHICH FULFILLS THE GOVERNOR'S AND MY GOALS OF BEING EFFICIENT, PROFESSIONAL, AND RESPONSIVE TO NEW JERSEY'S DRIVERS. AS YOU MAY RECALL, OVER SIX MONTHS AGO I APPEARED BEFORE THIS COMMITTEE FOR THE FIRST TIME TO URGE YOU TO SUPPORT THE PERMANENCY OF THE PUBLIC/PRIVATE INSPECTION PROGRAM IN NEW JERSEY, A PROGRAM IDENTIFIED AS A CRITICAL COMPONENT OF A CONSUMER-ORIENTED MOTOR VEHICLE SYSTEM. YOU AND YOUR COLLEAGUES UNANIMOUSLY SUPPORTED THAT PROGRAM AS A METHOD TO PROVIDE NEW JERSEYANS WITH BETTER SERVICE AND I COMMEND YOU FOR THAT EFFORT AND SUPPORT. I AM PROUD TO ANNOUNCE THAT THIS INNOVATIVE, TAILORED SYSTEM, WHICH RESULTED FROM THE COOPERATIVE EFFORTS OF THE LEGISLATURE AND THE ADMINISTRATION, HAS LED TO THE PUBLIC ENJOYING CONTINUED MINIMUM WAITING TIMES AT INSPECTION LANES THROUGHOUT THE STATE.

HOWEVER, THE PUBLIC/PRIVATE INSPECTION SYSTEM, ALTHOUGH CRITICAL, IS ONLY A VERY SMALL PART OF THE OVERHAUL OF THE DIVISION OF MOTOR VEHICLES THAT MUST TAKE PLACE IF THE STATE IS GOING TO DELIVER THE PROPER SERVICE TO THE PUBLIC; AN OVERHAUL WHICH INCLUDES A SIGNIFICANT PLANNING AND IMPLEMENTATION PROCESS REQUIRING AT LEAST TWO YEARS TO COMPLETE. EVEN MORE PRESSING, HOWEVER, IS THE NEED OF THE PUBLIC AND THE STATE'S POLICY MAKERS TO BE PATIENT WHILE DMV IS "UNDER REPAIR."

IN APRIL I APPEARED BEFORE YOUR COMMITTEE TO ASK YOU TO BEGIN BUILDING A PARTNERSHIP; ONE THAT WILL, OVER THE NEXT TWO YEARS, ERECT A STATE MOTOR VEHICLE SYSTEM WHICH IS EVERYTHING THE PUBLIC DEMANDS AND DESERVES. AT THAT MEETING, WE DISCUSSED SEVERAL COMPONENTS OF THE DMV REFORM PLAN. THE FIRST, AND MOST IMPORTANT COMPONENT IS THE NEED TO REORIENT THE PHILOSOPHY THAT DRIVES THE MOTOR VEHICLE SYSTEM IN NEW JERSEY FROM ONE THAT EMPHASIZES DMV'S REGULATORY AND ENFORCEMENT RESPONSIBILITIES TO ONE THAT EMPHASIZES ITS RETAIL RESPONSIBILITIES TO THE MOTORING PUBLIC, WHO IS, AFTER ALL, THE "CAPTIVE CONSUMER".

SECOND, WE DISCUSSED SPECIFIC TARGETED GOALS AND OBJECTIVES THAT MUST BE ADDRESSED AND ULTIMATELY ACHIEVED IF THE DIVISION OF MOTOR VEHICLES IS GOING TO PROVIDE THE PUBLIC WITH THE SERVICE IT DESERVES. AS YOU MAY RECALL, THESE AREAS INCLUDE THE REFORM OF THE AGENCY SYSTEM IN NEW JERSEY, THE ESTABLISHMENT OF AN APOLITICAL DMV, THE CONSTRUCTION OF A NEW MOTOR VEHICLE CENTRAL OFFICE FACILITY, THE ESTABLISHMENT OF COMPREHENSIVE PROGRAMS FOR HANDLING CITIZEN'S COMPLAINTS AND DISSEMINATING PUBLIC INFORMATION, THE CREATION OF MEANINGFUL BUDGET, FINANCIAL, AND INTERNAL CONTROLS, THE STREAMLINING OF FACILITIES MANAGEMENT AND LEASING PROCEDURES, THE IMPROVEMENT OF DMV'S ENFORCEMENT AND REGULATORY RESPONSIBILITIES, AND THE ENHANCEMENT OF ITS DATA AND INFORMATION GATHERING, STORAGE, AND RETRIEVAL CAPABILITIES.

AND FINALLY, WE DISCUSSED THE BASIC MANAGEMENT STRUCTURE OF THE DIVISION OF MOTOR VEHICLES WHICH WILL ENSURE THAT A THOROUGH REFORM TAKES PLACE: A STRUCTURE THAT INCLUDES A STRATEGIC

TARGET "PLANNING AND REFORM" ARM CHARGED WITH THE RESPONSIBILITY OF DEVELOPING PLANS AND IMPLEMENTATION STRATEGIES FOR THE VARIOUS COMPONENTS OF DMV REFORM. AT THE SAME TIME, DMV'S ORGANIZATIONAL STRUCTURE WILL NOT UNDEREMPHASIZE THE DAY-TO-DAY OPERATIONS NECESSARY TO ENSURE THAT UNINTERRUPTED SERVICE IS PROVIDED TO THE PUBLIC. AS I HAVE SAID ON MANY OCCASIONS, DMV DOES NOT HAVE THE LIBERTY OF CLOSING DOWN IN ORDER TO PLAN AND IMPLEMENT NEW SYSTEMS. IN FACT, IRONICALLY, THE EFFORTS TO IMPROVE DMV'S SERVICES WILL THEMSELVES CAUSE CERTAIN DISRUPTIONS AND INCONVENIENCES. OUR INTENTIONS ARE TO MINIMIZE THE HARDSHIPS ASSOCIATED WITH THIS MAJOR OVERHAUL OVER THE NEXT TWO YEARS. AGAIN, THIS WILL REQUIRE THE PATIENCE OF THE PUBLIC, THE STATE'S POLICY MAKERS, AS WELL AS THE MANY DEDICATED DMV EMPLOYEES.

I CANNOT EMPHASIZE ENOUGH THAT DMV CANNOT CURRENTLY UNDERTAKE NEW PROGRAMS; IT CANNOT BE PLACED IN A POSITION WHEREBY IT MUST IMPLEMENT NEW LEGISLATIVELY MANDATED INITIATIVES. ALL OF DMV'S ENERGIES MUST PRESENTLY BE DIRECTED AT PERFORMING ITS CORE FUNCTIONS IN A STABLE ENVIRONMENT WHILE IT SIMULTANEOUSLY MOVES THROUGH THE PLANNING AND IMPLEMENTATION OF A THOROUGH REFORM. I THEREFORE ASK, AGAIN, FOR YOUR SUPPORT IN NOT PASSING LEGISLATION WHICH PLACES ADDITIONAL BURDENS ON THE DIVISION OF MOTOR VEHICLES.

NO CHANGE, NO MAJOR OVERHAUL CAN OCCUR IN AN UNSTABLE ENVIRONMENT SUCH AS THE ONE IN WHICH DMV HAS BEEN OPERATING. THE MOTOR VEHICLE SYSTEM IN NEW JERSEY MUST BE STABILIZED BEFORE ANY NEW PROGRAMS ARE MANDATED AND BEFORE ANY OF THE IDENTIFIED

REFORMS CAN BECOME OPERATIONAL. WE MUST REMEMBER THAT IT TOOK DECADES TO BRING THE SYSTEM TO THE INADEQUATE LEVEL AT WHICH IT HAS BEEN OPERATING. RESOLUTION OF THE MYRIAD OF PROBLEMS THAT HINDER DMV'S ABILITY TO PROVIDE OPTIMUM SERVICE WILL NOT AND CANNOT OCCUR OVERNIGHT. IT WILL COME GRADUALLY AS A RESULT OF METHODOICAL PLANNING AND IMPLEMENTATION, NOT AS A RESULT OF "QUICK-FIX", AD HOC SOLUTIONS.

OVER THE PAST SEVERAL MONTHS, DIRECTOR GLENN PAULSEN AND THE ENTIRE DIVISION OF MOTOR VEHICLES HAVE BEEN WORKING ARDUOUSLY IN AN EFFORT TO STABILIZE DMV OPERATIONS; TO ESTABLISH A SOUND, SOLID BASE FROM WHICH TO LAUNCH THE ONGOING, TWO YEAR REFORM OF THE DIVISION. MEANWHILE, THE DIVISION'S PLANNING ARM, IN CONJUNCTION WITH MY OFFICE, HAS FORMULATED A COMPREHENSIVE SPENDING PLAN PROPOSAL AS TO THE METHOD BY WHICH DIVISION OF MOTOR VEHICLES' REVENUES WILL BE UTILIZED IN THIS FISCAL YEAR IN ORDER TO BEGIN THE STEPS NECESSARY TO IMPLEMENT THE VARIOUS REFORMS AIMED AT PROVIDING COURTEOUS, PROFESSIONAL, AND EFFICIENT SERVICE TO THE PUBLIC. OF COURSE, THIS SPENDING PLAN IS SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF THE TREASURY AS WELL AS THE COMMITTEE DESIGNATED TO EXERCISE LEGISLATIVE REVIEW AND APPROVAL OF TRANSFERS OF THOSE REVENUE MONIES TO THE DIVISION.

AS I STATED PREVIOUSLY, FEW REAL REFORMS CAN OCCUR UNTIL CURRENT DMV OPERATIONS HAVE BEEN STABILIZED TO THE POINT WHERE THEY CAN BE A SOLID FOUNDATION FOR CHANGE THEREFORE, IN THE PAST SIX MONTHS, THE DIVISION HAS TAKEN STRIDES TO RESTORE ITS OPERATIONS

TO THE LEVEL THAT EXISTED PRIOR TO THE JULY 1985 MALFUNCTION OF THE NEW COMPUTER SYSTEM.

ONE OF THE FIRST MAJOR STABILIZATION PROBLEMS ADDRESSED BY DMV RELATED TO IT'S AUTOMATED SYSTEM FOR MICROFILMING AND RETRIEVING LICENSE, REGISTRATION, TITLE AND VIOLATION RECORDS. THIS SYSTEM ENABLES THE DIVISION TO PROVIDE THE COURTS AND THE PUBLIC ACCESS TO THESE DOCUMENTS ON A TIMELY BASIS. IN EARLY JUNE, ONE OF TWO JOINT VENTURERS ON THIS PROJECT FILED FOR BANKRUPTCY. AS A RESULT, THE MICROFILMING PROJECT TEMPORARILY GROUND TO A HALT. AFTER WEEKS OF NEGOTIATION, DMV WAS SUCCESSFUL IN HAVING THE OTHER JOINT VENTURER, LEGAL REPRODUCTIONS, INC. OF JENKINTOWN, PENNSYLVANIA, ASSUME RESPONSIBILITY TO CONTINUE THE MICROFILM PROJECT. IN ORDER TO AVOID SIGNIFICANT LAPSES IN SERVICE, DMV IMMEDIATELY BEGAN TO PROCESS MOTOR VEHICLE VIOLATION RECORDS INTO THE SYSTEM SO THAT MUNICIPAL COURTS COULD BE PROVIDED WITH CERTIFIED MAILING LISTS AND OTHER DOCUMENTS NECESSARY FOR THEIR OPERATION. ACCESSING THESE VIOLATION RECORDS IS ALSO ESSENTIAL TO SERVICING THOSE MOTORISTS WHO QUESTION ACTIONS RELATING TO THE SUSPENSION OF DRIVERS LICENSES.

CURRENTLY, DMV'S MICROFILMING ENERGIES ARE DIRECTED AT FULFILLING ITS STATUTORY MANDATE TO RETAIN AND PROVIDE PUBLIC ACCESS TO LICENSES, REGISTRATIONS, AND TITLE RECORDS. ONE ENTIRE MICROFILMING SYSTEM SHOULD BE FULLY OPERATIONAL AND STABILIZED BY JANUARY 1, 1987. IN ADDITION, A BACKLOG OF DOCUMENTS TO BE MICROFILMED AND INDEXED, WHICH RESULTED FROM PRIOR LAPSES IN SERVICE, SHOULD BE ELIMINATED BY JULY OF 1987.

TELECOMMUNICATIONS AND INFORMATION SYSTEMS (OTIS), TO ENSURE THAT DMV'S DATA AND INFORMATION FUNCTIONS, WHICH ARE AT THE CORE OF ALL DMV OPERATIONS, ARE FULLY STABILIZED, OPERATIONAL AND IMPLEMENTED IN A TIMELY AND ACCURATE MANNER. AND, WITHIN THE NEXT TWO MONTHS, THIS OTIS/DMV "TEAM" WILL BE LOCATED AT DMV TO OPTIMIZE COORDINATION OF ALL FUTURE DATA PROCESSING PROJECTS TO ENSURE THAT A CONSUMER-SENSITIVE DATA PROCESSING SYSTEM BECOMES A REALITY.

THIS SUMMER, DMV BEGAN FURTHER DATA PROCESSING INITIATIVES AT ITS FIELD FACILITIES. THESE STEPS ARE INTENDED TO PROVIDE A MORE STABLE ENVIRONMENT FROM WHICH TO LAUNCH REFORMS. THIS PROJECT, WHICH CONSISTS OF THE UPGRADING OF THE HONEYWELL COMPUTER SYSTEM USED AT THE 55 CURRENT DMV LOCAL MOTOR VEHICLE AGENCIES, IS CURRENTLY ONGOING. THIS UPGRADING IS ESSENTIAL TO PROVIDE DMV WITH A PROPERLY-SUPPORTED AUTOMATED AGENCY SYSTEM FROM WHICH TO BUILD. THAT IS, THE UPGRADED EQUIPMENT WILL PERMIT DMV TO ADD FUNCTIONS AT THE LOCAL AGENCIES CURRENTLY AVAILABLE ONLY AT THE TRENTON CENTRAL FACILITY. THESE FUNCTIONS WILL BE PRECISELY DEFINED IN THE STRATEGIC PLANNING PROCESS. THIS UPGRADE PROJECT WILL BE COMPLETED BY EARLY SPRING, 1987.

DMV IS MAKING GOOD USE OF THE TIME DURING WHICH THE INDIVIDUAL AGENCIES ARE CLOSED, ON A STAGGERED BASIS, TO ALLOW FOR THE INSTALLATION OF THE UPGRADED EQUIPMENT. DMV IS USING THIS OPPORTUNITY TO PROVIDE ALL AGENCY EMPLOYEES WITH A TWO DAY TRAINING COURSE DESIGNED TO PROVIDE THEM WITH THE BASIC SKILLS NECESSARY TO TREAT CUSTOMERS IN A COURTEOUS MANNER AS WELL AS TO ASSIST THEM IN MANAGING THE STRESS ASSOCIATED WITH THEIR JOBS.

I AM PLEASED TO REPORT THAT WE HAVE HAD CONSIDERABLE POSITIVE FEEDBACK FROM BOTH STATE EMPLOYEES AND EMPLOYEES AT PRIVATELY OPERATED AGENCIES PARTICIPATING IN THIS TRAINING PROGRAM.

AS YOU MAY KNOW, LAST WEEK I ANNOUNCED THAT DMV HAS LAUNCHED A COMPREHENSIVE PROGRAM TO ENSURE THAT ALL NEW JERSEY MOTORISTS RECEIVE REGISTRATION AND LICENSE RENEWAL APPLICATIONS IN THE MAIL IN ACCORDANCE WITH THEIR EXPECTATIONS. IN ORDER TO ACCOMPLISH THIS GOAL, DMV MUST MOBILIZE TO CLEAR UP A BACKLOG OF APPROXIMATELY ONE MILLION FAULTY COMPUTER TRANSACTIONS INVOLVING VEHICLE REGISTRATIONS AND DRIVER LICENSES. THESE TRANSACTIONS MAY AFFECT AS MANY AS 400,000 INDIVIDUALS AND BUSINESSES WHICH, BECAUSE OF ERRORS IN THE COMPUTER SYSTEM, HAVE NOT BEEN RECEIVING REGISTRATION OR DRIVER LICENSE RENEWAL NOTICES IN THE MAIL.

THIS PROGRAM, WHICH IS A VITAL ELEMENT IN ENSURING THAT DMV OPERATES BASED UPON AN ACCURATE INFORMATIONAL BASE, ENTAILS THREE MAJOR STEPS. THE FIRST STEP WILL BE TO INSTITUTE SOFTWARE CHANGES AT THE MAIN COMPUTER IN TRENTON. THIS WILL AUTOMATICALLY CORRECT AS MANY AS 250,000 OF THE ERROR TRANSACTIONS. SECOND, DMV HAS CREATED A UNIT OF HIGHLY TRAINED PERSONNEL WHICH WILL BE SOLELY RESPONSIBLE FOR REVIEWING AND CORRECTING THESE ERROR TRANSACTIONS. A STAFF OF 21 DMV EMPLOYEES WHO HAVE BEEN REASSIGNED FROM OTHER DUTIES WILL BE JOINED BY 63 ADDITIONAL PEOPLE IN THE NEAR FUTURE. THIRD, PROCEDURES WILL BE INSTITUTED AT ALL 55 MOTOR VEHICLE AGENCIES THROUGHOUT THE STATE TO ENSURE THAT INFORMATION THAT IS ENTERED

ON FIELD COMPUTERS IS PROPERLY AND ACCURATELY COMMUNICATED TO THE MAIN DMV COMPUTER IN TRENTON.

THESE PROBLEMS WITH REGISTRATION AND LICENSING RENEWALS BEGAN IN JULY OF 1985 WHEN DMV CONVERTED TO THE NEW COMPREHENSIVE COMPUTER SYSTEM. UNDER THE "OLD" COMPUTER SYSTEM, A PERSON'S DRIVER LICENSE, VEHICLE REGISTRATION, AND TITLE WERE NOT CONNECTED IN ANY WAY TO THE CENTRAL DATA BASE. THE GOAL OF ESTABLISHING THE NEW INTEGRATED COMPUTER SYSTEM WAS TO LINK THESE DOCUMENTS ON THE COMPUTER SO THAT A MOTORIST'S DRIVER LICENSE COULD BE IMMEDIATELY IDENTIFIED WITH HIS OR HER REGISTERED VEHICLES AND CERTIFICATES OF OWNERSHIP.

DURING THIS CONVERSION, THE MAJORITY OF REGISTRATIONS, LICENSES, AND TITLES WERE ENTERED INTO THE NEW, COMPREHENSIVE SYSTEM. HOWEVER, APPROXIMATELY ONE MILLION WERE NOT, RESULTING IN THE COMPUTER NOT SENDING OUT RENEWAL NOTICES INVOLVING THOSE TRANSACTIONS. FURTHER, WHEN MOTORISTS WHO DID NOT RECEIVE RENEWAL NOTICES WENT TO MOTOR VEHICLE AGENCIES TO RENEW THEIR DOCUMENTS, AGENCY PERSONNEL COULD NOT RETRIEVE THE REQUISITE INFORMATION ON THE NEW COMPUTER SYSTEM SINCE IT WAS NOT THERE.

THIS COMPREHENSIVE CORRECTION PROGRAM WILL ENSURE THAT THE NECESSARY INFORMATION IS ENTERED INTO THE SYSTEM AND AVAILABLE FOR RECALL AND ELIGIBLE FOR RENEWAL DISTRIBUTION. ONCE THIS TOP-FLIGHT UNIT IS FULLY STAFFED AND OPERATIONAL, IT WILL TAKE AT LEAST A YEAR TO ERADICATE THE PROBLEM. THIS ELEMENT OF THE STABILIZATION PROGRAM IS A HIGH PRIORITY. IT IS ABSOLUTELY CRITICAL THAT DMV BEGIN TO PROVIDE THIS CORE SERVICE TO THE MOTORING PUBLIC. IN FACT, I HAVE ISSUED AN ENFORCEMENT BULLETIN

TO THE LAW ENFORCEMENT COMMUNITY INSTRUCTING THAT SUMMONS FOR EXPIRED REGISTRATIONS ARE NOT TO BE ISSUED. THE PUBLIC SHOULD NOT BE PENALIZED FOR ERRORS CAUSED BY AN UNSTABLE MOTOR VEHICLE SYSTEM.

I HAVE STATED MANY TIMES THAT DMV MUST MOVE TO A RESPONSIBLE ON-LINE BUDGETING PROCESS. AS YOU KNOW, DMV HAS TRADITIONALLY RELIED ON A VIRTUALLY UNIMPEDED REVENUE SOURCE TO FUND MANY OF ITS OPERATIONS. DUE TO THIS, ITS ACCOUNTABILITY FOR BUDGET AND FINANCIAL CONTROLS HAS BEEN INADEQUATE. THE EFFORT TO CONVERT FROM A BUDGET BASED UPON REVENUE TO A RESPONSIBLE, "ON-LINE" BUDGET BEGAN THIS SUMMER WITH THE COMPLETION OF FISCAL YEAR 1987 BUDGET DOCUMENTS, AND FISCAL YEAR 1988 PLANNING DOCUMENTS. THIS EFFORT HAS HEADED DMV IN THE DIRECTION OF DEVELOPING A MEANINGFUL, CONTROLLED, AND ACCOUNTABLE PLANNING AND BUDGET PROCESS. DMV, ALONG WITH THE DEPARTMENT OF LAW AND PUBLIC SAFETY, HAS WORKED VERY HARD DURING THIS PROCESS TO PREPARE THE DETAILED PLANS NECESSARY TO BEGIN THIS TRANSITION.

ANOTHER MAJOR INITIATIVE AIMED AT STABILIZING DMV'S OPERATIONS HAS BEEN THE PAYMENT OF INSURANCE SURCHARGE REFUNDS TO APPROXIMATELY 15,000 MOTORISTS TOTALLING OVER \$6 MILLION. THESE REFUNDS RESULTED FROM LEGISLATIVE ACTION WHICH CHANGED THE EFFECTIVE DATE OF THE INSURANCE SURCHARGE ACT. AS YOU KNOW, THE ORIGINAL ACT HAD AN EFFECTIVE DATE OF JANUARY 1, 1983 FOR ALL VIOLATIONS. THE AMENDMENTS TO THE LEGISLATION CHANGED THE EFFECTIVE DATE FOR IN-STATE DRUNK DRIVING VIOLATIONS AND ALL MOTOR VEHICLE POINT VIOLATIONS TO FEBRUARY 10, 1983. IN

ADDITION, THE EFFECTIVE DATE FOR OUT-OF-STATE DRUNK DRIVING VIOLATIONS AND ALL BREATH TEST REFUSALS WAS CHANGED TO JANUARY 26, 1984.

THESE STATUTORY CHANGES REQUIRED THAT THE DIVISION UNDERTAKE A LABOR-INTENSIVE EFFORT TO MAKE THE NECESSARY REFUNDS AND TO RESTORE THE DRIVING PRIVILEGES OF OVER 1,000 MOTORISTS WHOSE DRIVER LICENSES WERE SUSPENDED FOR PREVIOUSLY FAILING TO PAY THEIR RETROACTIVE SURCHARGES. A MAJOR EFFORT WAS EXPENDED BY DMV PERSONNEL TO PERFORM AND COMPLETE THIS LEGISLATIVELY MANDATED TASK.

IN ORDER TO FURTHER STABILIZE ITS OPERATIONS, DMV IS MOVING TO ADEQUATELY STAFF ITS INTERNAL AUDIT OPERATION WHICH PERFORMS FUNCTIONAL AND FISCAL ANALYSES OF THE VARIOUS COMPONENTS OF DMV OPERATIONAL UNITS. AT THE SAME TIME, THE DIVISION IS STRENGTHENING ITS DOCUMENT REVIEW UNIT WHICH REVIEWS WORK COMPLETED AT FIELD AGENCIES ON A DAILY BASIS. THIS CRITICAL FUNCTION HAS BEEN, UNTIL NOW, A WEAK PART OF THE DIVISION'S OPERATIONS. ALTHOUGH THESE ARE BUT SMALL STEPS TO ENSURE PROGRAM AND FISCAL INTEGRITY UNTIL APPROPRIATE CONTROLS ARE DEVELOPED AND IMPLEMENTED BY VIRTUE OF THE PLANNING PROCESS, THEY ARE A CRITICAL PART OF THE STABILIZED BASE WHICH IS ABSOLUTELY ESSENTIAL IF DMV IS TO MOVE FORWARD.

FINALLY, AS YOU MAY RECALL, I HAVE A FIRM BELIEF THAT COMMUNICATIONS ARE THE LINCHPIN OF DMV OPERATIONS. IN FURTHERANCE OF THIS RECOGNITION, I BELIEVE THAT DMV MUST BE FULLY COMMITTED TO HAVING CONSISTENT, ACCURATE, AND EFFICIENT COMMUNICATION WITH THE LEGISLATURE. TO THAT END, ROI ANN

MORFORD HAS ASSUMED THAT RESPONSIBILITY AND IS WORKING CLOSELY WITH YOU AND YOUR COLLEAGUES IN THE ASSEMBLY AND THE SENATE ON ISSUES OF MUTUAL CONCERN.

WHILE THE EFFORT TO STABILIZE OPERATIONS HAS BEEN ONGOING, WE HAVE ALSO BEEN MAKING STRIDES WITH DMV'S "PLANNING ARM". SINCE APRIL, SIGNIFICANT PROGRESS HAS BEEN MADE IN STRUCTURING THAT PLANNING EFFORT TO MAXIMIZE THE INPUT OF A BROAD BASE OF PUBLIC AND PRIVATE SECTOR EXPERTISE (SEE TABLE OF ORGANIZATION ATTACHED HERETO). THIS EFFORT HAS BEEN EXPENDED TO INSURE THE THOROUGHNESS OF OUR REFORM PLANNING AS WELL AS TO GUARANTEE A HIGH LEVEL OF COMMITMENT TO THE IMPLEMENTATION OF RECOMMENDED CHANGES.

WITHIN THE DIVISION OF MOTOR VEHICLES ORGANIZATION, A REFORM PLANNING STRUCTURE IS NOW IN PLACE AND A COMPREHENSIVE PLANNING PROCESS HAS BEGUN. AND AS YOU KNOW, GOVERNOR KEAN, BY EXECUTIVE ORDER, CREATED AN INTERGOVERNMENTAL TASK FORCE ON MOTOR VEHICLES. THE MEMBERSHIP OF THAT GROUP, IN ADDITION TO MYSELF, INCLUDES THE DIRECTOR OF MOTOR VEHICLES, THE STATE TREASURER, THE COMMISSIONER OF THE DEPARTMENT OF PERSONNEL, THE SUPERINTENDENT OF NEW JERSEY STATE POLICE, THE ADMINISTRATOR OF THE OFFICE OF MANAGEMENT AND BUDGET, THE DIRECTOR OF THE DIVISION OF PURCHASE AND PROPERTY, THE DIRECTOR OF THE DIVISION OF BUILDING AND CONSTRUCTION, THE ADMINISTRATOR OF THE OFFICE OF TELECOMMUNICATIONS AND INFORMATION SYSTEMS, THE ADMINISTRATOR OF THE GENERAL SERVICES ADMINISTRATION, AND A REPRESENTATIVE OF THE GOVERNOR'S OFFICE.

THIS GROUP, WHICH HAS THE RESPONSIBILITY OF REVIEWING, ADVISING, AND ASSISTING IN THE FORMATION OF THE PLANS FOR AND

IMPLEMENTATION OF THE REFORM OF DMV, HAS MET SEVERAL TIMES OVER THE PAST SEVERAL MONTHS IN ORDER TO ADDRESS THIS TASK AND TO UNDERSTAND THE CONCEPTS, GOALS, AND OBJECTIVES EMBODIED IN THE OVERHAUL OF DMV. AS A RESULT, THE MEMBERS HAVE DESIGNATED AND ALLOCATED STAFF FROM THEIR INDIVIDUAL DEPARTMENTS, IN VARIOUS AREAS OF EXPERTISE, TO PARTICIPATE IN AN INTENSIVE PLANNING PROCESS. IN FACT, OVER 80 PEOPLE HAVE BEEN NAMED TO SERVE AS MEMBERS OF SPECIFIC STRATEGIC TARGET PLANNING GROUPS. AND, IN ADDITION TO THAT ACTIVE MEMBERSHIP, OTHER DEPARTMENTS AND AGENCIES OF GOVERNMENT NOT SPECIFICALLY INCLUDED ON THE GOVERNOR'S TASK FORCE, HAVE AGREED TO PROVIDE US WITH EXPERTISE ON SPECIFIC SUBJECT MATTERS, AND IN FACT, HAVE ASSIGNED SPECIFIC RESOURCE PERSONS TO WORK ON THE PLANNING EFFORT.

I FIRMLY BELIEVE THAT THE MANAGEMENT AND TECHNOLOGY PIECES OF THE DMV REFORM "PUZZLE" ARE OUT THERE AND AVAILABLE TO US. HOWEVER, IN ADDITION TO THE EXPERTISE AVAILABLE IN STATE GOVERNMENT, DMV MUST SEEK EXPERTISE AVAILABLE ONLY IN THE PRIVATE SECTOR. IN FACT, MANY OF DMV'S OPERATIONS SHOULD BE MODELED ALONG THE RETAIL AND CONSUMER-ORIENTED OPERATIONS EMPLOYED SUCCESSFULLY IN PRIVATE SECTOR RETAIL OPERATIONS. THEREFORE, WE HAVE CONVENED A PRIVATE SECTOR ADVISORY GROUP, COMPRISED OF VARIOUS HIGH LEVEL EXECUTIVES FROM THE RETAIL WORLD. THIS GROUP HAS HAD TWO MEETINGS AND HAS ENTHUSIASTICALLY SUPPORTED THE REFORM EFFORTS OUTLINED FOR THEM.

AS A RESULT, KEY PERSONNEL FROM RETAIL AND OTHER SERVICE OPERATIONS WILL BE ASSIGNED TO WORK WITH THE STRATEGIC TARGET GROUPS AS THEY DEVELOP SPECIFIC PROPOSALS FOR IMPROVING SERVICES

AND CHANGING MOTOR VEHICLE OPERATIONS TO A CONSUMER-SENSITIVE ENVIRONMENT. I AM PLEASED TO SAY THAT THE COMMITMENT AND ENTHUSIASM LEVEL SHOWN BY THE PRIVATE SECTOR IS VERY HIGH.

I FIRMLY BELIEVE THAT THE PLANNING GROUPS, WHICH CURRENTLY HAVE A TOTAL OF OVER 80 PARTICIPANTS, MUST HAVE ADEQUATE LEVELS OF DMV STAFF SUPPORT. ALTHOUGH THE "VOLUNTEER" TIME BY OTHER STATE AGENCIES AND PRIVATE SECTOR PARTICIPANTS WILL BE SIGNIFICANT, THE RESULTS OF MEETINGS NEED TO BE ANALYZED, WRITTEN, AND REVIEWED IN AN OVERALL MONITORING PROCESS WHICH MUST BE PERFORMED BY A FULL TIME DMV PLANNING STAFF. A MIXTURE OF PERSONNEL FROM WITHIN DIVISION OF MOTOR VEHICLES OPERATIONS, FROM OTHER PARTS OF STATE GOVERNMENT, AND FROM VARIOUS PRIVATE SECTOR ORGANIZATIONS HAS BEEN ASSEMBLED AND WILL PROVIDE THIS NECESSARY FULL-TIME STAFF SUPPORT.

A CRITICAL INGREDIENT IN THE SUCCESS OF OUR PLANNING PROCESS IS PROFESSIONAL CONSULTING ADVICE. A COMPLEX PROCESS SUCH AS THIS CANNOT OCCUR WITHOUT A HIGHLY ORGANIZED, STRUCTURED, AND METHODOICAL PLANNING AND IMPLEMENTATION PROCESS. THIS NEED WAS RECOGNIZED EARLY ON, RESULTING IN OUR PROCURING THE SERVICES OF A PLANNING CONSULTANT THROUGH THE STATE'S COMPETITIVE BIDDING PROCESS. THE REQUEST FOR PROPOSALS USED TO OBTAIN THIS CONSULTANT SPECIFIED THAT A CONSULTANT EXPERIENCED IN FACILITATING PLANNING PROCESSES WAS NEEDED; A CONSULTANT NOT TO PERFORM A STUDY (AS GOVERNOR KEAN STATED, "THE TIME FOR STUDIES IS PAST...THE TIME FOR ACTION IS AT HAND") OR TO RECOMMEND SOLUTIONS, BUT TO FACILITATE AND GUIDE THE PLANNING EFFORT. WITH MANY ISSUES AND PROBLEMS ALREADY IDENTIFIED, THE

CONSULTING ASSISTANCE IS NEEDED TO GUIDE DMV THROUGH A STRUCTURED PLANNING PROCESS WHICH WILL YIELD SHORT AND LONG RANGE ACTION PLANS IN TARGETED AREAS OF REFORM.

IN ADDITION TO THE NORMAL PUBLIC ADVERTISEMENT FOR BIDS, THE REQUEST FOR PROPOSALS WAS MAILED TO 31 VENDORS IDENTIFIED AS HAVING SKILLS IN THE REQUISITE AREA. AN EVALUATION PANEL CONDUCTED LENGTHY INTERVIEWS WITH ALL BIDDERS, RANKED THE PROPOSALS BY TECHNICAL MERIT AND COST, AND RECOMMENDED CONTRACTING WITH ACTION PLANNING ASSOCIATES OF LAWRENCEVILLE, NEW JERSEY. THIS CONSULTANT'S PLANNING PROCESS IS PARTICULARLY APPROPRIATE SINCE IT IS SENSITIVE TO AND FOCUSED ON THE CUSTOMER ORIENTATION THAT MUST DOMINATE ALL DMV ACTIVITIES.

THE STRATEGIC TARGET GROUPS TO WHICH I HAVE BEEN REFERRING ARE THE KEY BUILDING BLOCK OF THIS PLANNING PROCESS. THEIR MEMBERSHIP, WHICH HAS BEEN DESIGNATED BY THE THE INTERGOVERNMENTAL TASK FORCE, THE DIVISION OF MOTOR VEHICLES, AND WHICH WILL INCLUDE PRIVATE SECTOR PARTICIPANTS, HAS BEEN ASKED TO COMMIT INTENSIVE PERIODS OF TIME TO ESTABLISH PLANS AND IMPLEMENTATION STRATEGIES FOR POSITIVE, SWEEPING CHANGES AT THE DIVISION OF MOTOR VEHICLES.

TO BEGIN THAT PROCESS, I PERSONALLY ADDRESSED THE ASSEMBLED GROUP OF 85 INDIVIDUALS TO FAMILIARIZE THEM WITH THE GOALS, OBJECTIVES, AND THE VISION THE GOVERNOR AND I HAVE IDENTIFIED AS THE NEW DIVISION OF MOTOR VEHICLES. AT THAT TIME, MEMBERS WERE ASKED TO ENTER THIS PLANNING PROCESS PREPARED TO FUNCTION CREATIVELY AND EFFECTIVELY REGARDING THE CHANGES NEEDED IN ORDER TO BRING ABOUT A DMV WHICH IS RESPONSIVE TO THE PUBLIC.

AS WE SPEAK, ALL MEMBERS ARE BEING NOTIFIED THAT THE INDIVIDUAL STRATEGIC TARGET GROUPS WILL BE MEETING NEXT WEEK TO REVIEW BASELINE INFORMATION ABOUT THE OPERATIONS AND FUNCTIONS OF THE DIVISION OF MOTOR VEHICLES. IN ADDITION, THE GROUPS WILL BE MORE SUCCINCTLY DEFINING THEIR SPECIFIC OBJECTIVES, AND WILL BE GIVEN TARGET DATES FOR ACCOMPLISHING CERTAIN GOALS DEPENDING UPON THE PARTICULAR AREA OF REFORM.

THE SCOPE OF WORK TO BE DONE IN SOME OF THE AREAS IS GREAT ENOUGH THAT WE CLEARLY EXPECT SOME OF THE PLANNING GROUPS TO SUBDIVIDE INTO SMALLER GROUPS TO ATTACK SPECIFIC TASKS. FOR EXAMPLE, THE "AGENCY GROUP" WILL BE DIVIDED INTO AT LEAST THREE SUB GROUPS, AS THE VERY COMPLEX MOTOR VEHICLES FIELD AGENCY ISSUE REQUIRES INDEPTH ANALYSES REGARDING PHYSICAL CONFIGURATIONS, PERSONNEL STRUCTURES, COMPENSATION SCHEDULES, OPERATIONS ANALYSES, AND THE LIKE.

IN ADDITION TO THE AGENCY GROUPS, OTHER STRATEGIC TARGET GROUPS WILL BE ADDRESSING THE REFORMS NECESSARY TO BUILD A NEW DMV. ONE GROUP WILL BE LOOKING EXCLUSIVELY AT ALL ISSUES SURROUNDING BUDGET AND FINANCIAL CONTROL. ANOTHER WILL FOCUS ON THE NEW CENTRAL OFFICE FACILITY. AN EXTENSIVE PROGRAM IS BEING REQUESTED FROM THE CUSTOMER COMPLAINTS AND PUBLIC INFORMATION STRATEGIC TARGET GROUP. AS WELL, THE FINDINGS AND PROPOSALS OF THE INFORMATION SYSTEMS AND MANAGEMENT GROUP ARE AN ESSENTIAL ELEMENT IN THIS PROCESS.

A GROUP WILL CONVENE TO EVALUATE ALL FUNCTIONS OF THE DIVISION OF MOTOR VEHICLES TO DETERMINE IF CERTAIN OF THOSE ARE CONSISTENT WITH DMV'S PRIMARY MISSION AS WELL AS TO ANALYZE

"HOW" DMV SHOULD PROVIDE ITS CORE FUNCTIONS. AN ENFORCEMENT AND REGULATORY GROUP WILL BE CHARGED WITH THE RESPONSIBILITY OF RECOMMENDING ENHANCEMENT AND IMPROVEMENTS TO DMV'S REGULATORY AND ENFORCEMENT RESPONSIBILITIES. AN IMPROVED FACILITIES MANAGEMENT AND LEASING PROCESS WILL BE RECOMMENDED BY ANOTHER STRATEGIC TARGET GROUP AND HUMAN RESOURCE AND DEVELOPMENT ISSUES WILL BE ADDRESSED IN A DIVISION-WIDE PERSONNEL AND TRAINING STRATEGIC TARGET GROUP.

THESE GROUPS WILL BE INVOLVED IN A COMPREHENSIVE PLANNING PERIOD IN NOVEMBER AND DECEMBER. DURING THAT TIME, CERTAIN INITIAL TASKS OF PREPARING AN INVENTORY OF EXISTING INFORMATION, SPECIFIC OBJECTIVES, AND NECESSARY BASELINE INFORMATION WILL BE COMPLETED. DURING THE FOLLOWING SIX MONTHS, VARIOUS REFORM PROPOSALS WILL BE COMPLETED AND SUBMITTED FOR REVIEW AND APPROVAL. I HAVE ATTACHED A CHART OUTLINING SOME PRELIMINARY TIMELINES FOR YOUR INFORMATION.

SOME OF THESE PROPOSALS, WHICH WILL BE DONE SOONER THAN OTHERS, WILL REQUIRE LEGISLATIVE ACTION. OTHERS WILL BE ADMINISTRATIVE CHANGES REQUIRING EXECUTIVE BRANCH APPROVAL. DURING THE SIX MONTH PLANNING PERIOD, VARIOUS ACTION AND IMPLEMENTATION PLANS WILL ALSO BE PREPARED. THEREAFTER, THE STRATEGIC TARGET GROUPS WILL CONTINUE AS THE MECHANISMS FOR MONITORING IMPLEMENTATION OF THE APPROVED PROPOSALS AND ACTION PLANS.

ALTHOUGH THIS PROCESS MAY BE COMPLEX, I BELIEVE IT WILL RESULT IN CAREFULLY CONCEIVED PROPOSALS FOR REFORM. AS IMPORTANT, THESE PROPOSALS WILL BE "OWNED" BY THOSE WHO DEVELOPED THEM AND WHO, AFTER APPROVAL, WILL BE RESPONSIBLE FOR THEIR IMPLEMENTATION.

ALTHOUGH THIS INTENSIVE PLANNING ORGANIZATION IS NOW AT THE THRESHOLD OF ITS ACTIVITY, SEVERAL INITIAL STEPS AIMED AT ACHIEVING THE IDENTIFIED GOALS AND OBJECTIVES OVER THE NEXT TWO YEARS HAVE ALREADY BEGUN. SOME EXAMPLES OF PROGRESS ON ISSUES WHICH I RAISED WITH YOU IN APRIL INCLUDE:

1. CENTRAL OFFICE FACILITY: THE GENERAL SERVICES ADMINISTRATION, THROUGH A LIMITED COMPETITIVE PROPOSAL PROCESS, OBTAINED THE SERVICES OF AN ARCHITECTURAL ENGINEERING FIRM, CUH2A OF WEST WINDSOR, NEW JERSEY, TO DEVELOP A SPACE PROGRAM REPORT FOR A NEW CENTRAL OFFICE BUILDING FOR THE DIVISION. THE FIRM WILL ALSO ANALYZE THE SITE CHARACTERISTICS OF ALTERNATIVE SITES WHICH HAVE BEEN PRESENTED TO THEM FOR POSSIBLE LOCATION OF THIS FACILITY. THE RESULTS OF THAT SPACE PLANNING STUDY AND SITE ANALYSIS WILL BE COMPLETE BY MID-DECEMBER. THE STRATEGIC TARGET GROUP ADDRESSING THE CENTRAL OFFICE FACILITY ISSUE WILL CONTINUE TO MONITOR THE VARIOUS STAGES OF DESIGN, LAND ACQUISITION, FINANCE, AND CONSTRUCTION, AND WILL EXPEDITE THE INPUT AND FEEDBACK NECESSARY TO ENSURE THAT THE FINAL CONSTRUCTION OF A BUILDING IS ACCOMPLISHED BY LATE 1988.

2. CUSTOMER COMPLAINTS/PUBLIC INFORMATION: AN EXPANDED OFFICE OF CUSTOMER COMPLAINTS HAS BEEN ESTABLISHED TO AGGRESSIVELY MANAGE COMPLAINTS AND TO CENTRALIZE HANDLING OF LETTERS OF COMPLAINT FORWARDED

TO DMV. IN ADDITION, A DATA PROCESSING SUPPORT SOFTWARE SYSTEM HAS BEEN IDENTIFIED TO PROVIDE THE MONITORING EFFORT NEEDED TO CONTROL AND EXPEDITE THE TIMELY AND ACCURATE RESPONSES TO THE MORE THAN 100 COMPLAINT LETTERS WHICH ARRIVE AT THE DIVISION EACH DAY. AN INITIAL STAFF WHICH HAS BEEN HIRED TO BEGIN THIS FUNCTION WILL BE AUGMENTED IN THE NEAR FUTURE.

3. MOTORIST GUIDE: WHILE DMV IS "UNDER REPAIR", THE PUBLIC MUST BE MADE AWARE, IN A CONCISE, UNDERSTANDABLE AND ACCURATE WAY, HOW TO INTERACT WITH AND HOW TO USE DMV SERVICES. THEREFORE, CONSISTENT WITH THE GOVERNOR'S JANUARY STATE OF THE STATE ADDRESS, WE PLAN TO PUBLISH AND DISTRIBUTE, BY EARLY 1987, A GUIDE TO DMV. THIS IS THE FIRST OF A NUMBER STEPS THAT WILL BE TAKEN AS PART OF OUR INFORMING THE PUBLIC IN A PRO-ACTIVE WAY ABOUT THE SERVICES AND REQUIREMENTS OF THE NEW JERSEY MOTOR VEHICLE SYSTEM.

4. BUDGET AND FINANCIAL CONTROL: SINCE I BEGAN MY TERM AS ATTORNEY GENERAL, I HAVE TAKEN VARIOUS STEPS TO ASSIST IN THE PROPER DEVELOPMENT OF A COORDINATED DEPARTMENT OF LAW AND PUBLIC SAFETY BUDGET. RECOGNIZING THAT EFFICIENT, ORDERLY, AND ACCURATE BUDGETING AND PLANNING PROCESSES CANNOT OCCUR IN A FRAGMENTED WAY, I HAVE BEGUN TO CENTRALIZE THE BUDGET PREPARATION PROCESSES FOR ALL DIVISIONS WITHIN THE DEPARTMENT OF LAW AND PUBLIC SAFETY. THE BUDGET AND

FINANCIAL CONTROL STRATEGIC TARGET GROUP WILL ANALYZE, AMONG OTHER THINGS, THE METHODS USED BY THE DMV/LAW AND PUBLIC SAFETY "TEAM" TO INTEGRATE STRATEGIC PLANNING INTO THE REQUESTS FOR BUDGET PROPOSALS AS WE PREPARE EACH FISCAL YEAR'S REQUIREMENTS.

\* \* \* \*

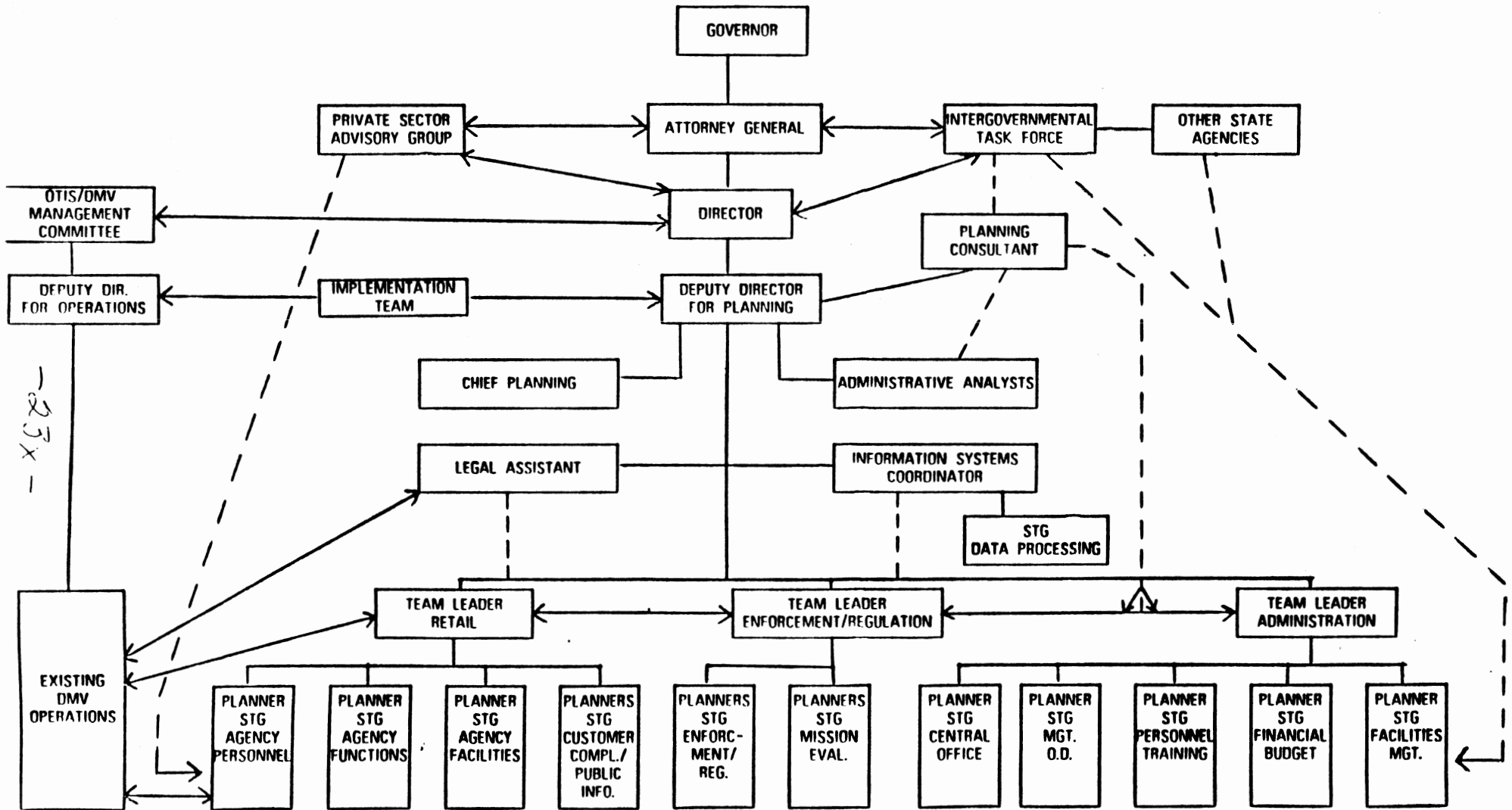
AS I HAVE STATED TO THE PRESS, TO VARIOUS INTEREST GROUPS, TO THE PUBLIC, AND TO THE LEGISLATURE ON MANY OCCASIONS, DESPITE THE PROMISE HELD OUT BY THIS REFORM PROGRAM AND BY THE NEW CONSUMER EMPHASIS, SUCCESS WILL NOT OCCUR OVERNIGHT. SOME INITIATIVES, LIKE PUBLIC/PRIVATE INSPECTION, ARE ALREADY UNDERWAY. OTHERS, HOWEVER, WILL REQUIRE ADDITIONAL TIME AND RESOURCES TO BECOME FULLY OPERATIONAL. WHILE DMV IS "UNDER REPAIR", WHILE THE STRATEGIC PLANNING GROUPS ARE DOING THEIR WORK, WHILE WE ARE BEGINNING EFFORTS TO BRING ABOUT A CONSUMER-SENSITIVE AGENCY, I AGAIN ASK FOR THE PATIENCE AND SUPPORT OF THE LEGISLATURE, AND EVEN MORESO, THE PUBLIC, WHO SUFFERS INCONVENIENCE DAILY AS A RESULT OF THE CURRENT SYSTEM. IN RETURN, I COMMIT TO DOING EVERYTHING IN MY POWER TO SEE TO IT THAT NEW JERSEYANS ARE ULTIMATELY PROVIDED WITH A MOTOR VEHICLE SYSTEM OF WHICH THEY CAN BE PROUD.

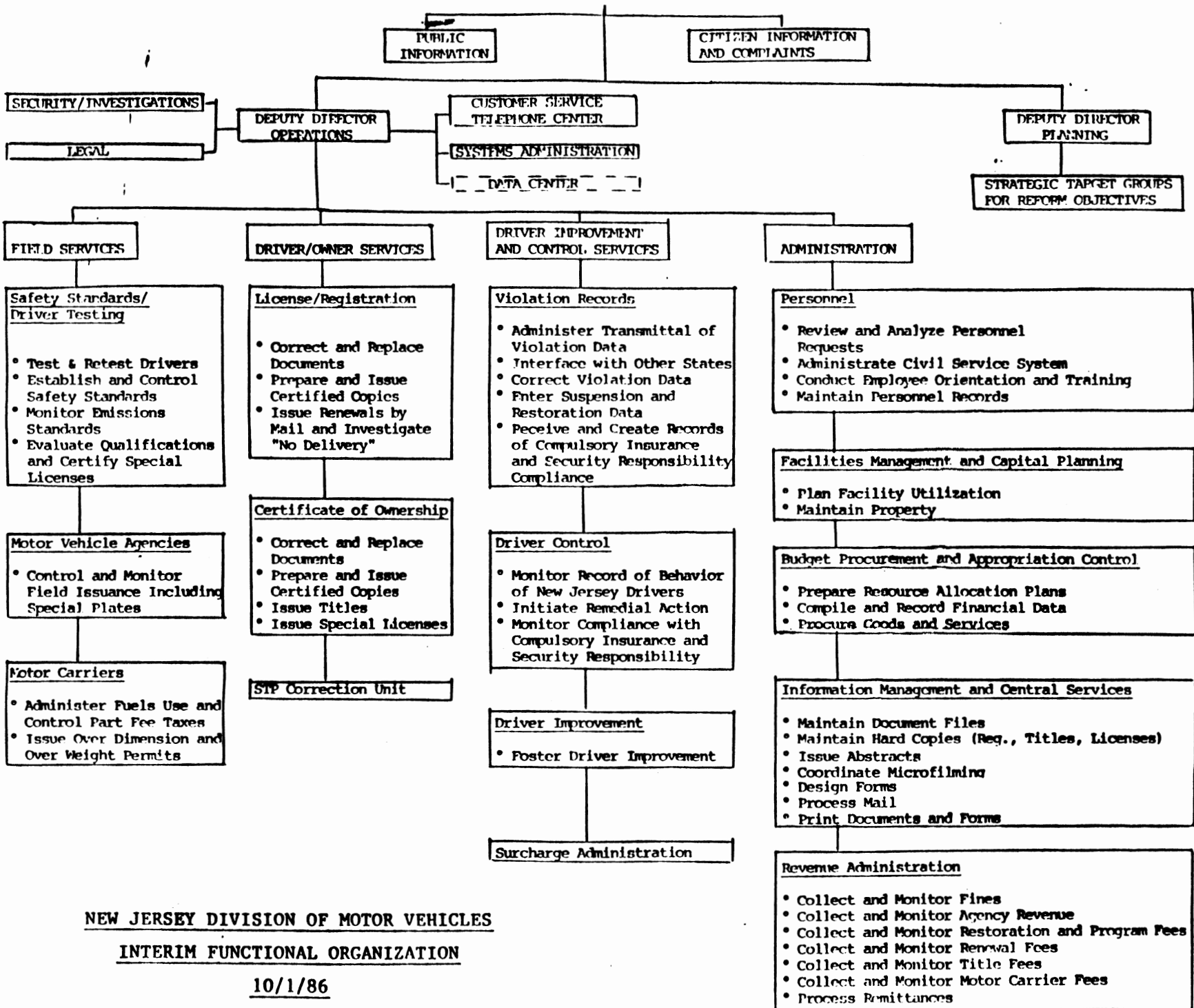
TIMELINE FOR ACTIVITIES OF STRATEGIC TARGET GROUPS FOR DIVISION OF MOTOR VEHICLES REFORM

<u>Strategic Target Groups</u>	<u>FY'87</u> <u>Deadlines For STG Comprehensive Proposals</u>							<u>FY'88 &amp; 89</u> <u>Continuing Actions Toward Reform</u>
	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	:	:	:	:	:	:	:	Ongoing Decision-Making and Approval Process
1. LEGAL	X	:	:	:	:	:	:	↓  Detailed Implementation Planning
2. ENFORCEMENT/REGULATORY	:	X	:	:	:	:	:	
3. MISSION EVALUATION	:	:	X	:	:	:	:	
4. BUDGET AND FINANCIAL CONTROL	:	:	X	:	:	:	:	
5. FACILITIES MANAGEMENT	:	:	:	X	:	:	:	
6. CUSTOMER COMPLAINTS/ PUBLIC INFORMATION	:	:	:	:	X	:	:	
7. AGENCY REFORM	:	:	:	:	X	:	:	
8. INFORMATION SYSTEMS AND MANAGEMENT	:	:	:	:	:	X	:	
9. PERSONNEL/TRAINING	:	:	:	:	:	:	X	
10. CENTRAL OFFICE FACILITY	:	:	:	:	:	:	X	
								↓  Implementation

23x

# DIVISION OF MOTOR VEHICLES PLANNING ORGANIZATION STRUCTURE





NEW JERSEY DIVISION OF MOTOR VEHICLES

INTERIM FUNCTIONAL ORGANIZATION

10/1/86

- 34 -





