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2010 Innovations Awards Application

Deadline: March 1, 2010

ID # (assigned by CSG): **10-MW-36SD**

Please provide the following information, adding space as necessary:

State: South Dakota

Assign Program Category (applicant): Government Operations and Technology, Information System
(Use list at end of application)

1. Program Name
SDCARS – South Dakota Customized Automated Registration System
2. Administering Agency
South Dakota Department of Revenue and Regulations, Division of Motor Vehicles
3. Contact Person (Name and Title)
Paul Kinsman, Secretary, South Dakota Department of Revenue and Regulation
4. Address
445 E Capitol Dr, Pierre, SD 57501
5. Telephone Number
605.773.5131
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605.773.5129
7. E-mail Address
Paul.kinsman@state.sd.us
8. Web site Address
<http://www.state.sd.us/drr2/motorvehicle/index.htm> & <http://www.sdcars.org/>
9. Please provide a two-sentence description of the program.
SDCARS is a customer centric motor vehicle system that improves customer service levels, reduces fraud, and ensures the statutorily mandated motor vehicle taxes and fees are collected and distributed. SDCARS has allowed South Dakota to keep up with current technology and has opened the door for new electronic processes that are economically and environmentally beneficial to our state.
10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2010 to be considered.
The system went live on July 1, 2008 (1 year 8 months).

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

The South Dakota Legislature mandated that the state's motor vehicle title and registration process be revised from the concept of "Plate with Vehicle" to "Plate with Owner". It was determined that the existing mainframe IT legacy system could not be modified to meet the requirements of plate with owner and meet the needs of the state. The primary consideration was the fact that the Division is, and would remain, customer oriented and committed to providing timely and effective service to the many individuals and collective entities that interact with the Division on a daily basis.

12. Describe the specific activities and operations of the program in chronological order.

- During the 2005 Legislative Session the Legislature mandated that South Dakota change to Plate with Owner.
- SD DMV met with the county treasurers, law enforcement, and other agencies to get input from all those who would be affected by the transition.
- SD DMV met for many months to compile requirements and business rules for the project.
- January 29, 2007 SD DMV purchased a base motor vehicle system and began programming the system to meet our needs.
- SD DMV tested each area of the system as the programming was completed.
- SD DMV went on the road to train county and state employees for months before the implementation. We also set up a test environment for users to practice on before we went live.
- July 2008 SDCARS was implemented. SD DMV chose to implement using a direct method, since the mainframe system would not be available for backup due to the process change.
- September 2008 the dealer system was implemented with SDCARS and dealers began entering their title applications onto SDCARS.
- March 2008 the online registration renewal system was available for the public.
- Enhancements and maintenance continue as the DMV looks at new technology and practices to streamline operations.

13. Why is the program a new and creative approach or method?

South Dakota chose to buy a base system and utilize our state programmers to modify, maintain, and support the system. Other states who have implemented a new title and registration program have chosen to buy a commercial off the shelf system (COTS). They are often used as alternatives to in-house developments or government-funded developments. Since COTS programs are written externally, future changes are usually dependant upon a third party vendor. In our case this option was more expensive and would have taken more time than we were allotted for the project. South Dakota bought, modified and implemented a system in 18 months for approximately three million dollars.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

3 Million Dollars.

\$330,000 for Licenses and the base system

\$613,000 for Time and Materials

\$2,057,000 for state staff and programming.

15. What are the program's annual operational costs?

The average monthly cost for FY2010 (development) have been \$17,400 per month. In FY2009 total development costs were \$549,571; this figure mainly includes development as opposed to operating costs. The FY2010 average is BIT costs, does not include any connectivity charges etc.

16. How is the program funded?

The program was originally funded using 2% of the revenues received from the Division's excise tax from July 1, 2005 to June 30, 2007. Additional initial funding for the system included some federal funds and grant monies from DOT for \$418,070.00 which were applied to the development costs. The operational and developmental system costs are budgeted each year using 1.75% of the license fees collected.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

YES, Senate Bill 175 during the 2005 legislative session.

18. What equipment, technology and software are used to operate and administer this program?

SDCARS is a client server application written in asp.net with sequel server database.

It interacts with a variety of different systems on a multitude of platforms from client server to mainframe.

SDCARS operates on eight virtual serves located on HP Proliant Blade servers and access layer compute nodes. The software used is Microsoft web and database technologies along with VMware OS virtualization technologies and a Citrix Presentation Server. The technologies utilized are an F5 load balancer, Microsoft Cluster Server and VMWARE vmotion.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

No, but our state Bureau of Information and Telecommunications modified it to meet the needs of the Division.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

Montana, Iowa, and Indiana are three states that have undergone a similar system conversion. Their systems were purchased and implemented at a considerably higher cost. South Dakota chose to use our state programmers to customize the system to meet the needs of our state. The amount of money and time that South Dakota was granted for this project was significantly less than what other states have required. Although comparatively speaking South Dakota is a smaller state with fewer records, it should be pointed out that the development and conversion is dependant upon functionality and not the number of records. The functionality of SDCARS is comparable to that of the other states.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

The program is fully operational, but we are continually enhancing the system and leveraging efficiencies. Currently the systems functionality includes:

- Processing and issuing titles.
- Registration of all vehicle types in the state of South Dakota, including watercraft.
- The ordering and approval of all special license plates issued by the state.
- Interface with NMVTIS (National Motor Vehicle Titling Information System) to verify that the title received is the correct title, with the correct brand and is not stolen.
- Multiple interfaces with other state and federal agencies.
- Verifies financial responsibility by interfacing with the Driver Licensing system.
- Provides customer and vehicle information to law enforcement, as well as, other state agencies.
- The collection and tracking of unpaid monies to the Division.
- The processing and tracking of refunds due to customers.
- Paperless invoicing and financial transactions and tracking.
- Creates and tracks correspondence letters.
- Allows the Division to add alerts and stops to vehicles and individuals.
- DPPA functionality.
- Agency operated title and registration tables and maintenance.
- Online permit creation and tracking.
- Creates statistical and management reports for use by the Division and the State.
- Agency controlled user access.
- Secure on-line training site for new and existing users.
- Value, interpret, and populate vehicle information using vendor programs such as VINA and NADA.

22. Briefly evaluate (pro and con) the program’s effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

Pros

| | |
|---|---|
| Customer Centric System | The system ties all titles, registrations, permits, refunds, collections and correspondence related to that customer and displays it on one customer relationship page. |
| Better Tracking Mechanisms for collections and penalties. | In 2009, \$830,000 has been collected in penalties and interest. |
| Paperless Invoices | This saves the state and the counties time and money. |
| Enhanced Security | South Dakota is better able to track illegal activity which includes non-residents and illegal aliens trying to register in our state. |
| State Owned | SDCARS is owned and supported by the State of South Dakota, thereby allowing us to make changes on a more timely basis. |
| User Friendly | SDCARS allows for ease of use and navigation. It has also been much easier to train new employees. |
| Cost Savings and Implementation | South Dakota utilized state resources to customize the system generating a cost savings in initial cost, and development. |
| Flexibility | The flexibility of the web based system allows the state to make enhancements in a timely and cost effective manner. |
| Title Tracking | The status of the title can be tracked from the point of sale to the county and then to the state. The system allows the state to know the exact location of the title work at all times. |

Cons

| | |
|--|---|
| There is a sizable learning curve. | Many employees had been working on the mainframe system for 20 plus years. |
| Difficulties involved in transitioning from a mainframe to a web based system. | With mainframe being essentially a one page application it was difficult to get used to a web based program. The look and feel of the system was totally different. |
| Sixty Seven different counties with independent connectivity and networks. | With so many different environments it is difficult to diagnose some problems. A solution for one county may not work for another. |

23. How has the program grown and/or changed since its inception?

We have already added many enhancements to the system since its inception. A few of the major additions include:

- September 08 - The implementation of the dealer system. The dealer system allows South Dakota dealers to enter their title information into SDCARS. This has saved time for the state and county offices, as well as providing the dealers with a sense of protection.
- With the dealer title information on line, South Dakota is now able to notify the customer that penalty and interest accrue if they fail to apply for title within the timeframe required by law.
- On-line registration renewal is now available 24/7 at a low cost to users.
- An Interagency Interface allows other state agencies to access motor vehicle data.
- Clerks can now use scanners to read barcodes on renewal notices and driver licenses automatically accessing the customer’s data.
- Vehicle owners can go on-line 24/7 to print seller’s permits and report the sale of a vehicle. Seller’s permits allow buyers involved in a casual sale to operate their vehicle until they can get to the treasurer’s office to transfer title and register.
- Permits are generated via the system, therefore, the information is immediately available to law enforcement. Printing permits from the system also eliminates the need for county offices to stock these items.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?
The number one obstacle that others may expect to encounter would be the difficulty of modification. South Dakota is still working to customize the system to better suit our environment. Number two, is time frame. South Dakota developed and implemented this system in 18 months with only 3 million dollars. Other states have required up to three times the amount of money and time. Number three is training, although we did many hours of training, and had a test environment set up for many months there was still an enormous learning curve.

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2010 Innovations Awards Application Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development

- Business/Commerce
- Economic Development
- Transportation

Government Operations and Technology

- Administration
- Elections
- Information Systems
- Public Information
- Revenue
- Telecommunications

Health & Human Services

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

Human Resources/Education

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

Natural Resources

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

Public Safety/Corrections

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

Save in .doc or rtf. Return completed application electronically to innovations@csg.org or mail to:

CSG Innovations Awards 2010
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This application is also available at www.csg.org.