Minnesota Vehicle Title and Registration System

June 2021 Quarterly Review

June 2021

Financial Audit Division

OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

Financial Audit Division

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June 14, 2021

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Minnesota IT Services

This report presents the results of the Office of the Legislative Auditor's quarterly review of the Vehicle Title and Registration System (VTRS) project through May 18, 2021. Our last project report was issued on February 2, 2021. The objectives of this review were to actively monitor and report on VTRS in accordance with *Laws of Minnesota* 2019, First Special Session, chapter 3, art. 2, sec. 32. The law requires our office to review the VTRS implementation project, stakeholder engagement, and decommissioning of the legacy motor vehicle systems. For each of these areas, the law requires our office to identify any concerns or risks that could jeopardize the project.

This review was conducted by Mark Mathison (IT Audit Director) and Joe Sass (IT Audit Coordinator).

We received the full cooperation of the Department of Public Safety, Minnesota IT Services, and FAST Enterprises staff while performing this quarterly review.

Sincerely,

Lori Leysen, CPA
Deputy Legislative Auditor

Mark Mathison
IT Audit Director

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Introduction

The 2019 Legislature directed the Department of Public Safety (DPS) and Minnesota IT Services (MNIT) to replace Minnesota's Licensing and Registration System (MNLARS) with a vendor-produced software application, following the recommendations of the *Independent Expert Review of MNLARS*.[1] The law outlined an aggressive project timeline for the new Vehicle Title and Registration System (VTRS), with an initial launch by the end of calendar year 2020. The law also required full implementation of VTRS and a complete decommissioning of MNLARS and the legacy motor vehicle systems by the fall of 2021.

The Legislature defined DPS as the owner of VTRS and made the agency responsible for the final decisions on functionality. MNIT is the technical lead on the project and is responsible for the final decisions on the implementation of technology products, services, and staffing. DPS and MNIT awarded the VTRS contract to Fast Enterprises, LLC (FAST) on June 27, 2019, and signed a contract for both software and implementation services on August 7, 2019. FAST also supplied the state's driver licensing system, which went live on October 1, 2018.

In November 2020, DPS, along with MNIT and FAST, (1) shut down MNLARS, (2) began using the first of two installments of its new Vehicle Title and Registration System, and (3) upgraded the state's driver licensing system. With these changes, and utilizing the FAST platform, DPS now operates a single, unified, driver and vehicle system known as Minnesota Drive (MNDRIVE). DPS, MNIT, and FAST will continue project work through the fall of 2021, as they work toward the second installment of MNDRIVE, focusing on functionality for the trucking industry, and adding additional features to the system.

The 2019 Legislature dissolved the MNLARS Steering Committee and created the Driver and Vehicle Systems Oversight Committee.[2] The committee is responsible for overseeing the VTRS project and the decommissioning of MNLARS and the legacy motor vehicle systems. The law requires DPS and MNIT to provide quarterly updates to the oversight committee. The law also requires the Office of the Legislative Auditor (OLA) to provide quarterly reviews on the project implementation, stakeholder engagement, and MNLARS decommissioning. For each of these areas, the law requires OLA to identify any concerns or risks that could jeopardize the project.

Complex computer system development projects are fraught with technical and nontechnical risks. As the project leaders, DPS and MNIT are responsible for continuously assessing risks and developing appropriate mitigation strategies. DPS and MNIT also are responsible for keeping the Driver and Vehicle Systems Oversight Committee apprised of both project status and risks.

OLA intends to carry forward and update risks from previous quarters, unless we believe the agencies have sufficiently minimized those risks. We will incorporate newly identified risks, so that each new quarterly report will represent the current condition.

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[1] *Laws of Minnesota* 2019, First Special Session, chapter 3, art. 2, sec. 35.

[2] *Ibid*, sec. 34.

Report Summary

The Vehicle Title and Registration System (VTRS) implementation project, also referred to as MNDRIVE, successfully replaced MNLARS following the first system rollout and release of MNDRIVE on November 16, 2020. Project work has moved forward for the second major milestone, MNDRIVE Rollout II, which implements International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) functionality for the trucking industry. Completion of this milestone will finalize the consolidation of Driver and Vehicle Services functionality under the unified MNDRIVE system umbrella.

As directed by the Legislature, we examined the status of the project implementation, looking at project progression that enables completing the work on time, and reviewed current and estimated expenditures to gauge if the work can be completed within budget. Additionally, we reviewed project documentation and current legislative bills that may impact DPS and the project. To gain an understanding of and monitor stakeholder engagement within the project, we attended stakeholder meetings, such as with the Driver and Vehicle Services Executive Steering Committee, interviewed key stakeholders, and reviewed stakeholder communications.[3] Finally, we reviewed the status of the decommissioning of MNLARS and the other legacy systems.

Conclusions

DPS, MNIT, and FAST completed the first major milestone of the VTRS project on November 16, 2020, with the initial release of MNDRIVE. This first rollout was completed prior to the legislative deadline. The project is currently on track to meet its planned second rollout date of October 4, 2021, fulfilling the Legislature's intention to fully implement the system "by the fall of 2021."[4]

Current budget estimates through the end of the project forecast a surplus. However, we note a risk that the budget for Fiscal Year 2022 may not be complete, and the extent of the surplus may change. Additionally, we carried forward risks from our previous quarterly report regarding legislative changes that may impact project resources and timelines and the potential for obsolete information on DPS websites—pertaining to legacy computer systems—to cause confusion and user frustration.

Although OLA assesses these risks as generally minor, they must be addressed to avoid negative project impacts and to ensure the success of the project.

Extreme Concerns	Significant Concerns	**Minor Concerns**	No Concerns

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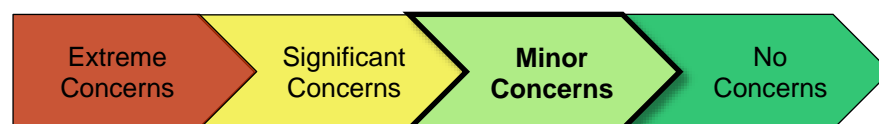
[3] *Laws of Minnesota* 2019, First Special Session, chapter 3, art. 2, sec. 33 (d).

[4] *Laws of Minnesota* 2019, First Special Session, chapter 3, art. 2, sec. 35, subd. 7.

Risks and Concerns

Our review found three risks that currently do not have complete mitigation strategies or have unknown impacts:

Risk 1. Certain legislative requirements could negatively impact the VTRS project. (p. 6)

Risk 2. The VTRS project budget for Fiscal Year 2022 is not complete. (p. 10)

Risk 3. A lack of timely updates on DPS web pages about system changes could cause confusion and user frustration. (p. 15)

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Project Status

The VTRS project met its initial implementation date, completing the first rollout of MNDRIVE on November 16, 2020.

Project work for Rollout II appears to be on track for the planned October 4, 2021, release date.

The FAST project plan defines major project deliverables and a basic timeline for each project phase. Successfully completing these deliverables, on time, helps provide assurance that the project stays on track. In accordance with the FAST contract, the successful completions of these phases are requirements for scheduled payments. To date, all deliverables have been completed according to the schedule.

The project defined two major milestones. The first milestone, VTRS Rollout I, was completed on November 16, 2020. This milestone—serving as the MNLARS replacement—included system functionality to support vehicle title and registration, dealer electronic vehicle titling and registration, fleet management, vehicle permits, imaging of vehicle transaction documents, and management of licensed dealers. Following Rollout I, the project team has shifted its focus to providing feature enhancements, as prioritized by DPS and its stakeholders, and to building out VTRS Rollout II.

VTRS Rollout II

The second major milestone, VTRS Rollout II, remains on track to meet its scheduled date of October 4, 2021. This rollout includes functionality for the International Fuel Tax Agreement (IFTA) and the International Registration Plan (IRP) for the trucking industry, or other vehicles operating in more than one state and used for the transportation of persons for hire, or designed, used, or maintained primarily for the transportation of property.[5] MNDRIVE must provide functionality that is both intuitive and easy to use for Minnesota's approximate 7,200 motor carriers. Although smaller in overall scope than the first rollout, it is crucial that MNDRIVE meets the heavily-regulated compliance requirements for IFTA and IRP.

The project team has completed the initial preparation, requirement definition, and base configuration phases for Rollout II. Project work now focuses on system configuration and development to meet Minnesota's requirements, data conversion from the legacy system, and testing by project subject matter experts (SMEs). Project testers have created more than 650 testing scenarios, which relate back to ten core IFTA/IRP functionality requirements as written into the FAST contract. System testing is

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[5] *Minnesota Statutes* 2020, 168.187.

expected to continue through the summer, while new user system training will begin in August 2021. Planned training activities will be similar to those used for Rollout I with self-paced online learning modules and virtual sessions.

As the second rollout date approaches, the project team is monitoring potential legislative actions that could require staff and contractors to make changes to the MNDRIVE system, which in turn, could delay the project. Following the conclusion of the 2021-2022 regular legislative session, a special session is planned for mid-June 2021. Several bills affecting DPS and MNDRIVE may be considered, and if passed, could impact the current project timeline.[6] These would include:

- Self-service kiosks for passenger vehicle and motorcycle registration renewals.

- Registration fees for electronic bicycles and motorcycles.

- New specialized license plates.

- Online driver license knowledge testing authorization.

- Third-party driver testing programs.

- Same day issuance of driver licenses.

- Revised fee structures for bulk access to motor vehicle and license data.

- Modifying driver's license suspension authority and removing multiple reinstatement fees.

- Other general changes to motor vehicle and driving taxes and fees.

Proposed changes also include an amendment to *Minnesota Statutes* 2020, 325E.15, the state's mileage disclosure law. As reported in our past quarterly reports, the state's mileage disclosure law needs an amendment to align with federal regulations. The MNDRIVE system has been configured to adhere to federal regulations. If not amended during the special session, the system configuration will continue to not align with state law.

RISK 1

Certain legislative requirements could negatively impact the VTRS project.

This risk has been carried forward from last quarter.

Potential government shutdowns and/or changes to laws by the Legislature have the potential to impact the timeline for Rollout II. While these legislative decisions may not directly affect the planned IFTA and IRP functionality for MNDRIVE Rollout II, DPS may find it difficult to balance implementing new legislative requirements with meeting the Rollout II timeline. DPS should work with the Legislature to ensure that

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[6] Most proposed changes can be found within H.F. 1684, 2021 Leg., 92nd Sess. (MN).

potential impacts to MNDRIVE and Rollout II are well understood by policymakers, such as effective dates for changes that create simultaneous competing priorities.

Mileage Disclosure Regulations

The current Minnesota mileage disclosure law dictates that when an individual transfers ownership of a motor vehicle, they must adhere to specific federal regulations, as amended through October 1, 1998.[7] In 2019, updates were made to the applicable federal regulations that require mileage disclosures for 20 years for vehicles manufactured during or after 2011. However, the increase from 10 years to 20 years has not yet been recognized by Minnesota statutes.[8]

Because this federal change affected all states, FAST modified its core system to adhere to federal regulations for all of its customers. Although MNDRIVE could have been configured to align with state law, DPS adhered to federal regulations.

Although DPS sought modifications to the state law during the 2020 legislative special sessions, the law was not amended. We recommend that DPS continue to work with the Legislature to align state odometer disclosure laws with federal regulations.

RECOMMENDATIONS

- **DPS should work with the Legislature to ensure that the impacts of legislative changes are well understood.**

- **DPS should work with the Legislature to align state mileage disclosure laws with federal regulations.**

MNDRIVE Maintenance and Support

In our December 2020 quarterly report, we identified a risk that DPS and MNIT had not finalized a contract for ongoing support and maintenance for the new system.[9] That risk was mitigated on February 18, 2021, when DPS and MNIT agreed to terms with FAST for system support and maintenance through June 30, 2024. In addition to agreeing to terms for software maintenance and support, the contract amendment also included provisions for FAST to host the computer hardware and provide additional system resiliency. These amendments totaled an additional $29 million, broken out as:

- Future maintenance of the MNDRIVE system totaled $5.5 million.

- Future support of the MNDRIVE system totaled $22.5 million.

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[7] *Minnesota Statutes* 2020, 325E.15.

[8] 49 *CFR*, sec. 580 (2019).

[9] Office of the Legislative Auditor, Financial Audit Division, *Minnesota Vehicle Title and Registration System – December 2020 Quarterly Review* (St. Paul, 2021), 16, https://www.auditor.leg.state.mn.us/fad/pdf /fad21-01.pdf.

- Current and future on-premise hosting not to exceed $1 million.

DPS and MNIT intend to support these system maintenance and operations costs using a dedicated driver and vehicle services technology account funded by technology surcharges, certain fees, and money generated from the sale of driver and vehicle record data.

In addition to making infrastructure changes to improve network redundancy, DPS, MNIT, and FAST migrated MNDRIVE from the state's data centers to those owned by FAST in early March 2021. The move to FAST data centers places the responsibility of hosting the application, software maintenance and support, and meeting the requirements of the contracted Service Level Agreement on FAST.[10]

As discussed in our December 2020 quarterly report, DPS and MNIT had not always provided consistent and timely notifications to stakeholders when MNDRIVE or third parties experienced technical issues.[11] To address this risk, DPS developed a new procedure for incident notifications. This includes notification within 15 minutes of DPS, MNIT, or FAST becoming aware of an issue and providing updated communications at defined intervals. DPS had just recently implemented this new procedure. Therefore, we did not observe whether the procedure was fully implemented and effective. We believe that this process should be beneficial for all stakeholders if it is consistently followed.

REAL ID

Our prior VTRS reports highlighted risks regarding the upcoming REAL ID enforcement deadline, previously set to take effect on October 1, 2021. However, on April 27, 2021, the United States Department of Homeland Security announced that it had extended the REAL ID enforcement date to May 3, 2023.[12] This extension provides DPS with 19 additional months to ensure that Minnesotans have REAL ID compliant driver licenses and identification cards and largely alleviates any risks that an earlier timeline for REAL ID may have had on the VTRS project.

DPS turnaround times for driver licenses and identification cards are currently under 30 days. Additionally, a recent expansion to seven-day service at three of the agency's metro-based exam stations, providing limited services on Sundays, may help the agency balance workloads. Moreover, enhancements to MNDRIVE e-Services, allowing Minnesotans to upload documentation and receive pre-approval as part of applying for an Enhanced or REAL ID, should improve the overall process for both applicants and driver license agents.

As of April 20, 2021, approximately 23 percent (or 1.6 million) of Minnesotans had a REAL ID or Enhanced driver license or identification card. DPS must, therefore,

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[10] A Service Level Agreement, or SLA, defines the responsibilities of a service provider and sets customer expectations. An SLA contains elements such as expected system uptime commitments, scheduled downtime, backups, and disaster planning objectives.

[11] Office of the Legislative Auditor, Financial Audit Division, *December 2020 Quarterly Review*, 15, https://www.auditor.leg.state.mn.us/fad/pdf/fad21-01.pdf.

[12] "DHS Announces Extension of REAL ID Full Enforcement Deadline," (U.S. Department of Homeland Security, April 27, 2021), https://www.dhs.gov/real-id/news/2021/04/27/dhs-announces-extension-real-id -full-enforcement-deadline, accessed April 28, 2021.

continue to have adequate staffing to maintain timely turnaround for these driver licenses and identification cards as it works toward the new deadline.

Credit Card Machines

On April 30, 2021, the credit card terminals utilized by DPS and deputy registrars expired from the list of approved devices maintained by the Payment Card Industry. DPS has been working on replacing these terminals since spring of 2020 and had planned to deploy new devices before the expiration date. However, DPS has indicated that the potential replacements do not meet all usability and functionality requirements of the agency and its deputy registrars. Specifically, the state is seeking to eliminate the need for a second card swipe to separately capture the credit card fees associated with a transaction—making the overall payment process quicker.

The current terminal manufacturer has stated that it will continue to provide fixes for critical software errors, including security vulnerabilities, through April 2023. This decreases the overall security risk of continuing to use these terminals until suitable replacements can be put in place. Additionally, the state's payment processor has stated that it will continue to support the current terminals, including providing technical assistance and replacement devices, should any become inoperable, until December 31, 2021. DPS, working with its payment processor and its deputy registrars, will have until the end of 2021 to test and implement new credit card terminals. While the extension of this project is not expected to cause any delay in meeting the Rollout II release, DPS will need to be cautious to ensure both projects can be completed.

Project Budget

Current project expenditures and budget estimates show the project with an estimated surplus. However, the project budget for Fiscal Year 2022 is not complete.

The Legislature gave approximately $52.67 million to fund the implementation of VTRS, which is available until June 30, 2022. As of April 30, 2021, project expenditures totaled approximately $33.02 million. Payments to FAST account for the largest portion of expenditures at $26.57 million.

Temporary staffing expenditures charged to the project in Fiscal Year 2021, to assist with a backlog of MNLARS titles and work in progress, equaled nearly $1.58 million. DPS intends to make approximately $84,000 in expenditure corrections for ten driver services-specific temporary staff who had been miscoded and inadvertently paid using project funds.

Based on the budget information provided by DPS, current budgeted expenditures are approximately $45.56 million, putting the project more than $7 million under budget. However, as noted in our previous reports, the budget excluded expected cost information for Fiscal Year 2022 beyond DPS payroll expenditures and contracted payments to FAST. With the new fiscal year beginning in less than one month and the

VTRS project budget excluding some expenditures, this noted item has been elevated to a formal risk. While we are not significantly concerned that costs to complete the project will exceed the $52.67 million provided by the Legislature, OLA is currently unable to confidently ascertain what work is planned or how much of the funding may remain following project completion and through the end of Fiscal Year 2022.

RISK 2

The VTRS project budget for Fiscal Year 2022 is not complete.

This risk is new for this quarter.

In early May 2021, DPS provided a VTRS project budget for Fiscal Year 2022, which continued to show only the contracted payments to FAST and DPS staff, and added a new line for data security consulting. When questioned as to why expected costs for MNIT staff, technology, training, deputy registrar and trucking industry SMEs, post-implementation reviews, and other expenses were not listed, DPS then provided us with an updated budget sheet showing approximately $400,000 in additional planned expenses, based on estimates from fiscal years 2020 and 2021.

Separately, DPS provided OLA with a list of proposed projects and initiatives in Driver and Vehicle Services, some of which further enhance MNDRIVE and may be appropriate to be funded through the VTRS project appropriation. Other planned items, such as a system accessibility review and system hosting migration, would also likely be funded through the VTRS project appropriation. However, these items are not included in the Fiscal Year 2022 project budget.

Although the project is currently projected to be approximately $7 million under budget, these items and other potential additions will likely decrease the overall remaining budget. We recommend that DPS, with consultation from MNIT and FAST, review its budget assumptions and planned projects to provide a more accurate reflection of the total project costs.

RECOMMENDATION

DPS should ensure that the MNDRIVE project budget for Fiscal Year 2022 includes all planned expenditures.

Stakeholder Engagement

DPS serves a broad variety of stakeholder groups. Within these groups themselves, great diversity exists, such as among the state's 174 deputy registrars, or between large, franchised chain, and small, independent vehicle dealers. Now, with VTRS Rollout II, stakeholders also include more than 7,200 independent, small, and large fleet motor carriers; third-party compliance providers; and nine deputy registrars who provide IRP and IFTA services. Therefore, a single business process or solution may not be ideal for all stakeholders. To help ensure inclusiveness of its stakeholders, DPS has taken

steps to obtain feedback from its wide array of stakeholders, such as by including project SMEs from deputy registrars, the Minnesota Automobile Dealers Association, and the Minnesota Trucking Association. Additionally, DPS continues to provide communication updates on the project to its Driver and Vehicle Services Executive Steering Committee.[13]

Vehicle Dealers

Vehicle dealers are largely unaffected by VTRS Rollout II. During this part of the project, the Minnesota Automobile Dealers Association continues to provide training to dealers and management on any issues affecting dealer-specific functionality for Electronic Vehicle Title and Registration (EVTR) and Vehicle Title and Permit transactions. In governance meetings and interviews with OLA, representatives from the Minnesota Automobile Dealers Association have generally provided positive comments regarding the first system rollout.

With Rollout I, a limited number of dealers began using the EVTR functionality as part of a pilot to submit transactions directly into MNDRIVE from their dealer management systems, eliminating the need for manual, paper-based forms, and double entry by deputy registrars. Since its release in November 2020, participation in EVTR has now expanded to 132 dealers—approximately 4 percent of all licensed dealers, supported by six different software vendors, with 48 deputy registrars reviewing and completing the transactions entered by the dealers.

Law Enforcement

VTRS Rollout I improved Minnesota law enforcement agencies' access to data and improved visibility with the new temporary vehicle permit format. However, Rollout II will have significantly less impact on law enforcement. As such, in January 2021, DPS discontinued their regular VTRS law enforcement update meetings. Law enforcement continues to be represented by the Bureau of Criminal Apprehension at Driver and Vehicle Services Executive Steering Committee governance meetings.

The MNDRIVE migration from state data centers to FAST data centers improved system redundancy and resiliency, providing additional assurance that the system would be available to law enforcement during significant local events. Additionally, DPS is working with FAST to define and build functionality to serve Minnesota's Vehicle Crime Unit, meeting the unit's unique needs while also adhering to and enforcing data privacy laws.

Trucking Industry

VTRS Rollout II focuses on functionality for the International Fuel Tax Agreement (IFTA) and the International Registration Plan (IRP) for the trucking industry, further consolidating DPS's disparate legacy systems into MNDRIVE. DPS has been actively working with the Minnesota Trucking Association (MTA) and has selected two industry

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[13] *Laws of Minnesota* 2019, First Special Session, chapter 3, art. 2, sec. 33 (d).

SMEs from MTA to assist on the project. Leveraging their decades of trucking industry and compliance experience, these two SMEs , whose time is compensated by the project, are working with FAST and DPS to help the team understand the needs and desires of stakeholders. They will also assist with testing the system to help ensure that it functions properly and is intuitive to use. While it was early in their engagement when we spoke with the SMEs, they were optimistic about the project. The MTA president is now also a member and attendee of the Driver and Vehicle Services Executive Steering Committee.

DPS will need to communicate system changes with its independent, small, and large fleet motor carriers; third-party compliance providers; and nine deputy registrars who provide services. These stakeholders will need to understand how filing of third-quarter IFTA taxes—due by October 31—may be impacted by the conversion on October 4, 2021.

Deputy Registrars and Driver License Agents

DPS has continued its web-based monthly meetings with deputy registrar appointees. These meetings provide the deputies with an opportunity to hear both project and agency updates from DPS Driver and Vehicle Services leadership, as well as to ask questions. Representatives from the Minnesota Deputy Registrar's Association and the Deputy Registrar Business Owners Association also participate in monthly meetings with DPS and FAST to prioritize enhancement requests for the MNDRIVE system. Finally, representatives also participate in the Driver and Vehicle Services Executive Steering Committee.

Currently, only nine of the state's deputy registrars process transactions associated with IFTA and IRP. Two representatives from these offices are participating in the project as SMEs. Based on feedback from the deputy registrars, virtual training will be provided for those locations that process related transactions.

In our December 2020 quarterly report, we had noted that the new system, with new or changing business processes, may renew concerns about the adequacy of compensation for deputy registrars.[14] The rollout of MNDRIVE brought forth comments from deputy registrars regarding the shift of work from the backend (previously performed by DPS) to the frontend (now performed by deputy registrars). Deputy registrars contended that, while MNDRIVE should make the review and approval processes performed by DPS more efficient, deputy registrars are now shouldering more of the burden of the work on data entry and scanning. Moreover, deputy registrars have stated that MNDRIVE introduces more clicks, more entry screens, and subsequently, more time into their process.

Over ten business days, from March 1 through March 12, 2021, 39 deputy registrars and 37 driver license agents participated in a time and motion study performed by the Winona State University Statistical Consulting Center and sponsored by the Minnesota Deputy Registrar's Association and the Deputy Registrar Business Owners Association.

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[14] Office of the Legislative Auditor, Financial Audit Division, *December 2020 Quarterly Review*, 20, https://www.auditor.leg.state.mn.us/fad/pdf/fad21-01.pdf.

Participating locations submitted information regarding transaction type, length in minutes, and comments through an internet-based form. The data collected showed an overall increase in average transaction time for all driver and vehicle transactions compared to previous year's data. The data also showed significant time spent on "no fee transactions" and on answering questions, particularly for driver license agents.

However, we caution the Legislature, stakeholders, and DPS from drawing conclusions based solely on this study. Because transaction times were submitted by the deputy registrar and driver license agents, the specific start and stop triggers for each transaction and timing mechanism may differ slightly by location and possibly by employee within each location. Moreover, it is difficult to assess how COVID-19 factors, such as customers waiting in line outside, limited numbers of customers allowed inside office locations, and cleaning between customers, impacted these metrics. Additionally, during the study window, DPS, MNIT, and FAST migrated MNDRIVE from state data centers to FAST data centers. The morning of March 8, following the migration, DPS notified deputy registrars and driver license agents of two separate issues impacting MNDRIVE: (1) the U.S. Passport Verification Service (USPVS) hosted by American Association of Motor Vehicle Administrators was unavailable, affecting REAL ID applications using passports to verify legal residence; and (2) users were experiencing system slowness, page unresponsive errors, and timeouts throughout MNDRIVE due to a configuration issue following the hosting migration. These issues likely also had an impact on time data reported in the study.

Also absent from the information is an understanding of how MNDRIVE has impacted transaction accuracy and the time it takes for DPS to completely process transactions and issue credentials. These factors play a critical role in understanding if and how the MNDRIVE implementation has improved the overall process.

DPS has taken some steps to reduce known time-consuming activities and challenges for the deputy registrars and driver license agents while working to improve customer experience:

1. **Web-based virtual assistant and website redesign with additional self-service capabilities:** Beginning June 1, 2021, DPS will add a virtual assistant or "chatbot" to its website with the ability to provide answers, 24-hours a day, to approximately 50 common questions.[15] This virtual assistant and additional self-service options should allow Minnesotans to access the information they need without calling the state's public information center or contacting a deputy registrar.

2. **REAL ID and Enhanced Driver License (EDL) pre-application with self-service supporting documentation upload:** On March 29, 2021, DPS added functionality to their REAL ID and EDL pre-application process that allows applicants to upload scanned images of their documentation for DPS to review prior to visiting a driver license agent location in person. As part of our

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[15] A chatbot is a computer program that simulates and processes human conversation (either written or spoken), allowing humans to interact with digital devices as if they were communicating with a real person. Oracle Corporation, "What is a Chatbot?" https://www.oracle.com/chatbots/what-is-a-chatbot/, accessed May 24, 2021.

project review, we have not confirmed compliance; however, DPS has committed to reviewing and approving the documents within three business days. Upon approval, DPS provides the applicant with a confirmation letter and a list of documents to bring to a driver license agent. This process allows the driver license agents to focus on the transactional processing of the application and the photo and vision screening, while DPS addresses compliance by reviewing and approving the documents. The new process aims to minimize return trips to driver license agents due to missing or unacceptable documentation. By minimizing return trips by applicants, DPS further reduces the time driver license agents spend on "no-fee transactions" and in answering questions.

We believe that these system enhancements and business process changes, along with other DPS initiatives, benefit DPS stakeholders and Minnesotans by lessening the burden on deputy registrars and driver license agents, while making DPS information more accessible to the public.

The MNDRIVE system tracks the time between a transaction's start time and when it is finalized, allowing for reporting to provide valuable metrics on the amount of time that transactions take within specific locations, by employee, or on average. Additionally, MNDRIVE can also provide data showing transaction time for the remainder of the issuance process—i.e., how long it takes for a DPS employee to review and approve the transaction and the time to mail the credential. These data, however, are based on system entry time and exclude certain customer-affecting factors, such as time spent waiting in line, the effects of COVID-19 precautions, asking questions, and pleasantries that improve customer service. Because of this, another in-depth time study, with a consistent and transparent methodology, could be employed to validate the time metrics previously provided by the Minnesota Deputy Registrar's Association and the Deputy Registrar Business Owners Association study and with data provided by the MNDRIVE system. Additionally, another in-depth time study could help to measure and quantify the effects of lines, COVID-19 precautions, and other nonsystem factors.

On May 4, 2021, the Transportation Conference Committee discussed a proposal and request for funding to perform a review of MNDRIVE and its related processes. This review intends to examine the new system to "quantify, explain and recommend solutions or offsets for any lost productivity."[16] Best practices would support a post implementation review that evaluates actual performance and outcomes of the new or changed system and processes against expected performance and outcomes anticipated by the user or customer.[17]

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[16] Minnesota Legislative conference committees on H.F. 1684 – Omnibus transportation finance bill, Testimony from Mr. Rick King, May 4, 2021, digital recording (https://www.youtube.com/watch?v =8kNDH7wSAtI), starting at minute 59.

[17] COBIT 2019, an IT management framework developed by ISACA to help develop, organize, and implement strategies around information management and governance, defines a management practice— BAI07.08—to conduct a post-implementation review to confirm outcome and results of a major business change.

MNLARS and Legacy Systems Decommissioning

MNIT has completed decommissioning the MNLARS and ESupport legacy systems. However, a lack of timely updates on DPS web pages about system changes could cause confusion and user frustration.

Hardware Decommissioning

The Legislature directed DPS and MNIT to fully decommission MNLARS and the remaining legacy systems by the fall of 2021. Following VTRS Rollout I, MNLARS and the ESupport systems had been put in a read-only mode, which allowed stakeholders to access data for verification purposes. MNIT completed decommissioning the hardware that supported MNLARS and the legacy ESupport systems on March 21, 2021. MNIT provided OLA with disposition documentation showing data removal and sanitization from server hard drives and that the server hardware had been provided to the Minnesota Department of Administration for recycling and scrap.

Current IFTA and IRP functions, which will be replaced by VTRS Rollout II, are provided by a cloud-based application hosted by a third party. The state's contract with this vendor expires on December 31, 2021. While there is no physical hardware to decommission for this phase of the project, the vendor must dispose of the state's data.

Documentation and Training Resources

Following each rollout, steps also need to be taken to remove obsolete content and references from web-based resources. In our December 2020 quarterly report, we noted that some DPS web pages were not timely updated and contained outdated information, potentially leading to stakeholder confusion.[18] As of May 18, 2021, outdated information still existed.

RISK 3

A lack of timely updates on DPS web pages about system changes could cause confusion and user frustration.

This risk has been carried forward from last quarter.

After VTRS Rollout I, DPS had updated most of its website to reference the new system and to provide hyperlinks to the public and to dealer-specific online portals. We noted in our last report, however, that some DPS web pages contained obsolete information, potentially leading to stakeholder confusion. Most significantly, we raised

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[18] Office of the Legislative Auditor, Financial Audit Division, *December 2020 Quarterly Review*, 19, https://www.auditor.leg.state.mn.us/fad/pdf/fad21-01.pdf.

concerns about information on a Motor Vehicle Dealers information web page and links to the legacy online portal—Driver and Vehicle Services ESupport.

While DPS and MNIT have addressed these specific items, we had recommended that DPS perform a page-by-page review of its website to ensure that all information is up to date. However, we found that content on DPS's InfoHub, a primary source of information for deputy registrars and driver license agents, continued to contain reference and procedure guides for MNLARS and links to the now decommissioned and unavailable MNLARS Online Services.

DPS told us that they intend to consolidate information for deputy registrars and driver license agents within the MNDRIVE Help section. This will provide stakeholders with a single authoritative point of reference for information that is currently spread across InfoHub, the DPS Learning Center, and MNDRIVE. As part of this project, DPS should review its content to ensure that it is accurate, up to date, and relevant, prior to migrating it to the MNDRIVE Help section. After the migration, DPS should ensure that stakeholders are able to easily find the information that they need and that all prior documentation locations, such as InfoHub and the DPS Learning Center, have been taken offline.

DPS also must ensure that all IFTA and IRP documentation has been updated in preparation for MNDRIVE Rollout II.

RECOMMENDATION

DPS should ensure that its stakeholder documentation is accurate and easily located.

Risk Response from Agencies

OLA discussed the risks within this report with both DPS and MNIT. We have not asked the agencies to prepare a written formal response to these risks, as the project is ongoing and dynamic. The agencies may incorporate some details on risk mitigation strategies within their quarterly reports or during testimony at Driver and Vehicle Systems Oversight Committee meetings.

List of Recommendations

- The Department of Public Safety (DPS) should work with the Legislature to ensure that the impacts of legislative changes are well understood. (p. 7)

- DPS should work with the Legislature to align state mileage disclosure laws with federal regulations. (p. 7)

- DPS should ensure that the MNDRIVE project budget for Fiscal Year 2022 includes all planned expenditures. (p. 10)

- DPS should ensure that its stakeholder documentation is accurate and easily located. (p. 16)
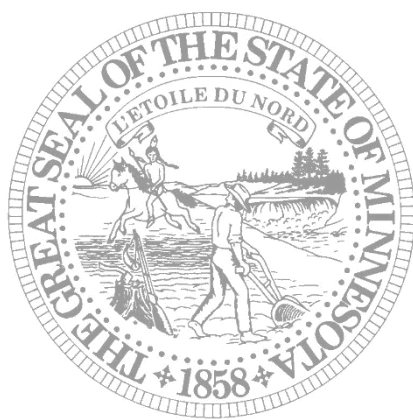
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