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Legislative Testimony

To: Chairman Proehl and House Transportation Committee
From: Director of Vehicles Donna Shelite
Date: January 29, 2013
Subject: Division of Vehicles Update

Good morning, Chairman Proehl and members of the committee. My name is Donna Shelite, Director of Vehicles for the State of Kansas. Thank you for the invitation to provide a brief overview of the Division of Vehicles.

When Secretary Jordan appointed me to this position in April 2011, one of the first things he shared with me was his vision for improved customer service and efficiency throughout the Department of Revenue, including the Division of Vehicles.

This vision resonated with me because, in my 15½ years as Pratt County's elected treasurer, I was on the frontlines every day, serving county residents and striving to make their interaction with government as convenient and friendly as possible.

Today it is a pleasure to use that Pratt County experience, along with my seven years of private sector work as a project administrator for a computer software company, to serve all the citizens of Kansas who interact with the Division of Vehicles. And this is no small feat.

In 2012, our team:

- Issued 525,336 driver's licenses and non-driver's identification cards
- Issued 43,471 commercial driver's licenses
- Issued 17,739 concealed carry permits
- Processed 1.1 million vehicle titles
- Posted 251,207 tickets and other violations to driving records
- Entered 139,337 driver's license suspensions

The Division of Vehicles includes the Director's administrative office as well as four separate units which include:

- Central Office Operations
- Motor Carrier Services
- Driver's Licenses Field Services
- DMV Modernization Project / System Design and Analysis

The Central Office Operations (COO) unit administers policies and procedures as established by federal and state statutes, regulations, and judicial orders. COO is responsible for the processing and issuance of titles, permits, vehicle registrations (Personal and Commercial), county support, customer service, maintaining driving records and the licensing of new, used, and salvage auto dealers.

- **Titles and Registration**

- Centralized computer system and master database of 6.8 million records
- Printing and mailing of monthly renewal notices for 104 counties
- 740,058 titles printed and mailed per year & 284,582 E-Titles issued
- 2,606,858 annual registration renewals processed
- Provide County Treasurer support
- Call Center handles an average of 130,000 calls annually
- 105 county treasurers are the state's agents to provide frontline services
 - Treasurers have full local control of office locations, staffing, management, etc.
 - Treasurers receive a portion of fees collected as payment for services provided.
 - Duties include issuing license plates; processing renewals and distributing decals; processing title applications; collecting sales tax, property tax, and fees

- **Dealer Licensing**

- License and monitor 2935 new and used vehicle dealerships
- License and monitor 104 manufacturers, converters, distributors and manufactured home dealers
- License 4932 salespersons
- Dealer Licensing Special Investigators
 - Conduct routine inspections, provide dealers support, investigate consumer complaints and provide resolution procedures

- Dealer Portal:
 - Dealers interface with internal division web accounts to streamline communication and application process
- E-lien On-line process
 - Allows the Division of Vehicles and authorized lienholders to exchange essential vehicle, lien and title information.
 - Electronic perfection of lien and release of lien
- Webinars are held to assist and educate dealers
- Front Counter service offers immediate and next day title service
- Receives an average of 30,000 calls annually
- **Driver Control**
 - Maintains driving records
 - Call Center handles an average of 130,000 calls annually
 - Driver Medical & Vision Review – 48,350 in Review Status
 - Although all residents in the state of Kansas have a right to apply for driving privileges, not all residents qualify medically or visually to keep the privilege to drive.
 - Ever-changing state DUI and insurance laws require significant administrative resources
 - 251,207 violations posted to driving records
 - 139,337 suspensions
 - 81,832 reinstatements
 - 27,753 insurance verifications
 - 10,167 administrative hearings
 - 3,713 ignition interlocks

The Motor Carrier Service unit (MCS) is comprised of two groups, the IRP group that administers the vehicle registration for interstate trucks and the other group is Central Permits. Central Permits issues all oversize/overweight and other temporary permits inter/intrastate trucking companies must have to legally operate in Kansas as well as other jurisdictions.

- **International Registration Plan (IRP)**
 - Administers policies and procedures as established by International Registration Plan, Federal and State statutes and regulations
 - 2009 established 8 IRP offices across state in cooperation with County Treasurers
 - 3,100 apportioned accounts for Kansas based motor carriers
 - 400 new apportioned accounts for 2012
 - Registers 29,000 power units annually
 - Registers 33,000 trailers annually
- **Central Permits**
 - Issued 107,836 special permits annually
 - Permits issued in accordance to Fed and State bridge laws as well as state size and weight statutes
 - Routing of large commercial vehicles

The Driver's License Field Service supports the statewide effort to have safe drivers on Kansas roadways. Driver's licensing conducts driver's license examinations required for the issuance and renewal of licenses and identification cards according to Federal and State guidelines.

- **DL/ID Issuance in 2012**
 - 509,039 driver's license
 - 16,297 non-driver identification cards
 - 17,739 conceal carry licenses
 - 8,893 temporary driver licenses and identification cards
- **Identity Credential Information and Technology**
 - 2011 implemented a "photo first" process
 - Enhanced photo compare technology
 - Oct 2012 began issuing new DL/ID cards with enhanced security features
 - Utilizing the SAVE system to determine lawful status of applicants

As we take care of this important business, we also have an eye on the future as we work to modernize the Division of Vehicles, both from an operations and technology standpoint.

First, I'm pleased to share with you that, this past year, we implemented a wait-line management system in our state's busiest driver's license offices. This system has empowered our customers, allowing them to "get in line" at the Driver's Licensing offices in the way that works best for them, whether that's in person at a state driver's license office, over the Internet,

or on the phone. Because this system lets people know what time they can expect to receive service based on the number of others ahead of them, customers will no longer be forced to physically wait in line if they don't want to. Instead they can stay at their homes or offices, or even run errands, until the system notifies them their appointment time is approaching. We are very pleased that citizens have embraced this opportunity to have more control over their DMV experience.

Another change in technology we have implemented is geared toward improving identity security — namely by protecting the integrity of the Kansas driver's license. With our new photo-first workstations installed in 2011, the first thing each driver's license examiner does is take a picture of the person applying for a license. The photo is then processed by facial recognition software to determine whether the person's image matches the person's identity. Further, the potential for fraud is further reduced by these workstations because people are not moved from one area of the office to another to have the photo taken. Nothing Revenue does has a greater potential impact on homeland security than controlling driver's license fraud, and we take this very seriously, in keeping with the vision outlined by the legislature in 2007 in Senate Bill 9.

An additional security feature is the recent unveiling of our new Driver License design in October 2012. As technology advances, counterfeiters are able to better mimic security features on ID documents. For this reason it is very important to stay one step ahead of the criminals by enhancing the security features. Some of the current Kansas DL security features include:

- Fine line printing
- Laser etched image of card-holder in the form of a ghost image
- Hologram that is highly detailed with multiple colors
- Microprint throughout the card
- Microprint unique to the card-holder
- Ultra-violet image on the front of the card that is highly detailed
- UV image of card-holder's portrait along the date or birth

From an operations standpoint, we are reconfiguring our vehicles organization to reflect a strong customer orientation as we implement new technology. This means, for example, that as we move forward, we will break down unnecessary barriers within the organization and place a greater emphasis on cross-training. Customer service representatives in our new Central Office Operations Bureau will focus on answering phones and processing paperwork quickly and professionally, while employees in our Field Services Bureau will step up our in-person service provided at driver's license offices across the state. With this approach, we intend to balance out workflow and minimize the impact of seasonal or daily variations in activity — and, in doing so, make our customers' experiences with the state more user friendly.

Finally, I'd like to report that the DMV modernization project is nearing completion and will be a momentous milestone for the Division of Vehicles in 2013.

As you may recall, the decision was made several years ago to replace the three legacy IT systems used by Vehicles with a single integrated system. After a competitive bidding process, 3M Corporation was selected to create the new Kansas motor vehicle system, and the project began with the signing of a contract with 3M in July 2009.

The project was divided into two phases that are being worked on concurrently. Phase I consisted of the motor vehicle titles and registration system used by Revenue and our county treasurer partners, and Phase II will replace the legacy driver's license and driver control systems.

It is typical for IT projects of this size, scope, and importance to take several years to complete, and, indeed, that is true as we build a significantly customized and powerful motor vehicle computer system that will meet Kansas' unique needs.

I'd like to conclude as I began, underscoring what an exciting time it is in the Division of Vehicles. As we modernize both our technology and operations, we will build on our state's proud transportation history and leave a legacy that serves our customers better well into the future.

Thank you for allowing me to appear before you today. I invite any of you to contact me personally anytime. My staff is prepared to answer questions, provide information, or assist you or your constituents as your needs arise.