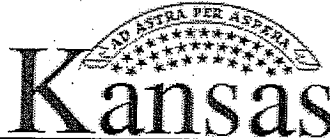


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Nick Jordan, Secretary
Donna Shelite, Director of Vehicles

Department of Revenue

Sam Brownback, Governor

Legislative Testimony

To: Senate Transportation Committee
From: Director of Vehicles Donna Shelite
Date: February 22, 2012
Subject: Division of Vehicles Update

Good morning, Chairman Umbarger and members of the committee, and thank you for the invitation to provide a brief update on the exciting changes underway in the Division of Vehicles.

When your former Senate colleague Secretary Jordan appointed me to this position in April, 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 2011, our team:

- Issued 534,042 driver's licenses and non-driver's identification cards
- Issued 43,692 commercial driver's licenses and administered 16,678 CDL tests
- Issued 41,210 concealed carry permits
- Processed 1,015,951 vehicle titles
- Posted 251,207 tickets and other violations to driving records
- Entered 139,337 driver's license suspensions

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.

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First, I'm pleased to share with you that, next month, we will implement a wait-line management system in our state's five busiest driver's license offices. This system will empower our customers, allowing them to "get in line" at the DMV 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 will let 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 optimistic that citizens will embrace 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.

From an operations standpoint, we are reconfiguring our vehicles organization this year 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 2012.

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. One phase consists of the motor vehicle titles and registration system used by Revenue and our county treasurer partners, and the other phase will replace the legacy driver's license system.

It is typical for IT projects of this size, scope, and importance to take two or three 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.

This work is being done by 3M programmers and is delivered in a series of code handoffs referred to as cycles. Each cycle contains a predefined subset of the total system functionality, which is delivered to Revenue for testing.

As an important code freeze date approached late last year, all of the Phase I equipment had been deployed, infrastructure across the state had been upgraded, county users had been trained, and all of the Phase I functionality had been coded. However, we determined there were a number of significant software bugs that would not allow us to implement the system without a potentially serious impact on county treasurers and our customers across the state.

This led us to agree upon a certain number of mandatory fixes with 3M, and we are now working with the company on an hour-by-hour basis to ensure these specific fixes are completed so we can deliver a product we can all be proud of this spring. Since the contract with 3M is for a fixed cost, timeline adjustments do not impact the state's bottom line, and we have the flexibility to adjust dates in order to assure complete functionality before we place it in production in all 105 county treasurer's offices. We are carefully balancing our desire to implement the system with our insistence on delivering a quality product. We will do both.

One important note of clarification here. I want to reiterate today what I have told several of you individually regarding a recent computer error that caused a number of vehicle titles to back up in our system before we were able to detect and correct the problem last month. That computer glitch was in our existing legacy system and was in no way related to the modernization project. The error was corrected in early January, and we are monitoring the system to ensure we don't have a relapse of any sort.

I'd like to conclude as I began, underscoring what an exciting time it is in the Division of Vehicles. Of course, important changes bring a certain number of challenges along with them, yet these are challenges we can and will address. 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 inviting me to be here, and I invite any of you to contact me personally anytime the Division of Vehicles can answer questions, provide information, or assist your constituents.