Service Oklahoma

FY 2026 Budget Hearing Presentation

Submitted by: Jay Doyle, Chief Executive Officer

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Chief Executive Officer

Service Oklahoma provides driver and motor vehicle services for the State.

Founded in 2022, this agency now encompasses the following divisions: Administrative Services, Driver License Services, Motor Vehicle Services and Information Services.

Service Oklahoma oversees licensed operators, formerly motor license agents, who also provide in-person services within the State.

Agency Vision, Mission and Core Values

Vision: At Service Oklahoma we aspire to be the most customer centric state in America.

Mission: Simply put, we want to remove the stress with navigating government services by providing a best-in-class customer experience.

Core Values: Pioneering, Authentic, Reliable, Neighborly, A Trusted Teammate

Accomplishments

Top accomplishments for FY 2024 – FY 2025

1) Service Oklahoma completed an RFP and awarded multiple contracts to replace the State's Driver Licensing System of Record, improve hardware used to render customer service, and redesign and print ID cards. We kicked off Project BOOST in August 2024, bringing together a cross-functional team of 40+ employees to design and deliver the new system on time and on budget. This 16-month project is key to unify Driver Licensing and Motor Vehicle Services and modernize many processes resulting in faster, more reliable service delivery for Oklahomans.

2) Service Oklahoma created and implemented several processes to implement the State's new temporary tag regulations in accordance with the Mason Treat Act. Efforts included conducting training sessions for all 240+ Licensed Operators and their staff and informing the public of the change through the "Ready, Set, Tag!" media advertising campaign and updates to the SOK website.

3) SB37x amended 47 OS § 3-106 to create the Licensed Operator Performance Fund, allowing payment to Licensed Operators in accordance with performance metrics set forth by the agency. Additionally, changes to fee structure prescribed SB37x led to Licensed Operators seeing a 15% increase in fees retained, with no increase to fees assessed to Oklahomans.

4) Service Oklahoma adjusted service hours at many State-run facilities March-September when demand is highest, including operating 12 locations on Saturdays. Maintaining a roster of 40+ part-time employees enabled flexibility to adjust store hours and staffing levels to accommodate customers. Saturday openings were well received and our flagship stores in OKC and Tulsa continue to operate on Saturdays.

5) Service Oklahoma established an optical character recognition process for collision reports, allowing us to clear a backlog of approximately 70,000 collisions. We are currently processing collisions received within 1 to 3 business days due to the optimization of that process.

6) Service Oklahoma achieved a 75% year-over-year reduction in wait times at State-run facilities, improving customer satisfaction and operational efficiency. This accomplishment reflects our ongoing commitment to streamlining processes, optimizing staffing, and delivering a superior customer experience.

7) Service Oklahoma's call center demonstrated exceptional performance with a 90.4% answer rate, an average wait time of just 2.1 minutes, and a customer satisfaction score of 5.97/7. These metrics highlight our dedication to providing timely and high-quality support, ensuring a positive experience for our customers.

8) Service Oklahoma's state-run facilities are receiving strong customer feedback, as reflected in Google ratings: 4 locations maintain a perfect 5.0, 17 locations are rated between 4.5 and 4.99, and 8 locations between 4.0 and 4.49.

9) Service Oklahoma earned national recognition with two prestigious awards: the AAMVA Excellence in Government Partnerships Award for our collaboration with Licensed Operators and the NASCA Government Transformation Award for our newly designed customer service center. These honors reflect our innovative approach and commitment to improving government services.

Analysis of Agency Challenges

	Challenge	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	The system of record for driver license services is unstable with a multitude of latency, reporting, and data integrity issues	Service Oklahoma has awarded a contract to replace the system of record and has dedicated resources to aid in development and implementation with the goal of the new system going live 12/1/2025	The agency and partner vendor will continue to optimize the system post-launch to achieve transaction times in-line with peer states
2	May 7, 2025 Real ID deadline	There are 1.34M (38%) active Real ID holders as of 9/1/2024, which is in line with peer states, but below our objective of 40%	The agency is maintaining extended hours in the OKC and Tulsa metro areas to accommodate increased demand and looking at pop-up shops as the deadline nears
3	Physical locations	Many of SOK facilities are class C properties that create operational inefficiencies and require increased maintenance expenditures. These conditions can negatively impact the customer experience and pose challenges in maintaining consistent service quality across all sites.	Our planned action is to assess the entire physical footprint after the Real ID deadline to determine the necessary improvements and next steps
4	Employee recruitment	Service Oklahoma has extended hours at many locations and in doing so has leveraged part-time employees resulting in a higher than desired turnover rate	Developing and implementing new hiring strategy to improve hiring and retention practices specific to the mission-critical Drivers License Examiner position
5	Employee retention	Service Oklahoma completed a market analysis and salary adjustment to right size pay between positions when assuming employees from OTC and DPS	Since the market adjustment in 2023, our pay has already fallen behind similar positions at other agencies. Another assessment will be completed in the upcoming year.

Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement	FY 2024 (Actual $ Savings)	FY 2025 (Projected $ Savings)	FY 2026 (Projected $ Savings)
Hosting Services for DL and MV Systems	By utilizing hosting services, we reduce the need for on-premise servers and disaster recovery infrastructure. This shift lowers operational costs associated with maintaining physical hardware and improves scalability, while ensuring data security and reliability.	IT Cost	N/A	$500,000	$1.5M
Online Written Test for Learner Permits	Online written exams allows citizens to complete the test remotely, reducing the need for in-person visits to our offices. This enhances convenience for users, decreases foot traffic, and results in operational cost savings by reducing the demand for office space and staffing.	Salary and Rent Expense	N/A	$80,000	$150,000
Robotic Process Automation (RPA) Implementation	RPA implementation for online driver license renewals minimizes the need for human involvement by automating repetitive processes. This reduces manual workload, speeds up operations, and lowers staffing costs.	Processing Time	$65,000	$120,000	$250,000
Optical Character Recognition (OCR) Implementation	Optical character recognition (OCR) streamlines the processing of collision reports from law enforcement by automatically converting scanned documents into usable data, reducing manual data entry, accelerating processing times, and decreasing reliance on human intervention.	Salary	N/A	$65,000	$65,000
Virtual Visit Implementation	Virtual visits reduce the need for specialized employees at every location by allowing experts to assist customers remotely. This centralized approach optimizes workforce distribution, lowering personnel redundancy while maintaining service quality.	Salary and Rent Expense	N/A	$80,000	$150,000

Agency Goals and Key Performance Metrics

	Goal	Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
1	Increase the call answer and resolution rate for drivers licensing and motor vehicle services	Percentage of calls answered	75%	90%	92%	95%
2	Reduction in overall transaction time for driver license and motor vehicle transactions for citizens	Average transaction time	20 minutes	20 minutes	12 minutes	8 minutes
3	Improve the processing and delivery time for online transactions (drivers licensing and motor vehicle services)	Time between online order and fulfillment date	10 days	2 days	2 days	1 day
4	Improve customer satisfaction and experience for Service Oklahoma online services	Average customer satisfaction score (1-7 scale)	4.00	6.02	6.25	6.50
5	Decrease the average wait time for in-person services at Service Oklahoma locations	Average wait time	30 minutes	55 minutes	45 minutes	30 minutes
6	Improve customer satisfaction and experience for Service Oklahoma in-person services	Average customer satisfaction score (1-5)	4.0	4.5	4.6	4.7
7	Increase the percentage of Oklahomans with a REAL ID	Percentage of Oklahomans with a REAL ID	40%	38%	58%	75%
8	Improve employee satisfaction, engagement, and retention	Employee turnover rate	17%	21%	17%	12%

Projects for FY 2025

1) DL System Replacement: Project BOOST kicked off in August 2024 and will focus on successful implementation DL of the integrated Driver Licensing and Motor Vehicle Services system of record, redesign and deployment of an improved identification card, and hardware refresh across all service locations. A 60% reduction in issuance time is expected after implementation.

2) Hosting Services for DL and MV Systems: By utilizing hosting services, we reduce the need for on-premise servers and disaster recovery infrastructure. This shift lowers operational costs associated with maintaining physical hardware and improves scalability, while ensuring data security and reliability.

3) Online Written Test for Learner Permits: Online written exams allow citizens to complete the test remotely, reducing the need for in-person visits to our offices. This enhances convenience for users, decreases foot traffic, and results in operational cost savings by reducing the demand for office space and staffing.

4) Electronic Liens and Titles (ELT): Statute requires the complete implementation of ELT and digitization titles by July 1, 2025.

5) Physical Locations: Many of our physical locations are in various states of disrepair, leading to increased maintenance costs and operational inefficiencies. These conditions can negatively impact the customer experience and pose challenges in maintaining consistent service quality across all sites. Our planned action is to assess the entire physical footprint after the Real ID deadline to determine the necessary improvements and next steps.

Projects for FY 2026

1) The DL System Replacement, known as Project BOOST, launched in August 2024 to implement an integrated Driver Licensing and Motor Vehicle Services system of record. This modernization effort aims to streamline operations, with an anticipated 60% reduction in issuance time upon completion, enhancing efficiency and customer experience.

2) Many of our physical locations are in various states of disrepair, leading to increased maintenance costs and operational inefficiencies. These conditions can negatively impact the customer experience and pose challenges in maintaining consistent service quality across all sites. Our planned action is to assess the entire physical footprint after the Real ID deadline to determine the necessary improvements and next steps.

3) Service Oklahoma is embarking on a comprehensive redesign of the state driver license, featuring enhanced security measures to combat fraud and identity theft. The project will also include an expedited printing option, improved service-level agreements (SLAs), and an initiative to reduce returned mail, which could lead to cost savings and minimize customer frustration.

4) As part of the DL System Replacement, Service Oklahoma will integrate with mobile wallet providers, enabling Oklahomans to securely store and access their driver licenses on their smartphones. This initiative offers enhanced convenience, reduced dependency on physical cards, and improved accessibility for residents, aligning with modern digital trends and customer expectations.

5) Service Oklahoma is introducing an AI-powered chatbot to enhance customer support for both internal and external users. Embedded within our website, the chatbot will provide instant assistance, answer frequently asked questions, and guide users through common processes. This innovation aims to improve response times, reduce support workloads, and deliver a seamless customer experience.

Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

Explanation of Changes and Trends

- FY 2023 data include full-year Administrative Services and partial-year Drivers License & Motor Vehicle Services
- FY 2024 data include full-year for all duties
- FY 2025 budget includes $9.4M in one-time costs for drivers licensing system of record replacement project that will continue into FY 2026
- FY 2025 budgeted FTE rose with the addition of 96 part-time DL Examiner positions to expand store hours and enhance customer service

Historic Total Actual Expenditures and Current Year Budget
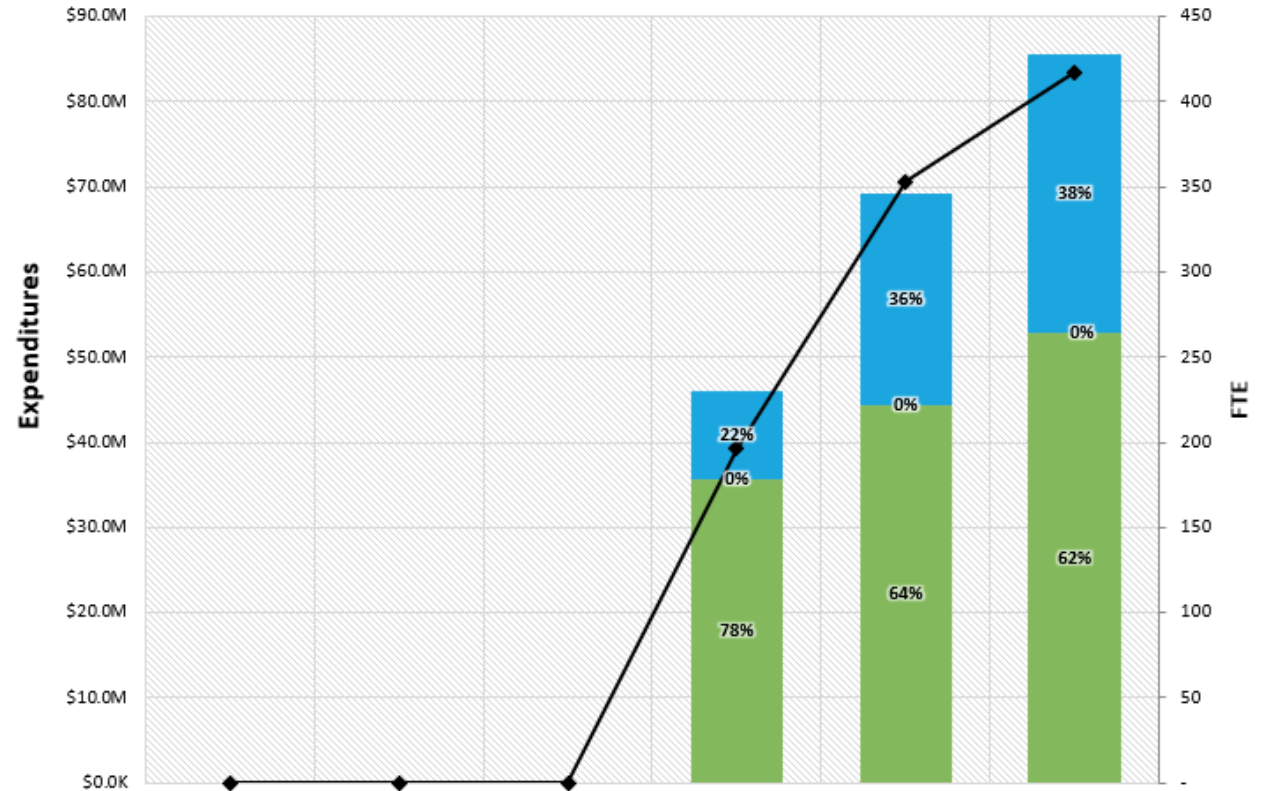
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 YTD Budget
Appropriated				$35.7M	$44.4M	$52.8M
Revolving				$10.3M	$24.9M	$32.8M
Federal				$0.0K	$0.0K	$0.0K
Total				$46.0M	$69.2M	$85.7M
FTE				196	353	417

Bar chart percentages:
- FY 2023: Appropriated 78%, Revolving 22%, Federal 0%
- FY 2024: Appropriated 64%, Revolving 36%, Federal 0%
- FY 2025 YTD Budget: Appropriated 62%, Revolving 38%, Federal 0%

FY 2025 Budgeted Full Time Equivalents (FTE)

	FY 2025 Budgeted FTE
Total FTE	417.3
Supervisor FTE	55
Supervisors to Total FTE Ratio (%)	13%
Current Budgeted but Unfilled FTE	48.8

Appropriation History

Fiscal Year	Legislated Appropriation ($) *(Includes supplementals and SRF/ARPA if applicable.)*
FY 2021	N/A
FY 2022	N/A
FY 2023	$35,737,000
FY 2024	$52,848,000
FY 2025	$52,848,000

Five-Year Appropriation History

■ Appropriation ■ Supplemental ■ SRF
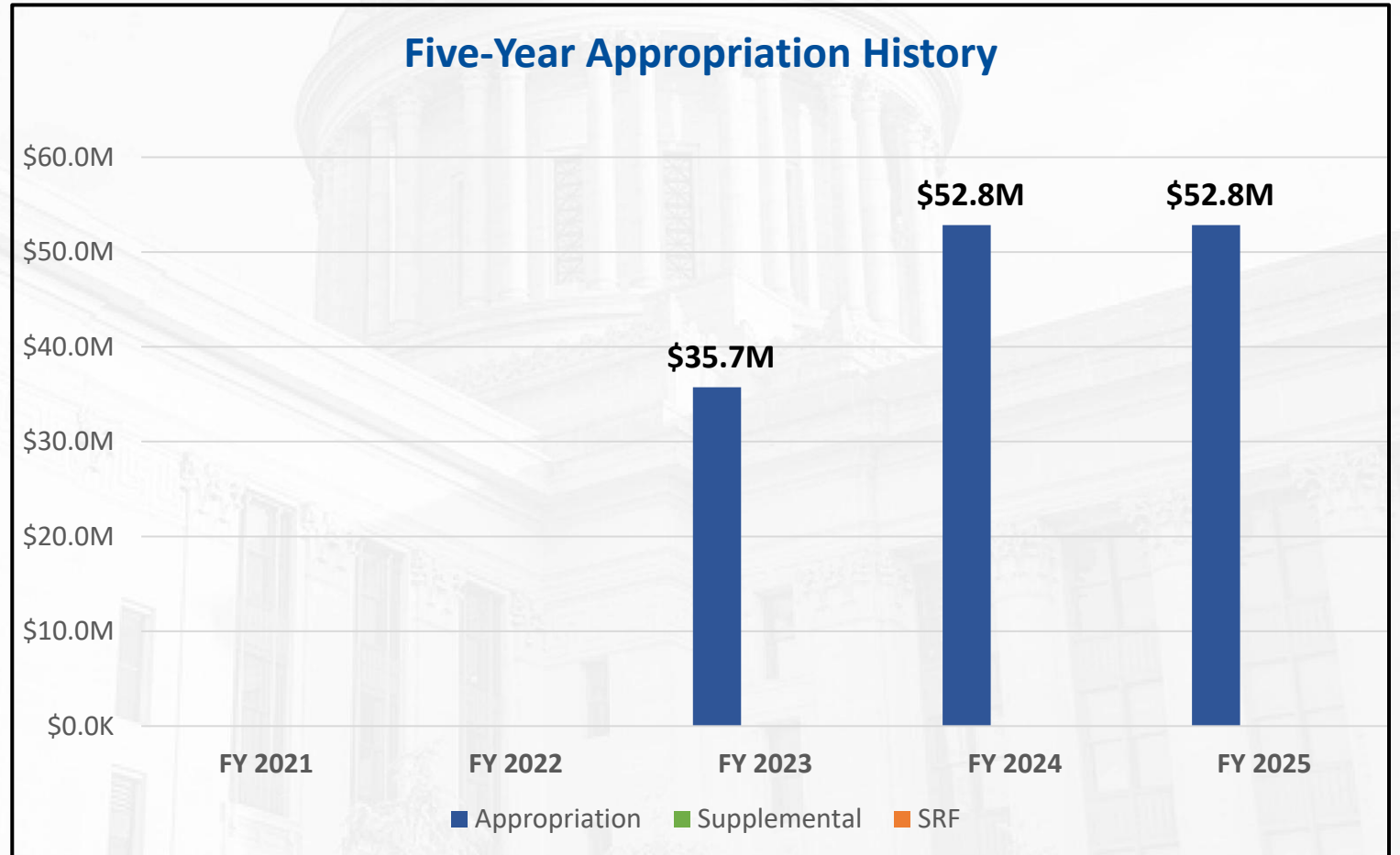
*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.

Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended ($)	N/A	N/A	N/A	$0

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances *(All Revolving Funds)*	N/A	N/A	$7,541,390	$ 21,742,989

Revolving Class Fund # *(Unrestricted only)*	Revolving Class Fund Name *(Unrestricted only)*	Current cash balance ($)	Projected FY 2025 year-end cash balance ($)
23300	Service Oklahoma Revolving Fund	$8,726,551	$13,874,442
23400	Service Oklahoma Reimbursement Fund	$4,848,209	$7,636,791
23500	Service Oklahoma Computer Imaging System Revolving Fund	$3,029,021	$1,444,676
23900	Service Oklahoma Licensed Operator Performance Fund	$709,042	$222,301
Total Unrestricted Revolving Fund Cash balance:		$17,312,823	$23,178,210

*Note: $23,025,000 is planned to be paid through out calendar year 2025 for the implementation of the DL System Replacement

Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2023 – 2024 Appropriation Change Review

Purpose of appropriation increase or decrease	Amount FY 2023	Amount FY 2024	Total amount received FY 2023 - 24	Total amount expended by 11/1/2024	Included in FY 2025 approp? (Yes/No)	If not expended fully, please explain.
Base appropriation for partial years of services acquired from DPS/OTC	$35,737,000	$35,737,000	$71,474,000	$35,737,000	Yes	
Increase to provide full-year services acquired from DPS/OTC	-	$17,111,000	$17,111,000	$10,602,776	Yes	A small amount of carryover results from vacancy savings, however, the majority of the remaining FY 2024 appropriations were allocated for the launch of the new DL System Replacement project, which was delayed into early FY 2025 due to contracting delays. These funds, along with those for associated modernization and service improvement projects, will continue to be utilized in FY 2025.
Totals	**$35,737,000**	**$52,848,000**	**$88,585,000**	**$46,339,776**		

Do not include SRF / ARPA appropriation increases.

FY 2025 Appropriation Change Review

Purpose of appropriation increase or decrease	Amount of increase or decrease ($)	Does this need to be included in your FY 2026 appropriation? (Yes/No)	If yes, included in appropriation for same purpose? (Yes/No)	If not included for same purpose, please explain.
No Adjustments	$0			
Total adjustment	$0			

Do not include SRF / ARPA appropriation increases.

Budget & Supplemental Incremental Request Summary

	Request Name	FY 2026 Incremental Appropriation Request Amount ($) {or FY 2025 for Supplementals}	Type of Request: Recurring, One-time, or Supplemental
1	No requests		
2			
3			
4			
5			