State-to-State Verification Service (S2S)
July 18th, 2016
Introductions

Christine Nizer, Maryland MVA
Nancy Carlson, Clerus Solutions
What is State to State?
What is State to State?

- Designed and governed by the States, for the States
- Allows a State to determine if an applicant has a DL or ID card in another State
- Provides functionality for States to achieve the goal of “One Driver - One License” for all drivers
- Allows each participating State to enforce its own policies regarding multiple credentials.
- Real ID participation is not required
  - Participating in S2S does not require a State to participate in REAL ID,
  - But S2S does help a state comply with Real ID requirements if it chooses to.
Before S2S

CDLIS

CDL
Value of State to State

- Improved Integrity of US-Issued Credentials
- Compliance with State Laws
- Detection and Deterrence of Identity Theft
- Detection and Deterrence of Benefits Fraud
- Reduced Costs for Complying with Interstate Compacts
- Improved Highway Safety
- Improved Homeland Security
State to State Pilot Project Status
As of 7/18/2016

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<table>
<thead>
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<tbody>
<tr>
<td>6</td>
<td>Live In Production</td>
</tr>
<tr>
<td>9</td>
<td>Signed LOI, Go Live Confirmed during Pilot</td>
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</table>
• One Pilot slot still available
  • Currently working with multiple interested States, but until committed the slot remains open for any State

• Whether Pilot or post-Pilot implementation
  • NHTSA 405c Grant vehicle
    • Implementation Costs (VA)
    • Duplicate Resolution Costs
  • DHS Grants
    • Implementation Costs (ID)
Participating in State to State
Benefits Realized to Date
(Anticipated and Unanticipated)
Benefits Realized to Date

- Customer service benefits related to testing
- Identification of several cases of potential fraud
- Automation of manual processes, and improvement of existing processes and systems
- Increased communication and collaboration with other pilot states
- Identification of CDLIS records where CSOR did not occur when driver requested only base DL or ID in new state
Why is eliminating potential duplicates so important?

- The majority of potential duplicates are an indication of either:
  - An error of some type
  - Fraud
- The more errors there are, the easier it is to get away with fraud
S2S is helping eliminate potential duplicates

- **Reactively**, as bulk loads discover existing potential duplicates
  - Cases of fraud have been found
  - Many involve CDLIS records for drivers with a base DL in another state

- **Proactively**, as daily operations prevent creation of new potential duplicates
  - Drivers with DL/ID card in another state identified before issuance
  - State can make informed decision about issuance and take action to prevent the potential duplicate
Pilot States are actively seeking to improve duplicate resolution process

Identifying recommended procedures, communications, research methods, and decision logic

Focusing on meeting key objectives:

• Detect and deter fraud
• Minimize the impact on citizens that have done nothing wrong
• Minimize resource requirements needed to resolve duplicates
Lessons Learned and Best Practices
Best Practices

- Planning
  - Executive leadership / governance support is critical
  - Allocating and dedicating resources to the project
  - Utilizing CDLIS resources to minimize learning curve
  - Establishing a charter and communications plan
  - Recurring team meetings at all levels (weekly, monthly, key milestones)
Business Impact Assessment
  • Thorough business impact assessment is critical
    • Use case review and decision tree spanning full product line

Development
  • Use of staff already familiar with CDLIS and State environment
Best Practices

- Testing
  - Establishing a second test environment to allow old CDLIS and S2S to be tested in parallel
  - Including peer state testing as part of your casual testing
  - Including PDPS interaction
  - Testing state-side processes and flows in addition to interaction with the service
  - Allowing ample time for structure testing
Go Live Preparations

• Determine what will be loaded at go-live vs. day forward vs. not at all

• Run the Data Quality Verification Process (CD31) 1+ times to make existing CDLIS data as clean as possible

• Perform the Dry Run Bulk Load Process (CD34) 1+ times, and well in advance of go-live. Use the output to;
  ✓ correct errors,
  ✓ investigate and correct potential duplicates prior to go-live, and
  ✓ anticipate level of effort / resources needed to resolve potential duplicates after go-live.
Training and Communications
- Training front end staff is critical to a smooth transition after go-live.
- Communicating to citizens

Front Office Operations
- Communications with the Customer
- Decision Tree and Issuance Decisions
For More Information
Contact:

Nancy Carlson - ncarlson@clerusolutions.com
Monthly training available to all states

For more information, go to http://www.aamva.org/systems-training/
<table>
<thead>
<tr>
<th>Task / Deliverable</th>
<th>Date(s)</th>
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<tbody>
<tr>
<td>Pilot Operations and Eval’n Period Start Date</td>
<td>03/03/2015</td>
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<tr>
<td>Certification Environment Go-Live</td>
<td>03/03/2015</td>
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<tr>
<td>Production Environment Go-Live</td>
<td>07/06/2015</td>
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<tr>
<td>Wisconsin Go-Live</td>
<td>08/10/2015</td>
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<tr>
<td>North Dakota Go-Live</td>
<td>11/16/2015</td>
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<tr>
<td>Maryland Go-Live</td>
<td>01/31/2016</td>
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<tr>
<td>Indiana Go-Live</td>
<td>02/21/2016</td>
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<td>Iowa Go-Live</td>
<td>05/22/2016</td>
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<tr>
<td>Arkansas Target Go-Live</td>
<td>06/05/2016</td>
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<tr>
<td>Idaho Target Go-Live</td>
<td>08/21/2016</td>
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<td>S2S In Person Meeting (Atlanta, GA)</td>
<td>09/26/2016 – 09/28/2016</td>
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<tr>
<td>South Dakota Target Go-Live</td>
<td>10/02/2016</td>
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<td>Nebraska Target Go-Live</td>
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<td>Arizona Target Go-Live</td>
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<td>Wyoming Target Go-Live</td>
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<td>Virginia Target Go-Live</td>
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<td>Delaware Target Go-Live</td>
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<td>Mississippi Target Go-Live</td>
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<tr>
<td>Pilot Operations and Eval’n Period End Date</td>
<td>03/03/2017</td>
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Wisconsin
- 302,000 CDLIS  4.3M Non-CDLIS

North Dakota
- 72,000 CDLIS  575K Non-CDLIS

Maryland
- 224,000 CDLIS  4.6M Non-CDLIS

Indiana
- 352,000 CDLIS  4.8M Non-CDLIS
Wisconsin
• 5-6000 hours est.

North Dakota
• 650 hours est.

Maryland
• 6-7000 hours est.

Indiana
• 5-6000 hours est.
### S2S Fee Model

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Per State Fee</th>
<th>Annual Per Driver Fee</th>
<th>On-Time Implementation Fee</th>
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<tbody>
<tr>
<td>2017</td>
<td>$27,166</td>
<td>$0.0720</td>
<td>$93,671</td>
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<tr>
<td>2018</td>
<td>$29,651</td>
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<td>$96,331</td>
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<td>2019</td>
<td>$32,885</td>
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<td>$99,066</td>
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<tr>
<td>2020</td>
<td>$35,893</td>
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<td>$101,883</td>
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<td>2021</td>
<td>$39,202</td>
<td>$0.0720</td>
<td>$104,784</td>
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<tr>
<td>2022</td>
<td>$40,000</td>
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<td>$107,772</td>
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<td>2023</td>
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<td>2024</td>
<td>$40,000</td>
<td>$0.0720</td>
<td>$113,990</td>
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- Based on 14 states on board by March 2017 and four states being added each year thereafter
- **Does not show a deficit**, if participation goals are met
Decision Regarding Long Term Governance

- Long term Governance will be provided by an organization representing the states participating in S2S.

- Two options being explored
  - Committee within AAMVA
  - Subsidiary of AAMVA

- Will be formed in 2016 so that governance can be transitioned by March 2017.