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# MEMORANDUM

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**To:** Transportation and Economic Development Subcommittee

**From:** Linda Gilbert, Legislative Fiscal Office  
(503) 986-1845

**Date:** June 26, 2013

**Subject:** HB 2421 Work Session Recommendations

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HB 2421 relates to communication between state agencies regarding members of uniformed services. The measure is effective January 1, 2014. It instructs the Oregon Department of Transportation Director (ODOT) to share names and addresses of service members and veterans with Oregon Department of Veterans' Affairs Director (ODVA) on a monthly basis when service members or veterans make written inquiry regarding applications for licenses, identification cards, certificates of vehicle title, or vehicle registrations. Requires service member or veteran's written authorization to release his or her name and address to ODVA. Authorizes ODOT to adopt rules, in consultation with ODVA, regarding method of implementing notification procedure.

The measure builds on 2012's House Bill 4046, which directed the Bureau of Labor and Industries to share veteran information with ODVA. ODVA estimates that at least 100,000 Oregon veterans currently not receiving benefits could qualify for up to \$2 billion in federal benefits once the veterans are identified and contacted.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, fiscal impact statement, and the proposed amendment are available on the Oregon Legislative Information System (OLIS).

The measure previously had a work session in House Committee on Veterans' Services and Emergency Preparedness (February 21, 7-0-0-0) and is assigned to Ways and Means by prior reference.

The measure has a \$100,000 General Fund fiscal impact on the Department of Transportation, Driver and Motor Vehicle Services. Costs are associated with programming, DOJ rule review, set-up charges, and manual workload to process subject applications. The 2015-17 impact is \$32,634 General Fund.

The bill does not relate to the regulation, operation or use of a motor vehicle, or primarily and directly facilitate motorized vehicle travel, thus the bill's implementation is not a permissible use of State Highway Funds.

**Amendment**

The proposed amendment provides a General Fund appropriation of \$100,000 and 0.34 full-time equivalent positions.

**Motion #1: Move –A2 amendment to House Bill 2421.**

**Measure**

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion #2: Move HB 2421 to the full committee with a “do pass, as amended” recommendation.**

Carrier Full: \_\_\_\_\_ 2<sup>nd</sup> Chamber: \_\_\_\_\_

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2421**

1 On page 1 of the printed A-engrossed bill, line 2, after “services” insert  
2 “; appropriating money; and declaring an emergency”.

3 On page 2, after line 6, insert:

4 **“SECTION 2. Section 1 of this 2013 Act becomes operative on Jan-**  
5 **uary 1, 2014.**

6 **“SECTION 3. In addition to and not in lieu of any other appropri-**  
7 **ation, there is appropriated to the Department of Transportation, for**  
8 **the biennium beginning July 1, 2013, out of the General Fund, the**  
9 **amount of \$100,000 for the purpose of carrying out the provisions of**  
10 **section 1 of this 2013 Act.**

11 **“SECTION 4. This 2013 Act being necessary for the immediate**  
12 **preservation of the public peace, health and safety, an emergency is**  
13 **declared to exist, and this 2013 Act takes effect July 1, 2013.”.**

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Joint Committee on Ways and Means

Carrier – House: Rep.  
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Linda Gilbert, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

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**WHAT THE MEASURE DOES:** Instructs Oregon Department of Transportation Director (ODOT) to share names and addresses of service members and veterans with Oregon Department of Veterans' Affairs Director (ODVA) on monthly basis when service members or veterans make written inquiry regarding applications for licenses, identification cards, certificates of vehicle title, or vehicle registrations. Requires service member or veteran's written authorization to release his or her name and address to ODVA. Authorizes ODOT to adopt rules, in consultation with ODVA, regarding method of implementing notification procedure.

**ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENT:** Amendment proposed to add \$100,000 General Fund appropriation.

**BACKGROUND:** Oregon presently has 330,000 veterans, of which around 100,000 are receiving benefits. These veterans obtained approximately \$1.9 billion in benefits annually. ODVA estimates that at least 100,000 of the 230,000 veterans currently not receiving benefits could qualify for an additional \$1.5 to \$2 billion in federal benefits. A major hurdle to accessing these federal dollars is identifying and contacting veterans who qualify for assistance. The Department of Motor Vehicles (DMV) conducts 2.8 million transactions per year and most adults will have some interaction with the agency every two to three years.

The 2012 Oregon Legislature enacted House Bill 4064, which directed the Bureau of Labor and Industries (BOLI) to inquire of individuals seeking services from BOLI of their veteran status and share that information with ODVA. This program was termed the "No Wrong Door Policy." House Bill 4064, upon which this bill is based, led to approximately 70 veterans being identified and connected with ODVA. House Bill 2421A facilitates the sharing of information between ODOT, specifically the DMV, and ODVA in order to identify service members and veterans who may be eligible for benefits.

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2421 - A**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Krista McDowell  
Reviewed by: Michelle Deister, Linda Gilbert  
Date: 2/22/2013

**Measure Description:**

Requires Director of Transportation to notify Director of Veterans' Affairs upon receipt of certain written information from member or veteran of uniformed service, if authorized to do so by member or veteran.

**Government Unit(s) Affected:**

Department of Veterans' Affairs, Oregon Department of Transportation (ODOT)

**Summary of Fiscal Impact ODOT:**

**Summary of Expenditure Impact**

|                    | <b>2013-15 Biennium</b> | <b>2015-17 Biennium</b> |
|--------------------|-------------------------|-------------------------|
| General Fund       | \$100,973               | \$32,634                |
| Lottery Funds      |                         |                         |
| Other Funds        |                         |                         |
| Federal Funds      |                         |                         |
| <b>Total Funds</b> | <b>\$100,973</b>        | <b>\$32,634</b>         |
| Positions          | 0                       | 0                       |
| FTE                | 0.27                    | 0.33                    |

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

Department of Motor Vehicles (DMV) will revise a minimum of five forms/applications to include an explanatory statement and signature line for a member or veteran of uniformed service to indicate authorization for their information to be sent to the Oregon Department of Veterans Affairs (ODVA). DMV will reprogram the Customer Information System (CIS), which is the main database used to keep track of customers and transactions, to include a notation when a member authorizes a release of their information to ODVA. Paper applications are currently processed through a 'remittance processor', which has limited capacity to transmit information to the CIS. Should a customer complete the veteran's information section, the form will need to be manually processed into the CIS. Additionally, qualified vehicle registrations may be processed online. DMV will revise this online application to include a new screen that a member may enter their name and address and check a box to certify authorization of submission of their information to ODVA.

Computer programming needed to CIS, the Computerized Vehicle Registration program and the online vehicle renewal application, are estimated to need 690 hours, .17 FTE, one-time temporary Information Systems positions estimated at \$51,750 General Funds (GF) in 2013-15 biennium. Oregon Department of Transportation also anticipates the need for the Department of Justice to review new rules that would be needed to implement HB 2421; this is estimated at \$1,430 in one-time (GF) in 2013-15 biennium.

DMV has determined that a standard one-time implementation cost of \$22,500 General Funds (GF) in 2013-15 biennium is needed for standard execution of this bill. Additional manual workload for processing uniformed service applications is anticipated to effect four positions, .27 FTE, in the 2013-15 biennium at an estimated \$25,293 GF. The additional workload in the 2015-17 biennium is anticipated to effect three positions, .33 FTE, estimated \$32,634 GF.

ODOT suggests that there may be insufficient space remaining on the affected application forms, therefore DMV would need to increase the size of the applications. The increased costs, if all five forms are increased to legal-size, would result in \$24,517 (GF) in 2013-15 biennium and \$32,690 in 2015-17. These costs have not been included in the Summary of Expenditure Impact table (above), since it is indeterminate whether or not these forms will need to be increased in size.

Since HB 2421 does not relate to the regulation, operation or use of a motor vehicle, or primarily and directly facilitate motorized vehicle travel; the implementation of the bill is not a permissible use of State Highway Funds or Other Funds (OF). Calculations are based on an assumed effective date of January 1, 2014. Total authorized uniformed service applications are estimated to make-up 2% of *December 2012 Transactions Forecasts*.

There is no fiscal impact to the Oregon Department of Veterans' Affairs.

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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|                       |  |
|-----------------------|--|
| <b>Action:</b>        | Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means |
| <b>Vote:</b>          | 7 - 0 - 0  |
| <b>Yeas:</b>          | Boone, Esquivel, Fagan, Huffman, Parrish, Witt, Matthews                                       |
| <b>Nays:</b>          | 0  |
| <b>Exc.:</b>          | 0  |
| <b>Prepared By:</b>   | Elizabeth Edwards, Administrator   |
| <b>Meeting Dates:</b> | 2/12, 2/19, 2/21   |

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**WHAT THE MEASURE DOES:** Instructs Oregon Department of Transportation Director (ODOT) to share names and addresses of service members and veterans with Oregon Department of Veterans’ Affairs Director (ODVA) on monthly basis when service members or veterans make written inquiry regarding applications for licenses, identification cards, certificates of vehicle title, or vehicle registrations. Requires service member or veteran’s written authorization to release his or her name and address to ODVA. Authorizes ODOT to adopt rules, in consultation with ODVA, regarding method of implementing notification procedure.

**ISSUES DISCUSSED:**

- Specifics of how program could be implemented
- One-on-one client interactions during driver license and ID card transactions, but only every eight years
- Decreased efficiency when identifying veterans through registration applications, but every two years
- Importance of identifying veterans and helping them access benefits
- Helping veterans access benefits brings in federal dollars to Oregon
- Only 27 percent of veterans use benefits
- ODVA’s mission to reach out to veterans accomplished in part through strategic agency partnerships

**EFFECT OF COMMITTEE AMENDMENT:** Corrects named recipient of notification from ODOT to ODVA.

**BACKGROUND:** Oregon presently has 330,000 veterans, of which around 100,000 are receiving benefits. These veterans obtained approximately \$1.9 billion in benefits annually. ODVA estimates that at least 100,000 of the 230,000 veterans currently not receiving benefits could qualify for an additional \$1.5 to \$2 billion in federal benefits. A major hurdle to accessing these federal dollars is identifying and contacting veterans who qualify for assistance. The Department of Motor Vehicles (DMV) conducts 2.8 million transactions per year and most adults will have some interaction with the agency every two to three years.

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