



Louisiana Office of Motor Vehicles - Installment Plan Agreement

Digital Government: Government to Citizen

State of Louisiana

Project Initiation - June 2016

Project Launched - August 2016

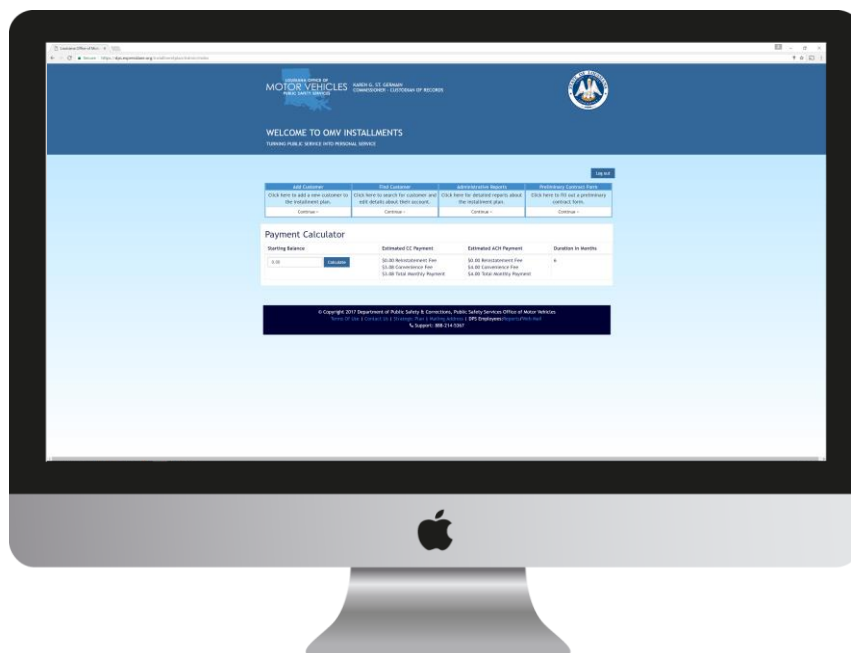
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Executive Summary

The Louisiana Office of Motor Vehicles (OMV) announced in May of 2016 that they would be enforcing a law which penalizes those citizens whose record reflects a gap in auto insurance. In total, 1.2 million citizens received letters stating that their licenses were suspended pending fines being paid in full. Many of whom were unaware of the stipulation or unable to pay the penalty in a lump sum.

The OMV sought to provide citizens an efficient method to remedy their situation. The agency subsequently partnered with Louisiana Interactive, a subsidiary of NIC, to develop an application to create and process the Installment Plan Agreement (IPA). The Application would allow citizens with a debt to the OMV to enter a payment contract and make small monthly payments on the larger amount owed while placing their driver's license back in good standing.

Louisiana Interactive came up with a streamlined solution that would calculate a 6 or 12-month plan based on the total amount each individual owed. The system then processes their payments, tracks their current standing and generates on demand reporting for the agency. Though the system was built to handle an incredible number of citizens, it stores individual payment information and maintains PCI DSS compliancy while keeping a streamlined and user friendly interface.

Prior to the launch of the Installment Plan Agreement, Louisiana's only method of enforcing the law was suspending the driver's license and collecting money through withheld tax returns. When the IPA Application was launched in August of 2016 there were 12 initial transactions. By the end of the year that number climbed to 8,442 and has since surpassed 45,000. That number continues to grow each month.

By implementing an efficient web-based solution the OMV achieved their goal while keeping in mind the best interest of Louisianans. Each Installment Plan Agreement entered represents not only monetary benefits back to Louisiana's Government but citizens being able to drive legally which has significant effects on the economy.

Concept

During Louisiana's Legislative session in June 2016 House Bill 245 was introduced. The Bill pertained to an existing law which mandates all Louisiana drivers to maintain auto insurance. The law further stipulated that a gap in coverage would trigger a fine and result in a suspended driver's license. HB 245 stated that citizens who had received a fine under the existing law could enter a contract with the Office of Motor Vehicles and make payments against their debt and reinstate their licenses. The new Bill passed into law with a vote of 94-0 showing overwhelming support.

The concept of allowing citizens to drive legally and providing financial relief was not merely a noble cause. The State was facing a budget deficit of \$300 Million and was searching for solutions by any means. HB 245 was a victory for the entire State.

Upon the Bill's passage, there were no means by which to collect the funds outside of individuals making monthly visits to nearby OMV locations. Meanwhile the agency underwent a notification campaign and sent letters to 1.2 million people. Many of which were unable to get to an office. A web-based solution was apparent.

The OMV set out to solve this problem and provide a collection method so that Louisiana citizens could pay their debt and drive legally on Louisiana roads. After discussing requirements, Louisiana Interactive was tasked to provide a solution. Quickly. The Application needed to calculate installment amounts due, generate a formal contract for signatures, process an initial payment, store the payment information securely for monthly processing, track individual plans, and provide monthly and on demand reporting for the agency. An additional challenge would be to build the system to handle a potential (very) large number of plans. From that, the Installment Plan Agreement Application was developed.

Initially, to expedite deployment, the Office of Motor Vehicles' online system was launched with agency access only in August of 2016. Citizens could then reinstate their license by entering an IPA at an office. While there, their information is entered, payments are calculated and agreed upon via a legal contract, and an initial payment is processed. After a successful payment, the data is stored maintaining PCI DSS compliance for future payments. Security was a major requirement and focal point during development. Since the system was built to allow a large number of participants while maintaining security, all recurring transactions were developed in a batch method to be processed on the same day each month. This also streamlined reporting and permitted concise communication to all participants.

A major key in conceptualizing, developing, and bringing this system to Louisiana's population was the need to do so without appropriating tax dollars. The Office of Motor Vehicles did so by partnering with Louisiana Interactive and added a small convenience fee on the transactions. That model also allows the agency to make modifications to the system and will introduce a public web portal for anyone to manage or add new Installment Plan Agreements.

Significance

The development and subsequent deployment of the Application would not have been possible without the passing of HB 245. The collaboration of the Legislature, the CIO, the Governor, the Office of Motor Vehicles, and Louisiana Interactive is quite significant. The law and subsequent Installment Plan Agreement allows citizens to proactively better their situation while tapping into an otherwise hard to access revenue stream.

This system combines over-the-counter online payments as well as recurring online payments in an efficient and user-friendly manor. The Application opens the door for other agencies to enable indebted citizens to regain their good standing. Having the ability for any agency to bring in revenue by improving the online experience for the public, all the while spending zero tax dollars is no small accomplishment.

The Installment Plan Agreement is a substantial system for Louisiana. Having it in place is an invaluable resource for the public and a much-needed leap toward a balanced budget.

Impact

The Louisiana OMV has the phrase "Turning Public Service into Personal Service" at the top of their website (www.expresslane.org). This Application embodies that phrase and the numbers associated with it demonstrate the very real impact this solution has had for the State of Louisiana.

By utilizing Louisiana Interactive's self-funded model the OMV saved approximately \$300,000 in costs associated with

"Turning Public Service into Personal Service"

implementing the system. It was launched in August 2016 and saw a high adoption rate almost immediately. By the end of the year there were over 4,200 new plans being entered each month totaling \$396,211 back to the agency. To date, there have been 45,452 individual plans established and \$6.6 million collected.

The initial problem was widespread and affected 25 percent of Louisiana's population. While we have a long way to go to solve the issue entirely, the adoption rate for the program has been a show of good faith by the people of Louisiana. This Application reflects the best of State Government and has enhanced Louisianans digital interaction experience. The culmination of giving someone the ability to enter the Installment Plan Agreement has a positive personal impact with state benefits that reach far beyond generating lost revenue.