Transportation Policy and Finance Committee

Chair: Sen. Scott J. Newman

Meeting:

Thursday, January 4, 2018
9:30 AM
Minnesota Senate Building Room 1200

Agenda:

I. Call To Order

II. Minnesota Auto Dealers Association
- Scott Lambert, President

III. Minnesota Deputy Registrars Association
- Jeff Lenarz, Manager, Saint Paul Sears License Center
- Jeff Orth, Owner, Saint Paul Sears License Center

IV. Auto Auction Industry
- Jason Seeman, Insurance Auto Auctions
- Scott Maybee, Northstar Auto Auction

V. DPS and MN.IT
- Commissioner Mona Dohman, DPS
- Joan Redwing, Chief Enterprise Architect, MN.IT

VI. Adjournment

STATE + LOCAL

Cost soars for Minn. driver registration, licensing upgrade

The bill to improve the state licensing system could increase from $48M to $93M.

By Janet Moore (http://www.startribune.com/janet-moore/10645476/) Star Tribune

FEBRUARY 16, 2015 — 10:54AM

An ambitious effort to modernize Minnesota's driver's license and vehicle registration system has taken years and cost nearly $37 million, but the state has little to show for it so far.

The new Minnesota Licensing and Registration System (MNLARS) was supposed to have been put in place at a cost of $48 million. But late last year, state officials parted ways with Hewlett-Packard Co., the multibillion tech giant initially hired to design and build the new Web-based system. Before the partnership was terminated, the Department of Public Safety paid HP $16 million of the original $41 million contract.

Now MN.IT Services, the state's in-house information technology agency, has taken over the project and the price tag could be as much as $93 million. It is expected to be completed by 2018.

"This is very concerning," said Rep. Tim Kelly, the Red Wing Republican who chairs the Minnesota House Transportation Policy and Finance Committee. The committee got a briefing with agency officials last week, and exchanges with lawmakers bordered on testy.

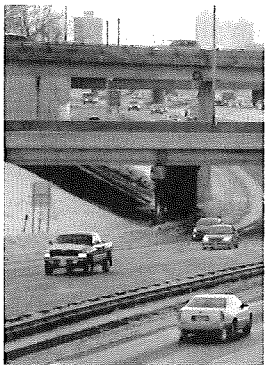
The current 40-year-old mainframe Driver and Vehicle Services system touches the lives of millions of Minnesotans each year, including anyone who has a driver's license or state identification card, and those renewing their license tabs.

Lawmakers in the 2008 legislative session authorized a motor vehicle and driver's license technology surcharge of $1.75 through fiscal 2012 to pay for the fix. The fee, since reduced to $1, has raised about $75 million so far, according to Dawn Olson, MNLARS program manager.

Hewlett-Packard was hired by the state in the spring of 2012, and, at the time, HP had worked on similar projects in 22 other states. "To build MNLARS, we will combine our government expertise with proven technology to develop the comprehensive solution that will take the state of Minnesota into the future," said HP executive Marilyn Crouther, in a news release.

HP's mandate involved linking 7.7 million vehicle records with 6.5 million driver's licenses, correcting inaccurate data in the system, facilitating data sharing and simplifying data collection by law enforcement officials and others. The idea was to upgrade in four incremental launches.

But within two years, the relationship between state employees working on the project and HP staff appeared to have frayed, according to an audit released in April 2014.



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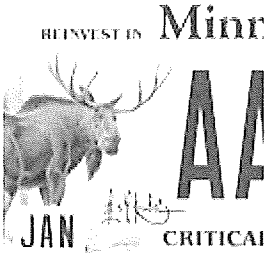

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Minnesota's moose lice

The audit, completed by Minneapolis-based Macro Group, found a disconnect between the HP team and state employees working on the project, fueled by a lack of communication and "incompatible goals and visions." As a result, a "culture of distrust" festered between the two, with "an undeniable negative undercurrent in the project."

Another "theme" unearthed in the audit was that HP was "driving the project" rather than the state, "raising red flags that indicate the state does not have control over the project."

When asked what went wrong, Olson said "we started to experience slippages on go-live dates," meaning certain deadlines were missed. "This wasn't acceptable."

By the end of 2014, HP was let go after releasing the first of four upgrades that, in part, eliminates a paper-based permitting process. "This was a huge step for us, a major hurdle," Olson said. "It was a very amicable ending to our agreement."

William Ritz, a spokesman for HP Enterprise Services, said in a statement the firm is "proud of its work on MNLARS, but understands that client needs sometimes change over time. HP worked closely with [DVS] to ensure a seamless transition of its work to the state."

A decision was made to engage MN.IT instead, and Olson said the two have "a unified approach. We feel we're in a different position to move forward. This project is in a good place."

Sen. Scott Dibble, DFL-Minneapolis, agrees. "I think there's a solid team in place now. People don't realize this will take many years to complete."

But at a Transportation Committee meeting last week, it was clear that several lawmakers were quickly losing patience with the project's budding price tag and the amount of time that has passed since its inception.

"We spent $36 million and we don't have a working system yet?" said Rep. Mark Uglem, R-Champlin. MNLARS officials say an enormous amount of work went into preparing the groundwork for the system, and that's now in place.

"There's nothing like a MNLARS discussion to get everyone going on a Monday afternoon," quipped Rep. Frank Hornstein, DFL-Minneapolis.

Rep. Eric Lucero, R-Dayton, went so far to link the MNLARS project with the troubled rollout of the MNsure health exchange. But DPS officials say the projects are separate and have little in common.

Yet no one seems to dispute the need for an upgrade. "There is definitely bipartisan concern about it, there's a consensus that this is needed," Hornstein said.

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NEWS > GOVERNMENT & POLITICS

DMV fail tally: 10 ways Minnesota's new license system isn't working

By | dorrick@pioneerpress.com | Pioneer Press
PUBLISHED: November 26, 2017 at 6:00 am | UPDATED: November 30, 2017 at 5:07 pm

Depending whom you ask, Minnesota's new computer system to handle vehicle licenses and titles is either mostly working with glitches, or barely working with major failings.

Those who say mostly working — generally the folks in the Department of Vehicle Services and IT Services — note that of the 650,000 transactions the new system, known as MNLARS, has processed since its launch in July, the ones that have fully failed number in the mere thousands — a percent or 2.

State Sen. John Jasinski, R-Faribault, holds up his personal license plate during a hearing at the Minnesota Capitol on Nov. 15. Because of problems with a state computer system, such plates cannot be transferred from one vehicle to another right now. (Dave Orrick / Pioneer Press)

Those who say it's one big fail have evidence as well. Below are some of the examples, from the major to the mundane — gleaned from interviews with and public statements by license center workers, insurers, car dealers state officials, lawmakers, and regular folks dealing with the problems.

NEW PLATE DELAYS

This is the big one. Some dealers have taken to issuing a pair of 21-day temporary tabs when someone buys a new car — so the customers won't have to reapply for a second one when the new ones don't arrive on time.

SLOOOOW PERFORMANCE

Some of the delays have been attributed to slow performance of the MNLARS software. State officials said they believed this issue would be taken care of this week. Other delays might be attributed to a steep learning curve for the new system, which operators contend is the result of poor training and direction from the state. But some delays remain unexplained, and some people have been waiting since July for plates that should have come within 30 days.

111 WORKAROUNDS

To deal with things that aren't working with MNLARS, or that MNLARS simply can't do, state information technology officials have been pushing out frequent patches, Band-Aids and workarounds. As of last week, the count was up to 111 "job aids," bits of advice and procedures that can work despite the system as it currently stands. "How am I supposed to train people in 111 workarounds?" Donny Vosen, a private license center operator in Brainerd, complained publicly.

INCORRECT FEES AND TAXES

A MNLARS feature called the "base value calculator" is often wrong. That's according to a lot of people. "We know the transactions aren't happening for the right amount," Judy Randall, the state's deputy legislative auditor, told lawmakers at a recent hearing. "Sometimes it's a dollar, sometimes it's $100." But Randall said it's not clear how far off the miscalculations are. "You have all these citizens who aren't paying the right amount," she said. "Are you going to charge them (if they were underbilled)? Are you going to refund them (if they were overbilled)?"

CAN'T FIX MISTAKES

If a computer operator makes a mistake, such as entering an incorrect VIN (17-character vehicle identification number) or misspelling a name, and if that error isn't caught early on, it can't be fixed — without cancelling the entire transaction and starting over. There's a point of no return in the data-entry portion that's frustrating many involved, and causing delays.

CAN'T PRINT

A number of screens showing the proof of what was done can't be printed or saved — but license centers want proof that they did what they were supposed to. As a result, a number of license centers have begun creating backups in a strained manner: screengrab, paste into Word or some other computer program, print. At least two centers that prefer electronic records have purchased scanners to then scan the printed pages.

OUTAGES

"The system is down" is becoming a common refrain uttered by license centers and heard by customers.

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At $2 a pop, it might not sound like much, but at least 50,000 transactions have been assigned late fees, which are being picked up by car dealers, deputy registrars and customers. It adds up, and critics say the only reason these transactions are "late" is because MNLARS doesn't work.

CAN'T EXPEDITE TITLE REQUESTS

In theory, the implementation of MNLARS should have rendered the old "expedited title request," for which an extra fee was paid, obsolete. That's because that extra fee used to allow your paperwork — and it was paper — to go on the top of the data entry person's pile, so your title would get processed faster than others. The new system requires all the data to be entered at the beginning, so no expediting is needed. Except, everything is behind schedule.

BAD FONT AND SCREEN CONTRAST

A number of workers have compained that the basic visual design of MNLARS is literally painful to their eyes. A number of screens involve gray type on a gray background, and on many computer monitors, it's simply hard to read.

Tags: Business News Minnesota Legislature Transportation

Dave Orrick **Dave Orrick**

Dave Orrick reports on state government and politics from the Pioneer Press' Capitol Bureau. When the occasion demands, he's been known to cover topics ranging from hunting to golf. He lives in St. Paul with his wife and son.

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