

SERVICE NAME:	Motor Vehicle Record (MVR) Online Search
AGENCY/DEPARTMENT:	Department of Motor Vehicles (DMV)
FUNDING:	\$1 per MVR

Service Overview

VIC and the Department of Motor Vehicles (DMV) are requesting that the Joint Fiscal Committee approve a \$1 increase in the transaction fee for motor vehicle records (MVRs).

The reasons for a transaction fee increase at the present time are threefold. First, the statutory fee increases passed in this year's Transportation Bill for vehicle registrations and reinstatement fees will increase costs for VIC through merchant fees and related expenses. Second, increasing the MVR fee has no impact on the DMV from either a budget or effort perspective. Third, and equally important, the erosion in MVR sales due to the economic downturn has caused steadily declining revenues for VIC, even as VIC has had to increase its efforts in DMV services related to the VTDrives Project and other non-DMV services (including the Enterprise Content Management System).

Since 2007, MVR volumes on average have decreased by nearly 200 per day, resulting in an annual revenue decrease of approximately \$150K/year. This decrease has slowed our ability to grow, and in turn affected the total value we are able to deliver to the state even as demand for our services grows.

A \$1 transaction fee increase to MVRs would raise the total cost of an MVR from \$14 to \$15, and the benefits to the state would be tremendous:

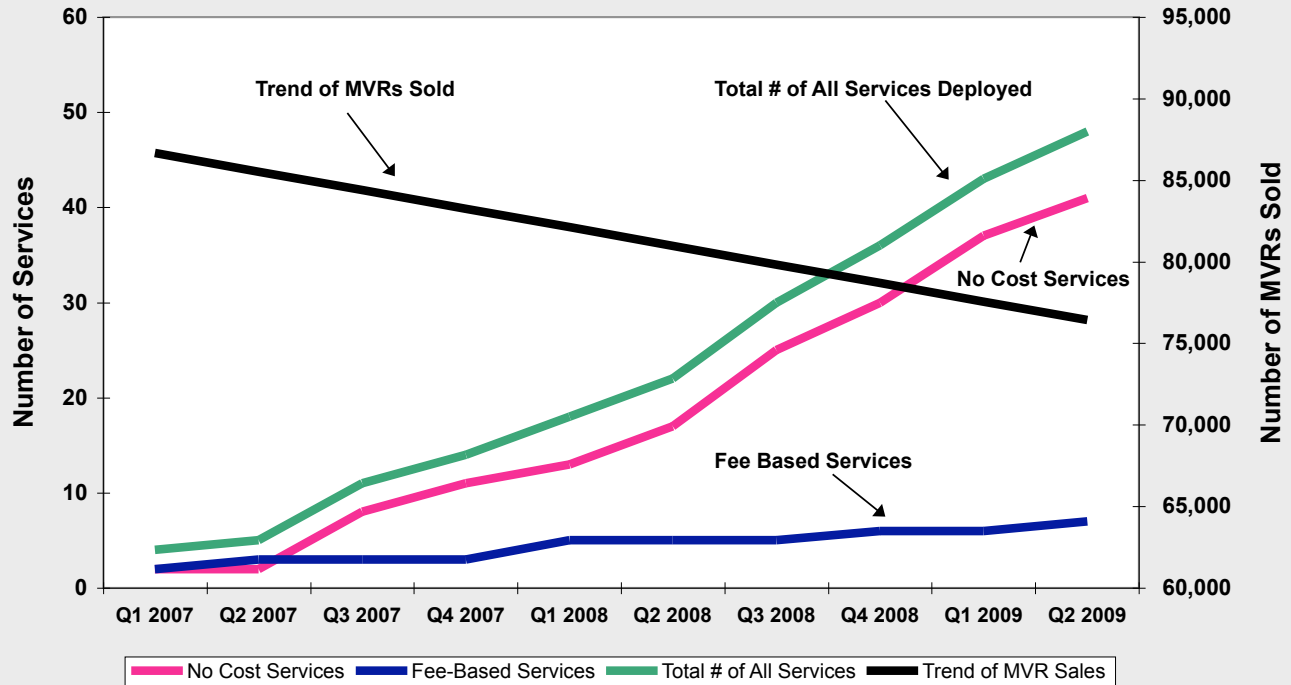
- *State DMV/Portal Value.* If the MVR transaction fee is raised by \$1, VIC commits to increasing its capacity to better meet eGovernment demand in Vermont. This will allow us to work on more projects simultaneously for the state and DMV, including the ongoing integration with VTDrives, the DMV website redesign and future applications.
- *Timing.* It would make sense to our customers to see the transaction fee increase around the same time as the statutory fee increase passed in the Transportation Bill.
- *No expected significant impact on MVR volumes.* Although demand is hard to measure, our experience in other states suggests that we will not see lower volumes in MVR sales due to a moderate price increase. In addition, we believe that a transaction fee increase will not have a negative effect on state revenues or state expenses.

Service Financial Expectations

Revenue

Using today's MVR sales as a baseline, the potential revenue from a \$1.00 increase is expected to be approximately \$300K. Through June 30, 2009 157,712 motor vehicle records were sold.

MVR Sales & VIC/Vermont eGovernment Services



Select Services Developed by VIC at No-Cost



State Portal www.Vermont.gov
Launched September 2007



Content Management System
September 2007



Google Search Appliance
September 2007



State Multimedia Center
May 2008



PCI Compliant Payment Engine
Certification Award September 2008



Amber Alert Request Service
September 2008



DMV Enhanced Driver's License
Branding Campaign January 2009

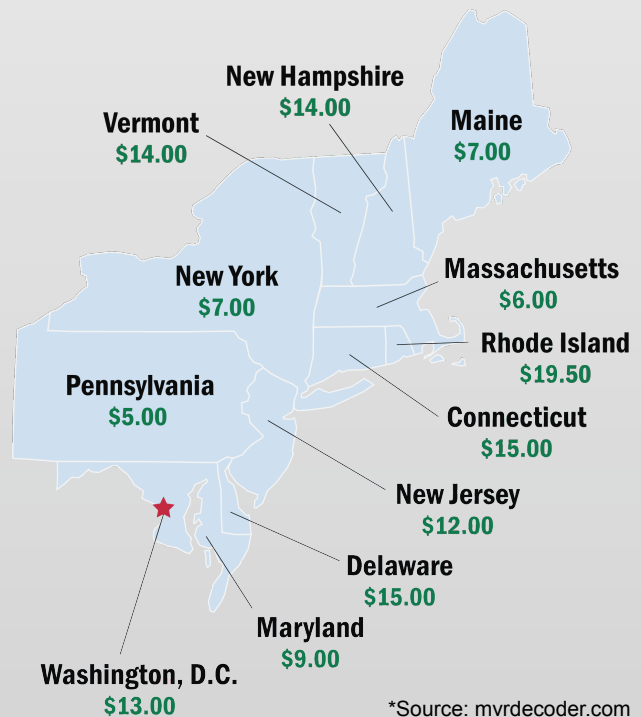


State Online Directory
February 2009

Motor Vehicle Record Rates by State

Northeastern states with rates \$12 or more:

- Rhode Island
- Connecticut
- Delaware
- New Hampshire
- New Jersey
- Vermont
- Washington, D.C.



*Source: mvrdecoder.com

VIC Value – In the Words of State Employees

“As a member of the Vermont Web Portal Board representing the Vermont State Employees Association, I support a \$1 fee increase to their MVR service, which I believe will increase their ability to continue to provide convenient services for Vermont and the citizens of the state.”

Susan Viens, ReachUp Case Manager
Department of Children and Families

“The system the Vermont State Police had for managing Amber Alerts, while functional, was challenging to manage and paper intensive, and we did not have funding to build an electronic system. We approached VIC, explained what we were looking to do with Amber, told them we had no funding, and they readily accepted the project. The online service VIC produced for issuing and managing an Amber Alert far exceeded my expectations. In addition, VIC worked with the dispatch staff, traveling to Rockingham to train staff and test the system. In my opinion the role VIC is performing for public safety, and state government in general, is critical.”

Lieutenant Mark Lauer, Vermont State Police
Vermont Fusion Center

“Working with VIC was a great experience. The CMS they built has empowered our employees to become integral contributors to our website by allowing them to create and update content whenever it is needed. VIC also created a training registration form for us that has become a huge help to our support staff who track registrations by reducing the work required, providing instant acknowledgment, and minimizing the potential for error-making in the process. Both of these projects were performed for us at no cost to the Department. I look forward to working with them again.”

Tori Pesek, Change Management Director
Department of Finance and Management

“The Human Rights Commission started working with VIC two years ago to develop its website. During that time, VIC has provided excellent and invaluable support, through training and on-going, prompt and applicable advice and assistance, all of which enabled the HRC to develop its website in a smooth and effortless fashion. Public response to the HRC website has been enthusiastic and positive; information is easily accessible and the format is very user-friendly. VIC provides a critical service to State government agencies; the HRC and others would benefit greatly from continued and expanded services from VIC.”

Tracey Tsugawa, Civil Rights Investigator
Vermont Human Rights Commission

“I've worked with VIC on several projects over the last two years, including the BGS website redesign, an online training service and a fleet management reservation form they developed for BGS at no cost. Through each of these projects, I came to view VIC as a key resource to helping us maximize our ability to deliver quality services to state government. They have been a great help, and I look forward to working with them in the future.”

Angela Leclerc, Desktop Solutions Manager
Department of Information & Innovation

SERVICE NAME:	Over-the-Counter (OTC) Credit Card Processing
AGENCY/DEPARTMENT:	Department of Motor Vehicles (Pilot)
FUNDING:	3% convenience fee added to total transaction cost

Service Overview

VIC and the Department of Motor Vehicles (DMV) are requesting that the Joint Fiscal Committee approve a 3% convenience fee to allow for the implementation of a secure over-the-counter credit card payment option for DMV branch offices. In other words, a customer paying a \$60 fee will pay an additional \$1.80 for payment with his/her credit card.

Today the DMV accepts only cash and checks at its branches, which can be frustrating for many customers who would prefer to pay by credit card. VIC will supply the DMV with secure card swipers at VIC's expense, and for each transaction an additional 3% will be added for payment with a credit card (funding the upfront capital costs). There will be no cost to the DMV for this service. VIC will also develop an online form for the DMV clerks to use that will integrate with the card swipers for customer service and reconciliation.

VIC will also create placards, informational posters, etc. at no cost to help market this convenient new payment option, and will provide training for branch clerks. Under this proposal there is no capital outlay and no incremental merchant fees to the DMV – the Department will get a credit card solution at no cost. It is expected that this solution will be piloted at the Montpelier DMV, and then expanded to serve other branches of the DMV. In addition, other state agencies and departments who wish to accept credit cards in this manner may use this service with the same financial structure in the future.

Service Financial Expectations

Revenue

Adoption of this service is difficult to predict. Anecdotally we have seen this service launched in another NIC state with adoption of approximately 20%.

Expenses

VIC will pay all merchant fees associated with the transactions out of the 3% convenience fee. Average merchant fees are approximately 2% of the total transaction cost. VIC expects the OTC service will require a approximately four weeks of development, testing and training to make the system ready for implementation. The credit card swipe machines are fully PCI-compliant and have a retail cost of around \$150 each and VIC will purchase approximately 20 swipe machines to pilot – one for each clerk in the Montpelier branch. VIC will continue to provide resources as required for maintenance and support on a going forward basis.