



Service Oklahoma Driver's License Process

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Key Evaluation Objectives:

- Evaluate the changes in service delivery after the transition to Service Oklahoma.
- Assess Service Oklahoma's processes and outcomes.
- Assess the role of technology in modernizing the delivery of driver license services.
- Compare Oklahoma's service delivery and costs to other states.

Executive Summary

In 2022, the Oklahoma Legislature created a new agency called Service Oklahoma to centralize the delivery of driver licenses and vehicle registrations. Previously, the services were provided between two state agencies. This action came after a prolonged effort to offer licenses compliant with federal REAL ID standards and COVID-era delays in issuing driver's licenses.

Service Oklahoma (SOK) uses a hybrid model to deliver motor vehicle and driver license services statewide, using both State-run facilities and third-party private

businesses known as Licensed Operators. This creates two unique business models: a public-private partnership where profit dictates future operations, and the public service model where the service is provided regardless of profit.

With this evaluation, the Legislative Office of Fiscal Transparency (LOFT) sought to measure the changes in service delivery under the new agency and whether the model is providing the intended outcome of improved and consistent customer service to citizens. Additionally, LOFT examined the factors contributing to Oklahoma's high costs for obtaining a driver's license.

This evaluation resulted in three key findings:

Finding 1: Contrary to Legislative Intent, Citizens' Experiences Vary Between State and Private Operators

LOFT found benefits to the hybrid service model; through privately run locations, services are provided in less populated areas of the state where it might not otherwise be financially feasible to have a location. However, the lack of centralization has some drawbacks, including inconsistent customer service, inconsistent use of technology platforms and tools, and limited enforcement over the private operators that are delivering a public service on behalf of the State.

LOFT observed licensed operators that were not in compliance with the contract terms established by Service Oklahoma. For example, one operator does not offer license services 1 hour prior to closing or during a 1.5 hour period in the middle of the day, in violation of the requirement to offer license services during the entirety of its operating hours. Online reviews revealed the greatest area of complaint from the public was with an operator's hours of operation.

Additionally, the difference in business models limits a direct comparison of performance. For example, in its first year of operation, Service Oklahoma reduced customer wait time from an average of 68 minutes to 24. However, metrics for customer wait times are only available for the 31 state-run Service Oklahoma locations.

Driver license services are provided by:

31
State Run
Facilities

234
Licensed
Operators

Finding 2: Oklahoma Offers Greater Access to Driver License Services than Similar Sized States

On a per capita basis, Oklahoma has a driver's license facility for every 12,000 people. LOFT compared Oklahoma's availability to two states with similar populations – Louisiana and Oregon – and found that Oklahoma has almost twice as many locations as Louisiana and more than four times the locations as Oregon.

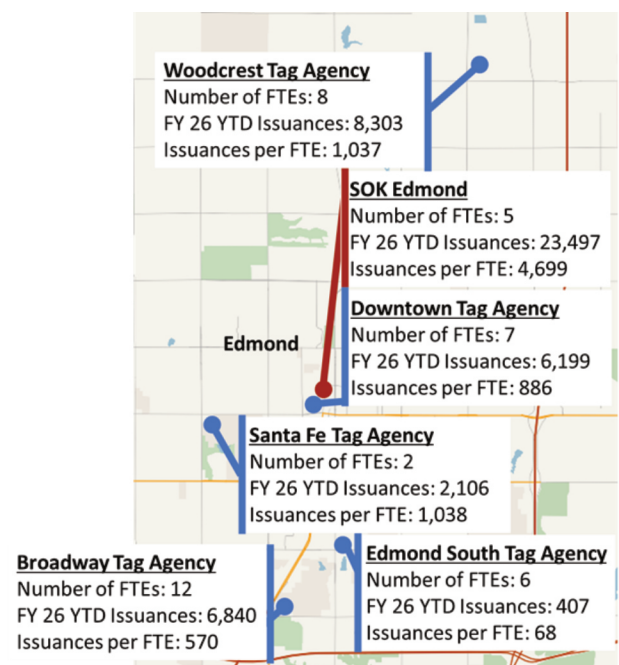
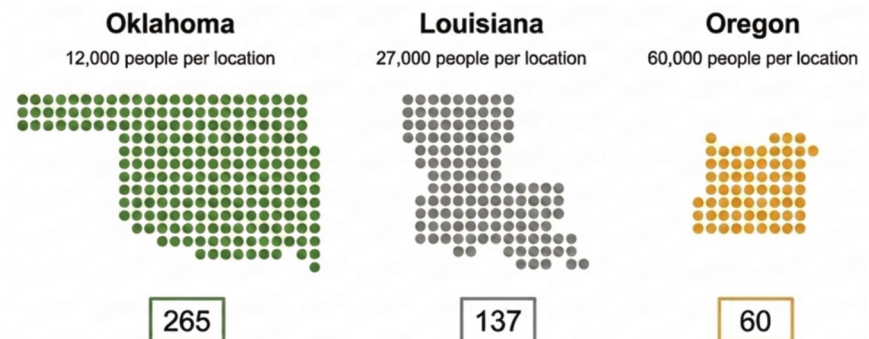
Statute states that every county "should" have at least one location from which citizens can obtain licenses; this can either be operated by Service Oklahoma or a Licensed Operator. Statute also states that Licensed Operators should

not be located within a three-mile radius of another location. LOFT found numerous violations of this provision. Four years after the statutory distance limitation was put in place, one location was approved even though there was another location 0.3 miles from it.

While Oklahoma has a relatively high number of license-issuing locations compared to similarly populated states, the number of locations alone does not indicate whether capacity aligns with demand. However, if it were determined that Oklahoma should have at least one location in every county, the state would have a total of 77 service locations. This would place Oklahoma between Louisiana and Oregon in terms of per capita service locations, with one location per 42,900 driving age residents. Currently, there are 28 counties that have one Licensed Operator. On average, the LOs in these counties serve approximately 14,000 residents per location.

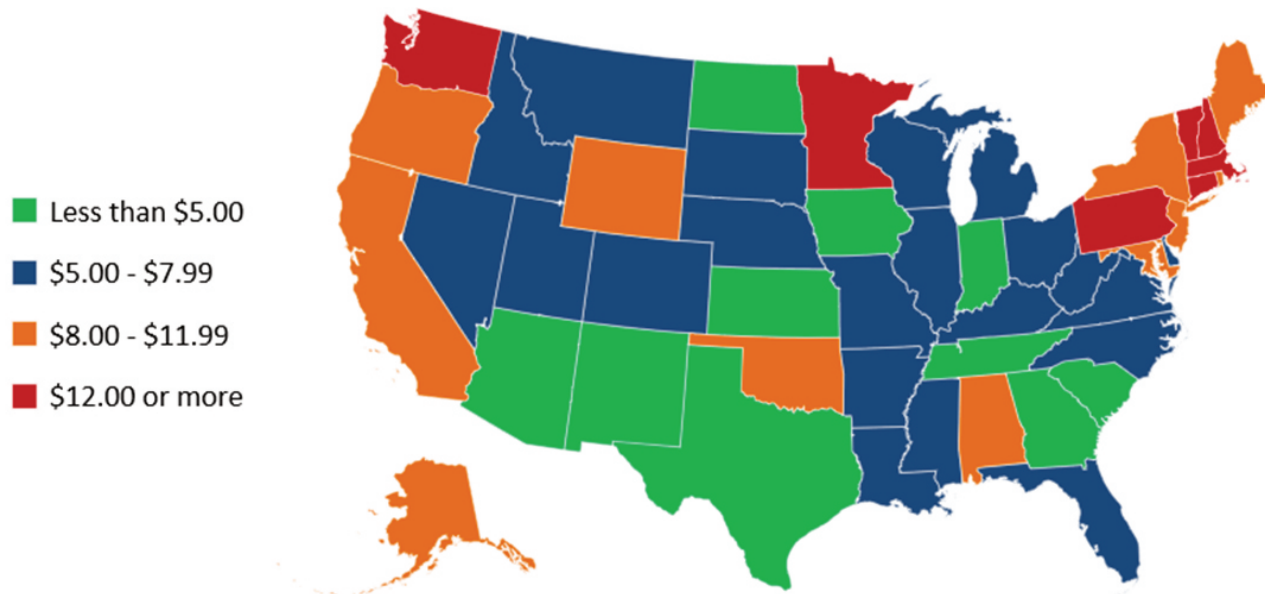
A low residents per location ratio may be hampering the state's ability to control costs. Setting a standard resident per location metric could assist in determining the appropriate number of operators needed to service Oklahomans without sacrificing customer satisfaction. For example, if the number of residents per location were set at 50,000, there would be 63 counties that could be served with one Licensed Operator. The shift to online renewals and the option to renew a license for 8 years has reduced the frequency of in-person visits. According to SOK, an Oklahoman will visit an LO or SOK location to obtain a license approximately every 5 years. A location serving 50,000 people over 4.75 years would have an annual workload of 10,526 transactions. If this ratio were in place, Oklahoma would need just 126 Licensed Operators as opposed to the current 234, a 46 percent reduction in locations.

Additionally, If the State sought to ensure greater consistency in customer access to services, as intended with the creation of Service Oklahoma, Service Oklahoma locations should provide all services to the public, similar to what is required of Licensed Operator locations. Currently, with the exception of its Oklahoma City headquarters, Service Oklahoma locations primarily provide identification credential services. LOFT's analysis of license issuance found that in urban markets – where there is a higher concentration of locations – Oklahomans preferred to obtain their licenses from Service Oklahoma locations over Licensed Operators.



Finding 3: Oklahoma has the 10th Highest Driver's License Fees

Oklahoma's driver's license fees rank among the highest in the nation. The fees are set in statute and support the State's hybrid public-private service delivery model. The map below presents the annualized cost of each state's initial issuance of a REAL ID. The annualized national average for a REAL ID is \$7.89; 22 percent below Oklahoma's annualized cost of \$10.13 for a new license, ranking Oklahoma as the tenth-most expensive state to acquire or renew a REAL ID compliant driver's license.



LOFT found no correlation between a state's service model and costs. Arizona and New Mexico both use a hybrid model and rank among the lowest annualized costs. Conversely, Oklahoma and Minnesota both use a hybrid model and rank among the most expensive states to obtain a REAL ID. However, LOFT identified six states that allow private businesses to add a convenience fee to the state driver's license fee. Oklahoma's model instead compensates private businesses by allowing the Licensed Operators to retain 40 percent of the State's fees. Additionally, Service Oklahoma provides metric-based payments from the Licensed Operator Performance Fund. The fund is also used to reimburse operators for vehicle registrations issued to fully disabled veterans and those aged 65 or older, as those clients are not assessed a fee by the State. While the Performance Fund's disbursements support the profitability of Licensed Operators in less populated areas, LOFT found the structure also allows those in counties with an above-average population to receive some of the highest payouts.

LOFT's analysis found that Licensed Operators generally issue fewer licenses per FTE than Service Oklahoma staff, and rural counties typically have lower issuance rates per FTE than other counties in the state. Together, these factors increase the cost of maintaining the current level of statewide access to driver's license services.

Currently, Service Oklahoma does not have authority over the State's entire system of delivering the services it is charged with overseeing. Instead, Service Oklahoma directly manages its locations, and an Operator Board has authority over all Licensed Operators. While this structure was designed to incorporate industry expertise into oversight, it has created a fundamental governance concern. For example, the Board has approved requests from 168 Licensed Operators to have hours that deviate from Service Oklahoma's standard hours of operation; some of which also contradict statutory direction that providers be open at least 4 hours outside of normal business hours or on a Saturday to accommodate the public. To fully realize the legislative goal of standardization, Service Oklahoma should have full operational authority over all license-issuing locations.

Summary of Policy Considerations and Agency Recommendations:

The Legislature may consider the following policy changes:

- Convert the role of the Service Oklahoma Operator Board to be advisory in nature to help alleviate any conflicts.
- Vest full operational and regulatory authority of Service Oklahoma to the director.
- Direct Service Oklahoma to dedicate the primary use of the Licensed Operator Performance Fund to subsidize Licensed Operator locations that do not generate enough customer transactions to be profitable, with the goal of ensuring there is a minimum of one licensing facility in each county.
- Create a separate fund to reimburse Licensed Operators for the vehicle registration fees that are waived for those 65 and older and disabled veterans.
- Direct the Service Oklahoma Operator Board to promulgate administrative rules requiring Licensed Operators provide annual financial statements, empowering the board to make decisions based on the reported financial position of Licensed Operators.
- Remove the statutory exemption for Licensed Operators operating prior to the creation of Service Oklahoma to adhere to the brand standards, requiring that each location make annual progress toward meeting the standards set for all service locations.

Service Oklahoma should:

- Assess the ideal ratio of Licensed Operators to population.
- Create a process and dedicate personnel to review, report, and recommend action for poor customer service by Licensed Operators.
- Evaluate the metrics of the Licensed Operator Performance Fund to ensure they are measurable and accomplish the goals of consistent service delivery in rural areas of the State.
- During unannounced Operational Audits, Service Oklahoma should record the posted business hours and validate those hours with the hours of service reported to Service Oklahoma.
- Require the next Licensed Operator Compensation Evaluation examine the market impact of enforcing or eliminating the three-mile proximity rule. A copy of the evaluation should be provided to the Chairs of the respective oversight subcommittees of the Legislature.
- Issue vehicle registrations at all Service Oklahoma locations.
- Examine the new technology tools being used by other states to determine if they have the potential to improve the delivery of services or reduce costs.
- Require all Licensed Operators to utilize the same online queue system that Service Oklahoma uses, so the wait times of all locations can be displayed on Service Oklahoma's website.
- Implement a customer feedback form on Service Oklahoma's website that is easy to find and provides clear direction for submission. The agency should include a summary of the feedback in its annual report on driver's licenses and vehicle registrations.
- Design the Licensed Operator Compensation Evaluation RFP so that the same consultant cannot be used more than two times in a row, to ensure the report maintains objectivity.

Background

The events that led to the creation of Service Oklahoma can be traced back to 2005, when Congress enacted the REAL ID Act. The act was the product of the 9/11 Commission's recommendation for stronger identification standards that would make it more difficult to duplicate state-issued IDs. Possession of these new IDs would be required to fly, enter federal buildings, and gain access to military bases. The Act was met with harsh criticisms nationwide from states that viewed it as a privacy violation since the information needed to obtain the new ID card would be made available to the federal government. Oklahoma was one of these states and reacted with legislation specifically blocking the Department of Public Safety from implementing the new standards.¹



SB464 (2007)

...that the enactment into law by the United States Congress of the federal REAL ID Act of 2005, is inimical to the security and well-being of the people of Oklahoma, will cause approximately Eight Million Dollars (\$8,000,000.00) in added expense and inconvenience to our state, and was adopted by the United States Congress in violation of the principles of federalism



In 2007, the Oklahoma Legislature enacted SB464, which prohibited any updates to the State's system that were needed to proceed with REAL ID implementation. Over the following ten years, the federal government provided grants and supplemental funding to assist states with the rollout of this new mandate. However, due to the statutory prohibition, the State of Oklahoma forewent its claim to those funds.

In 2017, the number of states opposed to the enhanced identification standards began to shrink as it became clear that REAL ID was not going away. With the impending federal REAL ID deadline looming, the State enacted HB1845, which gave Oklahomans the option of getting a traditional

(Noncompliant) driver's license or a REAL ID.² As the holdout states began to implement the REAL ID mandate, the federal government allowed extensions to the deadline.

The Department of Public Safety faced several operational challenges brought about by the issuance of both REAL ID and Driver's licenses, such as the increased consumer demand of people who needed a new ID versus the capacity of DPS locations and Tag Agents' ability to fulfill the services needed.³ Staffing issues, outdated technology, and insufficient data plagued DPS's ability to smoothly transition to REAL ID. These challenges caused the initial implementation of REAL ID to fail, leading to long wait times, poor customer service, and frustrated Oklahomans. These problems were further inflamed with the onset of COVID-19 in 2020. The virus forced social distancing standards and reduced operational capacity, of both Tag Agents and DPS facilities.

These converging challenges made it difficult for State officials to pinpoint the root cause for the delays. A local news organization surmised that "It's the learning curve and outages of a new system to verify and process the long-delayed rollout of Real ID in Oklahoma. It's the snowball effect of a year of temporary pandemic-related closures or diminished services at Department of Public Safety offices or privately run tag agencies across the state. It's confusion for customers as they navigate delays and different websites for appointments, renewals or other online services."⁴

¹ Eaton, Kevin. "REAL ID: The little card that's causing big problems," NonDoc. December 2, 2015.

² Oklahoma Senate press release. "Oklahoma Senate passes REAL ID bill; measure heads to governor for signature." February 25, 2017.

³ Forman, Carmen. "Oklahoma to start issuing REAL IDs July 1." The Oklahoman. May 8, 2020.

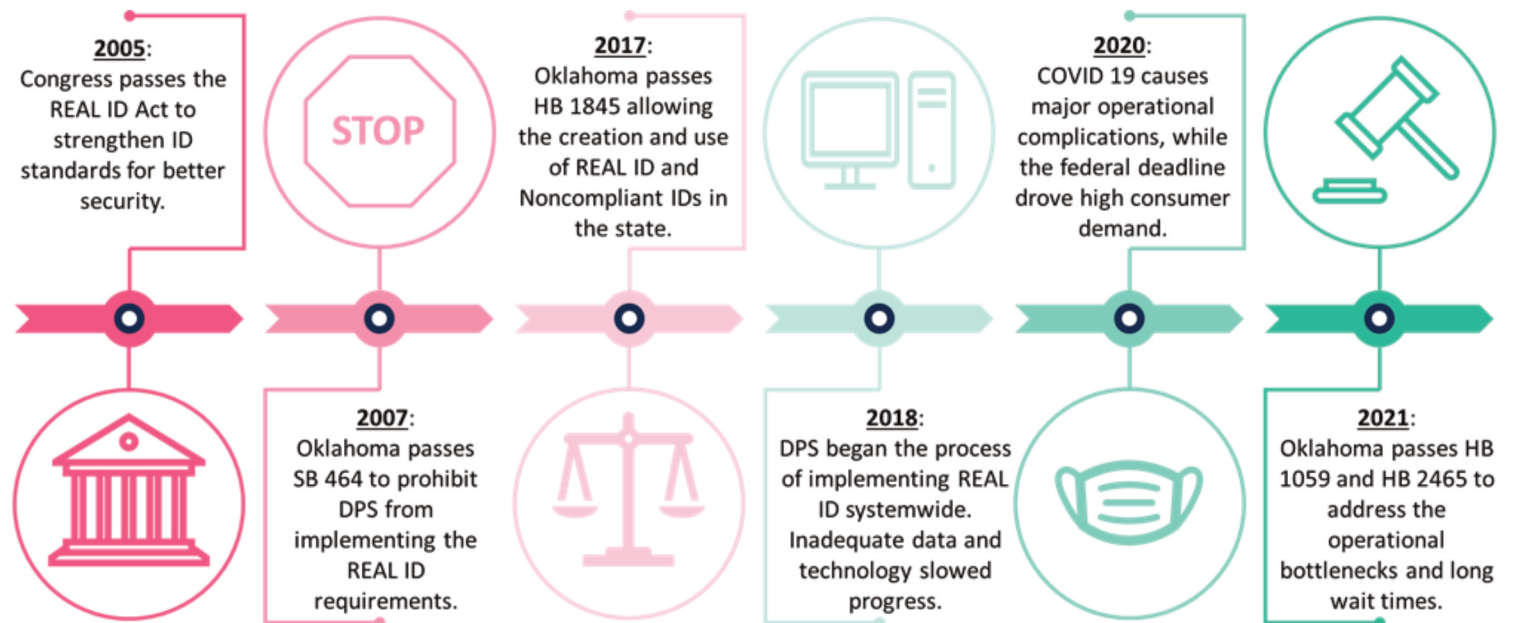
⁴ Monies, Paul. "Oklahoma's Driver's License System In Disarray, Still." Oklahoma Watch. May 25, 2021.

In another news article, a DPS spokesperson added context for the backlog of licenses, citing issues such as implementation of federally compliant REAL IDs, state budget cuts and the COVID-19 pandemic, which caused DPS to suspend such services for about a month. The system was never able to recover.⁵ In response to the extreme backlog, forty-four members of the Oklahoma House of Representatives sent a letter to the Governor urging him to address the issues through executive action.⁶ The next day, the Governor issued an executive order aimed at reducing the wait time for licensing services. The mandates included:⁷

- Allowing tag agents to renew, replace or downgrade Class A, B or C commercial driver licenses (which previously could only be done by DPS),
- Allowing tag agents to issue state identification cards if an individual, such as an older Oklahoman who no longer drives but who needs a state ID, has a valid, expired, or suspended driver's license,
- Allowing career technology centers to administer the state's written driving exam,
- Allowing commercial driving academies to administer CDL driving examinations to the general public and not just their students.

The Legislature enacted legislation that same year to maintain the mandates put in place by the executive order.⁸

Exhibit 1: Timeline of Events Leading Up and Through Issuing REAL IDs



Source: LOFT analysis of statute.

⁵ Savage, Tres. "Stitt executive order, bills target driver license delays." NonDoc. February 10, 2021.

⁶ OK House Press Release. "Bipartisan Group of Legislators Send Letter to Gov. Stitt Supporting EO Addressing DPS Wait Times." February 9, 2021. See Appendix B for the full letter.

⁷ Executive Order 2021-05. Governor Kevin Stitt. Oklahoma. See Appendix C for the full EO.

⁸ Oklahoma HB1059 (2021) and Oklahoma HB2465 (2021).

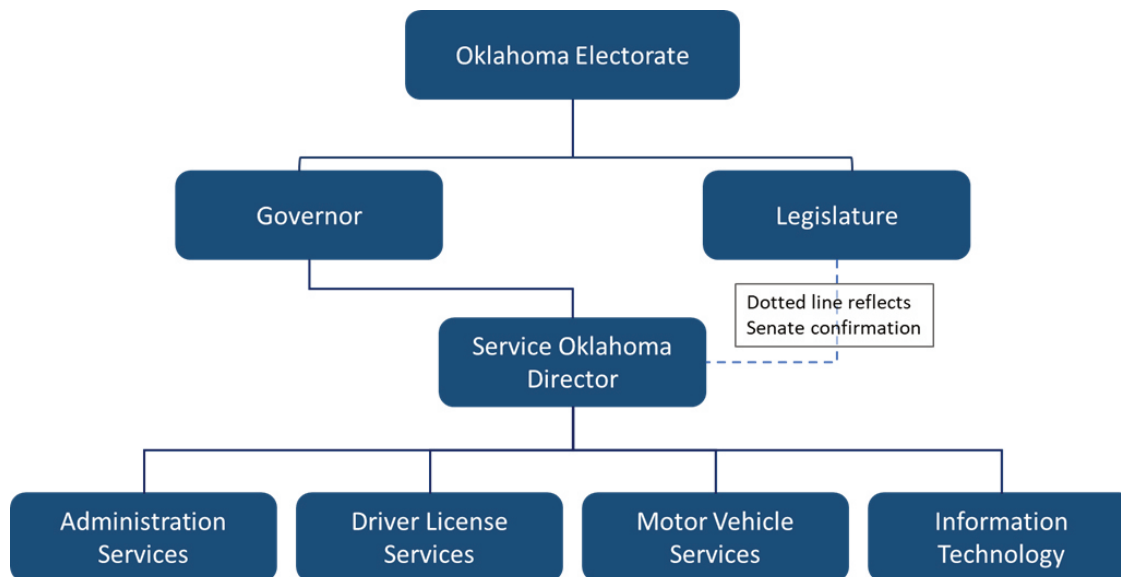
Creation of Service Oklahoma

In 2022, a new State agency was created to centralize issuing driver's licenses and vehicle registrations. HB3419 removed the Driver's License Services Division from the Department of Public Safety and the Motor Services Division from the Oklahoma Tax Commission and combined them into the newly created agency, named Service Oklahoma (SOK). Originally, the move transferred all duties from those divisions totaling 250 employees to the Office of Management and Enterprise Services (OMES) as a new division. The division was made into a new, stand-alone State agency in November 2023. This new agency would also be responsible for overseeing the "Licensed Operators" in the state, formerly known as Tag Agents.

Governance

Service Oklahoma is led by an executive director, which is a Governor appointed position that must be confirmed by the Senate. The Director oversees four divisions within the agency: Administrative Services, Driver License Services, Motor Vehicle Services, and Information Technology. As of March 2026, there were 427 employees working for Service Oklahoma. The Director of Service Oklahoma sets the operational standards for state-operated Service Oklahoma locations.

Exhibit 2: Service Oklahoma's Governance Structure.



Source: LOFT's statutory review.

The nine-person Service Oklahoma Operator Board proposes and approves the operational standards relating to Licensed Operators. The seats on the Service Oklahoma Operator Board consist of two governor appointees; three appointees from the Senate Pro Tempore, including one Licensed Operator from a county with more than 100,000 people; three appointees from the Speaker of the House, including one Licensed Operator from a county with less than 100,000 people; and the director or a designee of Service Oklahoma. Once a Licensed Operator is approved for a license, they become subject to the Board's authority over operations, including hours of operations, bonding, and federal identification standards.

Unique to SOK is a seven-person Licensed Operator Advisory Committee. This committee is a representative body for Licensed Operators, providing suggestions for the Board to consider as they relate to the day-to-day operations of Licensed Operator locations. The Committee is made up of six Licensed Operators.

- Two Licensed Operators from counties with a population under 30,000.

- Two Licensed Operators from counties with a population between 30,001 and 100,000.
- Two Licensed Operators from counties with a population over 100,000.
- One Service Oklahoma employee, appointed by the Director of SOK.

Financials

Service Oklahoma has only three years of appropriations history. It received its first appropriation of \$52.8 million for FY24, and its appropriation remained the same for the following two budget years.⁹ In addition to appropriations, SOK is statutorily required to collect fees for the services it provides to the public. These funds are held in the agency's revolving funds and must be expended for the specific purpose of the fund. For example, the Licensed Operator Performance Fund is used to pay for the performance of Licensed Operators and the reimbursement of vehicle registrations issued to people that are 65 and older and disabled veterans.

Credentials Included in this Evaluation:

- Commercial Drivers License
- Commercial Learners Permit
- Motorcycle Permit
- Motorcycle License
- REAL ID Drivers License
- State Issued Drivers License
- Learners Permit
- State Identification Card

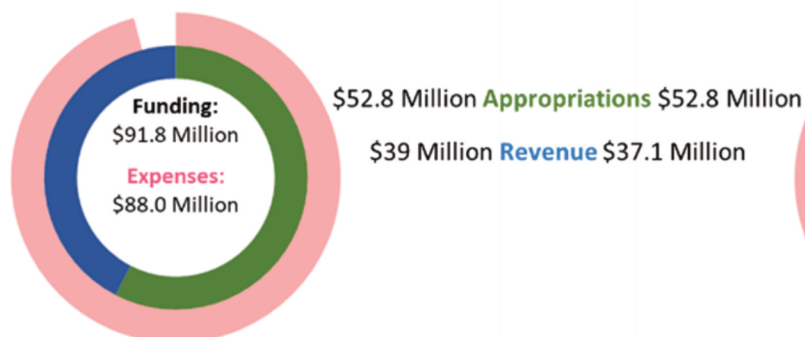
In FY25, SOK collected \$38,958,479.25 in revenue, with the largest revenue driver being the "Tag Agent Remittance" of \$26,284,863.08.¹⁰ This represents the State's portion of all services provided by Licensed Operators. In total, SOK received \$91.8 million to operate the agency.

SOK expended \$88 million in FY25, with the largest expenditure being agency personnel costs totaling \$28.3 million, followed by expenditures for professional services at \$17.3 million.

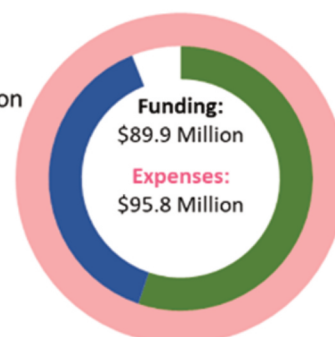
FY26 year-to-date totals reflect a relatively flat operational cost. As of July 14, 2026, SOK has collected \$37.1 million in revenue and \$52.8 million in state appropriations. These revenue streams have funded \$95.8 million in expenditures.¹¹

Exhibit 3: Funding and Expense Totals of Service Oklahoma.

FY 2025 Operational Funding and Expenditures



FY 2026 Operational Funding and Expenditures



Source: PeopleSoft accounting reports and LOFT analysis.

⁹ Oklahoma SB1125 (2024).

¹⁰ PeopleSoft. "FY2025 Revenue Budget Comparison Summary by Business Unit/ Account."

¹¹ PeopleSoft. "FY2026 Revenue and Expenditure Budget to Actuals."

Finding 1: Contrary to Legislative Intent, Citizens' Experiences Vary Between State and Private Operators

Service Oklahoma uses a hybrid model to deliver motor vehicle and driver license services statewide, using both State-run facilities and third-party private businesses known as Licensed Operators. These private businesses are required to be licensed by the Service Oklahoma Operator Board, an appointed board that is not directly accountable to Service Oklahoma. Service Oklahoma operates 31 credential-issuing locations across the state, and these state operated locations share the credential issuing workload with Licensed Operators.¹² This creates two unique business models: a public-private partnership where profit dictates future operations, and the public service model where the service is provided regardless of profit.

Service Oklahoma was created to improve and standardize the delivery of credentials. LOFT sought to compare the current service delivery levels with those prior to the creation of Service Oklahoma, but did not find evidence that data was maintained on the average amount of time for citizens to obtain documents. In the first year of Service Oklahoma's operation, it began to measure the "wait time" of a consumer, which is defined as "the elapsed time from a customer sign up (via kiosk or QLess web join) to the moment they are summoned to a workstation."¹³ **Service Oklahoma was able to reduce the time a customer had to wait from an average of 68 minutes to 24 minutes in one year.**¹⁴ However, this data is only applicable to state-run Service Oklahoma locations and does not include any available data from privately run Licensed Operators.

As explained in the introduction, Service Oklahoma and the Operator Board have set brand standards to create a franchise model, similar to what is seen in consumer retail locations, where the atmosphere and operational expectations are consistent regardless of the type of ownership and location of the facility. Licensed Operators are contractually required to provide all services mandated by Service Oklahoma, even if the service is not profitable. The standards that are set by the board include appropriate staff attire, approved wall colors, standard operating hours, required signage and notifications, and allowable furniture. Service Oklahoma also controls the fee retention schedule that determines the amount Licensed Operators retain from each transaction, the statewide technology systems, and the forms required to be completed with each transaction. If a Licensed Operator fails to comply with the brand standards, service mandates, or any other contractual rule the Operator Board or Service Oklahoma has put in place, there is a process called the Revocation or Suspension of a License.¹⁵ This process is a tiered approach with the goal of bringing the Licensed Operator into compliance; however, if a Licensed Operator willfully refuses to provide services or fails to comply with the standards,

Audit Type	Audit Scope
Annual Driver License Audit	All Licensed Operators are audited yearly. This audit focuses on the delivery and reporting of Drivers License Transactions.
Annual Field Audit	All Licensed Operators are audited yearly with a focus on the operational standards set and approved by the Service Oklahoma Operator Board.
Transaction Audits	All Licensed Operators are audited periodically by Service Oklahoma staff to ensure that the transactions logged in the system match the remitted amounts. In the event a discrepancy is found, a journal entry is made on behalf of the LO to rectify the discrepancy.

¹² Service Oklahoma operates a total of 42 locations, 31 of which issue credentials and 11 CDL testing facilities.

¹³ Service Oklahoma's Response to LOFT Request for Information received August 27th, 2025.

¹⁴ *Ibid.*

¹⁵ 47 O.S. § 1140.

the Operator Board can revoke the license and either close the facility permanently or transfer the license to another private party.¹⁶

Service Oklahoma monitors Licensed Operators' compliance with brand standards by performing unannounced visits and formal audits. These visits focus on operational compliance such as hours of operation, physical appearance standards, and general services provided. Formal audits are much more rigorous and require an in-depth look at how the Licensed Operator performed, recorded, and transmitted payment for transactions. Service Oklahoma performs three types of formal audits: annual field audits, annual driver license audits, and transactional audits.

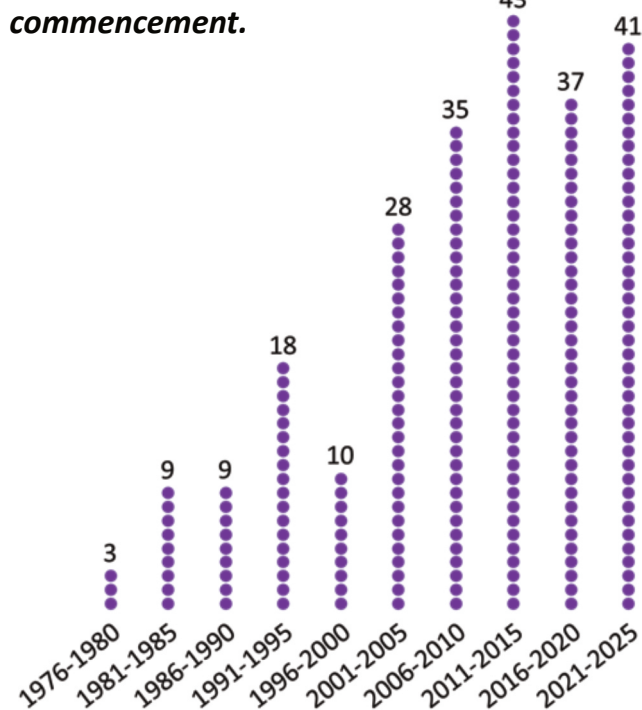
Service Oklahoma and Licensed Operator market

With the creation of Service Oklahoma in 2022, the term "tag agents" was replaced with "Licensed Operators," and the new model required the businesses to obtain approval from the Service Oklahoma Operator Board to operate a designated Service Oklahoma location.¹⁷ The legislation also allowed Licensed Operators to sell or transfer an existing operator license, be owners of multiple locations, and removed the requirement that operators be a resident of the area being served. These changes are the latest in a series of changes to how Oklahoma administers these services. Prior to 1985, State senators would recommend an applicant to serve as a tag agent to the Oklahoma Tax Commission (OTC) for approval. Once approved through OTC, the applicant would be submitted for confirmation by the full Senate.

In 1985, the Legislature enacted SB146 to end this process for only municipalities in the largest counties by population: Oklahoma, Tulsa and Cleveland counties.¹⁸ Under this model, the Senate still recommended and confirmed tag agents in smaller population centers, while the OTC approved applications for larger populated areas. The qualifications for approval were reformed again in 1987 through HB1341.¹⁹ This legislation added several new qualifications that remain in statute today:

- That the applicant has not been convicted of a felony and that no felony charges are pending against the applicant;
- That a complete financial statement be submitted by the applicant on forms provided by the Tax Commission;
- That a report of the applicant's credit history be obtained through the appropriate credit bureau; and

Exhibit 4: Current number of Licensed Operators by the year of their commencement.



Source: Service Oklahoma.

¹⁶ See Appendix D.

¹⁷ 47 O.S. § 1140.

¹⁸ Oklahoma SB146 (1985).

¹⁹ Oklahoma HB1341 (1987).

- That the location specified in the application for appointment as a motor license agent not be owned by a member of the Oklahoma Legislature or any person related to a member of the Oklahoma Legislature within the third degree by consanguinity or affinity and that the location not be within a three-mile radius of an existing motor license agency unless the applicant is assuming the location of an operating agency.

In 2009, SB888 ended the process of “patronage” for the entire state.²⁰ The new model removed the Senate from the process of selecting and confirming tag agents and instead authorized the Tax Commission to approve all applications for new agents based on statutory requirements. This process remained until the creation of Service Oklahoma in 2022.

Service Oklahoma and Licensed Operators have individual strengths

The hybrid model between SOK locations and Licensed Operators allows each to exhibit different strengths in providing driver’s licenses across the state.

Potential Benefits from SOK operations	Potential Benefits from Licensed Operators
• Stable Revenue • Centralized Administration of Service • Technology Investment • Financial Transparency	• State is protected from operational costs • Reduces the state’s capital expenditure • Flexibility in providing service in less populated areas of the state • Ability to operate parallel businesses to subsidize lower transaction numbers

Service Oklahoma’s centralized model standardizes costs and improves operational efficiency

Oklahoma’s hybrid model creates a public private partnership for the delivery of driver’s license services. The fee for each credential offered by Service Oklahoma or Licensed Operator locations is set in statute. Service Oklahoma then sets the retention rate, that is the percentage of the overall price that each Licensed Operator keeps from each credential issued. This statutorily set fee is what each citizen pays for a credential, and that price is the same no matter where in the state the service is received. Standardized fees eliminate pricing competition between Licensed Operators and Service Oklahoma, ensuring that Oklahomans pay the same fee at any issuing location. It also provides Service Oklahoma with predictable revenue, helping to align fee collections with agency budgeting priorities for each fiscal year. The stable revenue model also is a benefit to Licensed Operators because it allows them to project their own budget, supporting staffing decisions and helping ensure services are delivered as statute directs.

Centralizing these services within a state agency also can create a consistent customer service experience. For example, when Service Oklahoma adopted its franchise model, it established branding requirements for furniture, technology, and aesthetics, which it expected its branches to follow.

Centralization can also reduce technology costs. Service Oklahoma pays for and maintains the technology required to perform credential services. System-wide automation reduces labor costs and time, while a standardized technology platform allows support staff to focus on a single system rather than multiple Licensed Operator variations. The implementation of online services, such as driver’s license renewals, tags, and ID reduce in-person traffic and help efficiency. A centralized system

²⁰ Oklahoma SB888 (2009).

empowers staff to deliver multiple services, improving waiting times by allowing more time to be dedicated to services that must be completed in-person.

Financial transparency is another benefit of this model. When costs are standardized and transactions are centrally tracked, the state has reliable data for budgeting and decision-making.

Licensed Operators expand statewide access while reducing state costs

Oklahoma's use of a hybrid Licensed Operator model has enabled the private sector to establish and maintain locations across Oklahoma with fewer resources. Because many Licensed Operators live in the communities they serve, they are well positioned to find acceptable office locations, staff, and business specific equipment from vendors in their area. This local knowledge enables Licensed Operators to provide services throughout the state with limited state involvement.

This model reduces the State's costs by limiting the need for Service Oklahoma to establish and operate offices in every community. If Service Oklahoma were responsible for providing these services in these same areas, it would incur the costs associated with acquiring or leasing office space, purchasing equipment, and hiring staff at each location.

Another benefit of the Licensed Operator model is that private businesses may operate parallel businesses alongside credential-issuing operations, creating additional revenue to stabilize operations. LOFT found that it is common for Licensed Operators (LOs) to share facilities with parallel businesses such as insurance agencies.

While there are some benefits with the hybrid model, there are also challenges that can create inefficiencies and complicate policymaking. The most notable challenge is the variation in business models, strategy, and transaction volume across regional hubs and urban and rural areas of the state. Since Licensed Operators are privately owned, the State is limited in its control over those operators.

Project BOOST (Bringing Our Operations and Services Together)

Development of Project BOOST began in 2023 and was launched on February 17, 2026. Implemented in partnership with FAST Enterprises, Project BOOST is Service Oklahoma's enterprise modernization initiative to replace the legacy D360 system. Project BOOST unifies driver's license and vehicle registrations into a single workflow platform. Previously, Licensed Operators often relied on separate workstations and systems to process driver's license and vehicle transactions.

Service Oklahoma provided the following data and observations for the first two months of BOOST being operational:²¹



- **A 38 percent decline in average transaction times, going from about 8 minutes and 53 seconds to about 5 minutes and 31 seconds** - the processing of 1.59 million transactions (726,000 vehicle transactions, 521,000 title activities, and 345,000 driver service transactions).

- **The new system's stability** – Service Oklahoma reports that the system has maintained a 99.6% stability rating since launch, which has led to consistent operations amongst LO locations.

- **Unified System** - The ability for a single system to be used for driver license and motor vehicle services, rather than needing separate systems for these services.
- **Integrated federal checks** - Ensures cross-platform connectivity with the U.S. Passport Verification System (USPVS) and the SAVE interface, eliminating multiple login credentials, automated workflows for document uploads, and electronic signature capabilities.

For the consumer, Service Oklahoma has identified additional benefits with the implementation of Project BOOST aside from decreased transaction times. These changes are categorized into four areas of improvement:

For Oklahomans	
Action	Impact
Faster Transaction Times	Spend 38% less time in LO. On average 5 minutes and 31 seconds.
Driver Control	Self-Directed license issue resolution. Automated the license reinstatement and point accrual tracking.
Online Services	Allows for most services to be managed remotely and at customers convenience. Improving customer satisfaction and in-person service times.
Online Financial Services	Customers can pay fees and fines online, or at any SOK location.
For Service Oklahoma and Licensed Operators	
Action	Impact
Faster Transaction Times	Spend 38% less time processing transactions higher ROI on all transactions.
Stable System	More uptime translates directly to processing more transactions.
Unified System and Federal Checks	Every employee can process the same transactions. Allows for staff to address any customer at any point while being federally compliant.

²¹ Service Oklahoma data received June 12, 2026. Period reflects time between April 15, 2026 and June 12, 2026.

- **Driver control** – Services pertaining to driver license points and license reinstatement.
 - Example: Driver license points evaluations changed from showing all points an individual had received to showing points accrued in the last five years. Individuals no longer must manually request their license be reinstated, instead, they will be automatically reinstated once eligible.
- **E-services** – Services that can be completed remotely online.
 - Example: Individuals can upload documents and pay fees required for license reinstatement online, providing a faster process for online license renewal.
- **Financials** – Changes to how customers can make payments to Service Oklahoma and changes to ease the administration of finances for Licensed Operators.
 - Example: Individuals can go to any Service Oklahoma Office or Licensed Operator to address payments declined due to insufficient funds; previously this could only be paid at the same location where the original transaction was made.
- **Issuance** – Services related to the obtaining of and issuance of credentials.²²
 - Example: Individuals no longer must provide fingerprints when being issued a license. Individuals no longer must provide a physical signature on a DL10 form; the signature is provided electronically.

Service Oklahoma reported that most implementation issues involved programming errors that were corrected in real time and did not identify any significant errors.

Although Project BOOST advanced Service Oklahoma's goal of consolidating motor vehicle services, operational differences between Service Oklahoma locations and Licensed Operators remain. SOK locations will continue to issue credentials and Commercial Drivers' Licenses and be the only locations that reinstate driver's licenses that have fallen into suspended status. Apart from Service Oklahoma headquarters, Service Oklahoma locations do not provide vehicle registration services.²³ In addition, driving tests for new drivers will continue to be administered at Service Oklahoma locations, while written exams will remain available at Service Oklahoma locations, selected LOs, and career tech locations.

Other states demonstrate how Oklahoma can expand technology usage

LOFT identified three technology-based practices that could help further reduce wait times and improve customer service: online pre-applications, self-service kiosks, and online appointment scheduling.²⁴

²² Service Oklahoma Website, "Gear Shifts."

²³ Service Oklahoma's headquarters is located at 6015 N Classen Blvd, Building Four, Oklahoma City, OK. 73118

²⁴ LOFT analyzed technologies in ten states that had similarly populated counties to Oklahoma and Tulsa counties. For more on this analysis, see pages 17 and 18.

Exhibit 5: Technology Uses from Comparison States (LOFT summarizes other states' use of technology to improve customer experience.)



Online pre-applications reduce time of physical appointments by allowing applicants to submit paperwork online. Can help prevent applicants going to physical appointments without required paperwork.

States present:



Provide some vehicle and/or license services at **self-service kiosks**, potentially lowering demand for physical appointments that are needed for driver's license applications.

States present:



An **appointment system** could reduce time waiting at physical locations and could help deter applicants from going at busy times.

States present:



Source: LOFT analysis of 10 states containing similarly populated counties to Oklahoma and Tulsa counties.

Among the ten states reviewed, Tennessee's online pre-application process is notable because applicants may submit required documents online for review prior to visiting a Driver Services Center. Pre-validating documentation before an in-person visit helps applicants determine if they have proper documentation, reducing the time staff spend reviewing applications and explaining documentation requirements. It may also reduce repeat visits by applicants whose applications would otherwise be found insufficient during an in-person visit.

License Operator's Contract Compliance and Service Availability Remain Ongoing Challenges

While Oklahoma's public private partnership has some advantages, it also has inherent challenges, such as the State not having the same enforcement over its private partners as it does with State offices. Each Licensed Operator must sign a contract to remain as an authorized agent for the State, and violation of this contract can result in losing the license. LOFT observed several violations of this contract, which is a sign that while the implementation of the new agency is progressing and on the right track, not every Licensed Operator is performing at standards consistent with contract obligations.

For example, the contract states in section 3.3 "general duties" that the Licensed Operator will: "(a) faithfully discharge the obligations and duties imposed by and abide by laws, rules, regulations, and

instructions of Service Oklahoma.”²⁵ Oklahoma Administrative Code explicitly mandates that “Driver licenses or identification cards shall be issued if the Service Oklahoma location is open for business.”²⁶ LOFT found instances of LOs not offering driver license services during normal business hours:

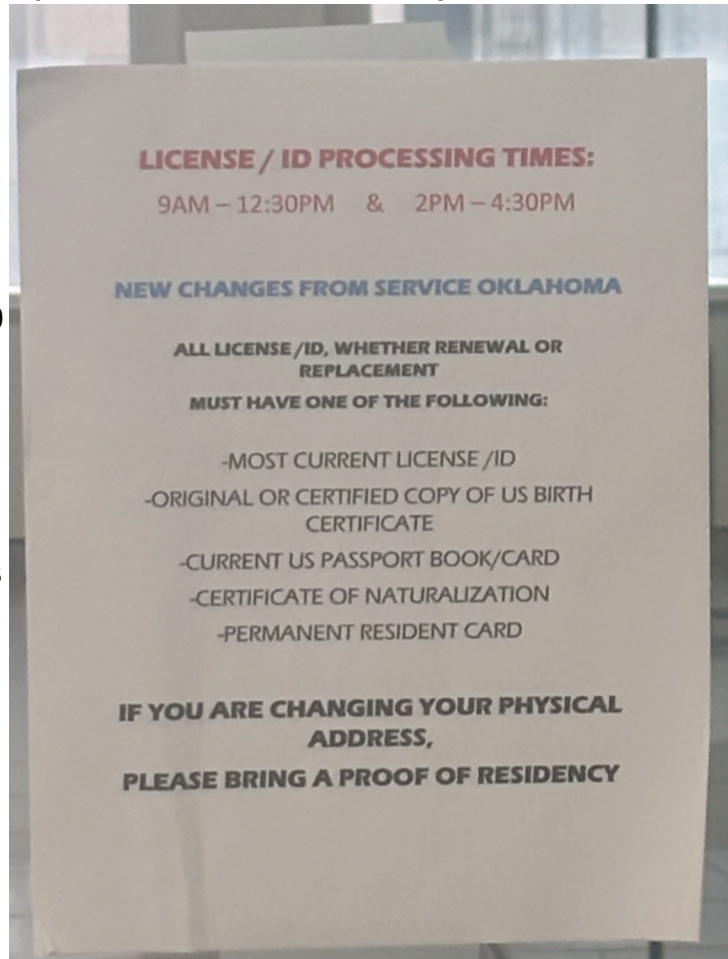
One Licensed Operator location visited by LOFT does not offer credential services between 12:30-2 and ceases processing credentials at 4:30 every day. As shown in the photo to the right, these hours are publicly posted on site, yet conflict with the hours of operation reported to Service Oklahoma, which lists that location’s hours as 9-5:30 Monday through Wednesday and 9-5 Thursday and Friday. **The revised hours of this location equate to nearly a full business day of time per week that credential services are not available to the public.**²⁷

In another location, LOFT staff viewed a sign on the door of a Licensed Operator that said, “state system down, cannot issue licenses.” Service Oklahoma confirmed to LOFT the state system was not down at the time the sign was on the door. Other operators retain one or few employees who have responsibility for producing

credentials, which means that if that employee is not in the office, no licenses can be issued. This is also a violation of the contract language, which states that a Licensed Operator must provide “(f) provisions for sufficient staffing, equipment, office space, and parking at the Service Oklahoma location.”²⁸ Each of these instances increase the wait time for services.

Another challenge to the franchise model is the slow adoption of new operational standards. This includes updates to signage, furniture, décor and the overall brand image of a Service Oklahoma location. However, the majority of Licensed Operators are exempted from the brand standards due to a statutory provision for LOs that were active prior to the creation of Service Oklahoma. Grandfathered locations are never required to accept and operate to the new service standards.

Exhibit 6: Sign posted on the door of a Licensed Operator in the Oklahoma City metro area.



Source: LOFT picture captured July 8, 2026.

²⁵ Licensed Operator contract, Page 4. Received April 2026.

²⁶ Oklahoma Administrative Code 670:10-13-1(a).

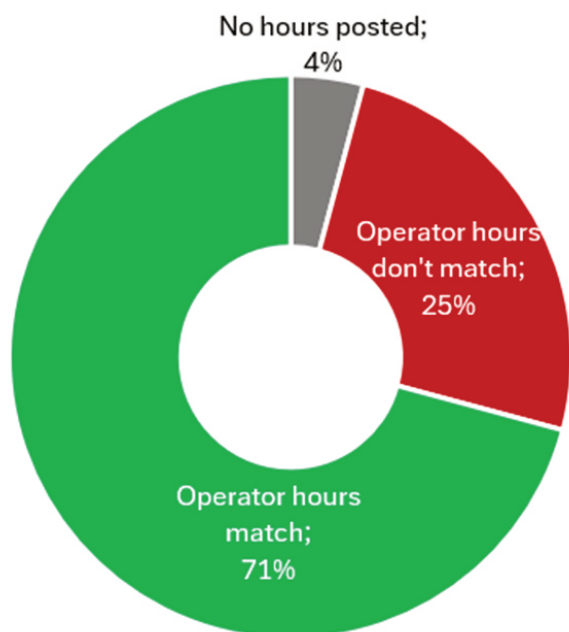
²⁷ LOFT Phone conversation with the Licensed Operator on May 12, 2026.

²⁸ Licensed Operator Contract Page 3. Received April 2026.

Service Oklahoma lacks a formal process for collecting customer feedback on Licensed Operators

The Operator Board may revoke a Licensed Operator's license for, "...failure to meet the standards for customer satisfaction established by the board."²⁹ Service Oklahoma informed LOFT they monitor customer satisfaction with State-run locations through reading Google Reviews left by customers, although there is no agency-led analysis of customer satisfaction with Licensed Operators. To determine customer satisfaction levels, LOFT analyzed a random sample of 131 Licensed Operators' Google reviews. The analysis examined star ratings and customer comments to identify recurring themes and areas of concern.

Exhibit 7: Almost all Google reviews LOFT reviewed were either the highest or lowest rating.



Source: LOFT's representation of data acquired from Google reviews.

Almost all customers who left a review left either a five-star or one-star review.³⁰ Although most Google reviews of Licensed Operators were five-star, the next largest subset of reviews was one-star. Google reviews can provide insight into customer experiences, but they are not a reliable measure of customer service quality or of violations that could warrant disciplinary action or license removal.

If SOK intends to consider customer feedback as a determining factor of LO performance, a dedicated system to accept compliments, complaints, or concerns may improve the quality of information collected. LOFT did not identify a clear method to file any of these with Service Oklahoma. Service Oklahoma's website does not provide instructions to file a complaint. During a phone call with a SOK customer service representative, LOFT was informed

that complaints could be accepted over the phone and forwarded to someone within the agency or submitted through the online "Contact Us" form.³¹

LOFT reviewed a sample of states that utilize a hybrid model similar to Oklahoma's and found that Arizona provides an example for consumers to register meaningful feedback to government officials. There, private businesses, called "Authorized Third Party Locations," contract with the State's Motor Vehicles Division (MVD) to perform motor vehicle services such as licensing and vehicle registration, a very similar model to Oklahoma. Authorized Third Party Locations must follow performance metrics and are subject to disciplinary action for infractions.³² Arizona maintains an online public complaint form that allows customers to submit concerns to MVD.³³ After a third infraction, an Authorized Third Party's license can be suspended, canceled or put on probation.

²⁹ Licensed Operator Contract, Section 7.3.

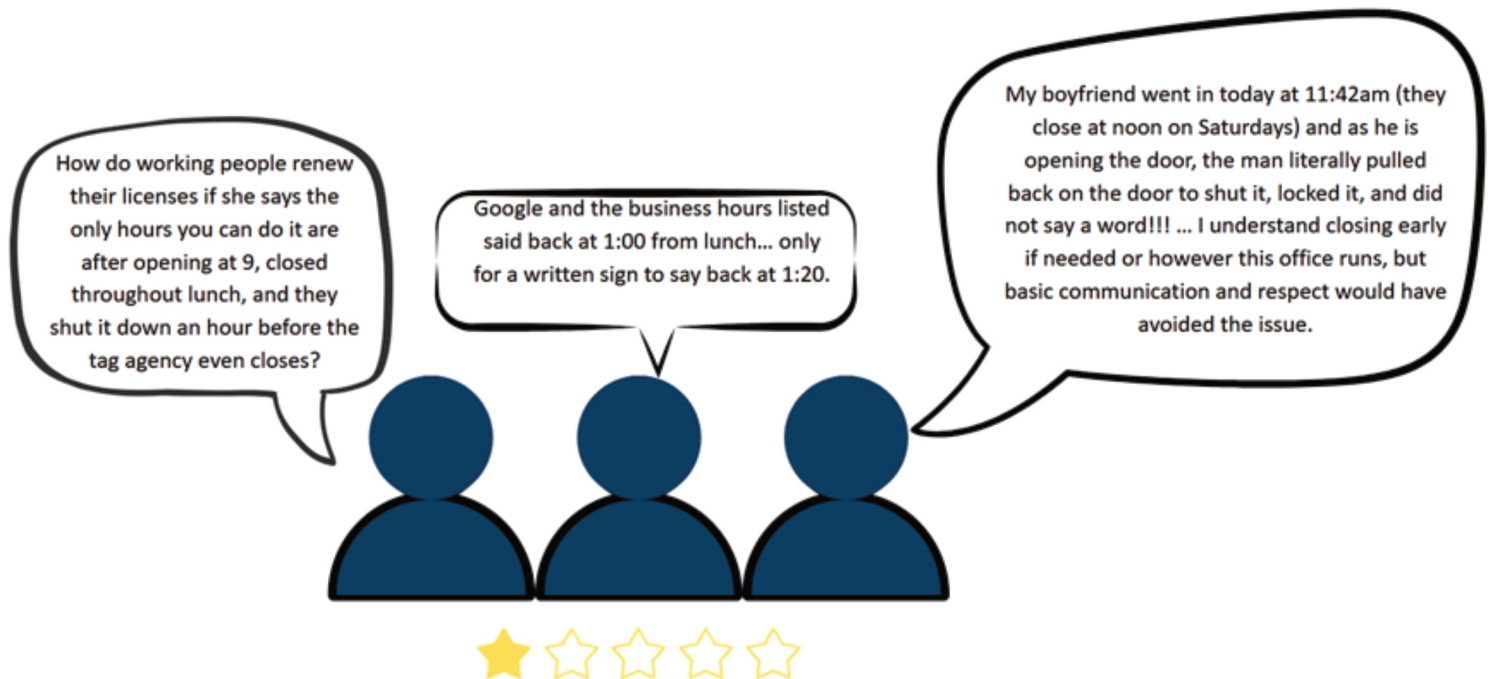
³⁰ See Appendix E for evaluated LOs.

³¹ Phone call to Service Oklahoma May 15, 2026.

³² Arizona's Department of Transportation, "Third Party Authorization Agreement," Exhibit D.

³³ Arizona's Department of Transportation, "Third Party Statement of Complaint form."

Exhibit 8: Selected one-star reviews. (Quotes were obtained from Google reviews from March – June 2026).



Source: Quotes recorded from Google reviews.

Oklahomans notice when Licensed Operators lack consistent availability

The most common customer complaint regarding Licensed Operators involved hours of operation. Service Oklahoma's rules require Licensed Operators to operate 40 hours per week, including at least four hours outside normal business hours or on Saturdays.³⁴ The rules also authorize the Service Oklahoma Operator Board to approve exceptions to the required hours of operation.³⁵ Historically, Licensed Operators were required to submit exceptions annually, however, in March 2025, the Board approved a policy allowing exceptions to remain in effect permanently unless modified.³⁶

LOFT found that more than 72 percent of licensed operators had an approved 'hour of operation deviation.'³⁷ As a result, **most Licensed Operators are authorized to operate fewer than 40 hours per week and/or fewer than four hours outside normal business hours or on Saturdays.** While these approved schedules comply with current board policy, variations in operating hours across Licensed Operators may make it more difficult for the public to consistently access services.

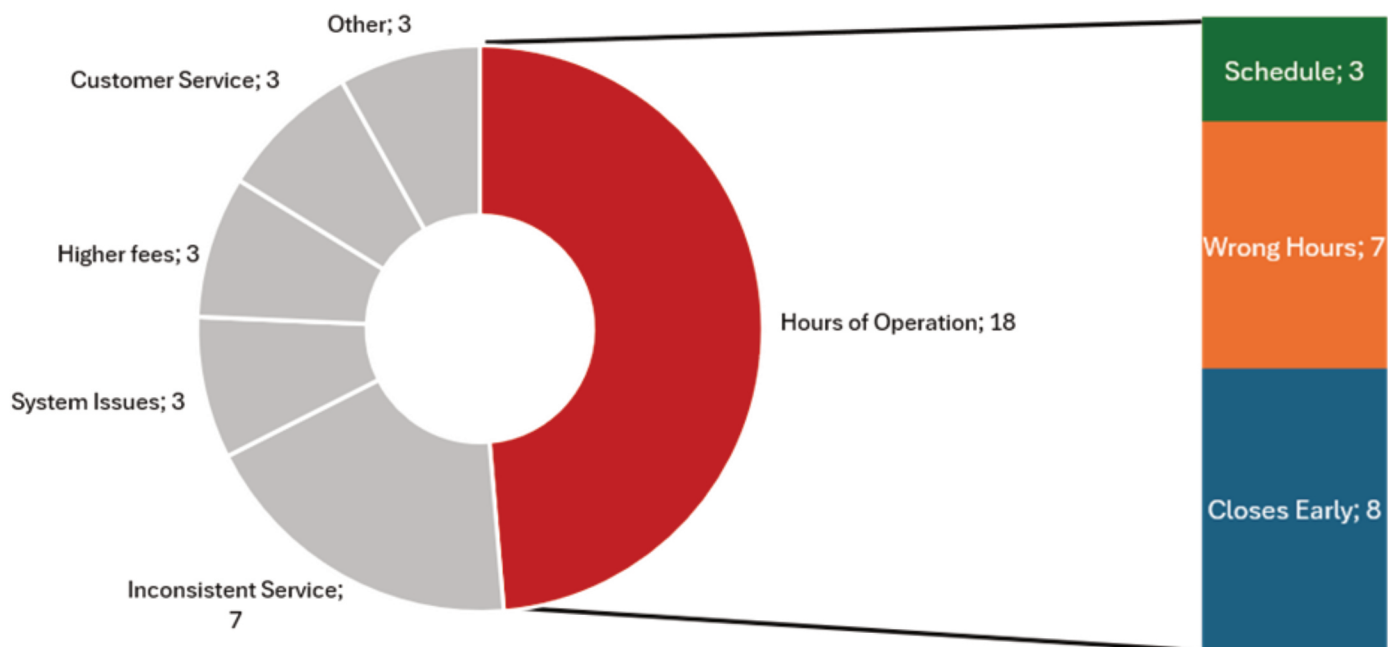
³⁴ Oklahoma Administrative Code 670:10-9-3.

³⁵ *Ibid.*

³⁶ Service Oklahoma Operator Board Meeting Minutes for the March 2025 meeting. Reference Appendix I.

³⁷ Service Oklahoma Data. Received June 2026.

Exhibit 9: Negative reviews commonly criticized issues with Licensed Operators' hours of operation.



Source: LOFT's analysis of Google reviews.

LOFT found the following themes when analyzing negative reviews:

- **Hours of operation:** Complaints regarding a Licensed Operator's hours of operation described:
 - the Licensed Operator being closed prior to its posted closing time,
 - the Licensed Operator's actual hours of operating differing from those posted online, and
 - the Licensed Operator's hours of operation were not convenient for the customer.
- **Inconsistent Service:** Complaints that Licensed Operators offered different services or used different processes to provide the same service.
- **Customer Service:** Complaints regarding interactions with Licensed Operator staff.
- **Higher fees:** Complaints that a Licensed Operator charged more for a service than another Licensed Operator or a Service Oklahoma location.
- **System Issues:** Complaints that customers were denied service because of system or software issues.
- **Other:** Three unique complaints pertained to a credential lost in the mail, a customer being asked to pay to reserve an appointment, and a customer being denied service due to a power outage.

Finding 2: Oklahoma Offers Greater Access to Driver License Services than Similar Sized States

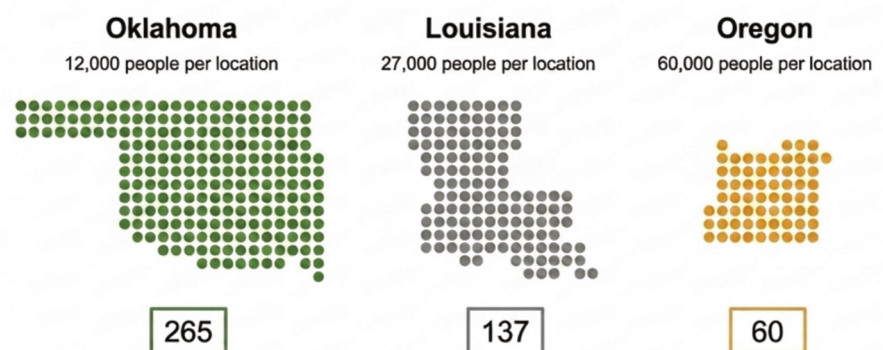
Statute states that every county “should” have at least one location from which citizens can obtain credentials; this can either be operated by Service Oklahoma or a Licensed Operator.³⁸ Additionally, statute prohibits Licensed Operators from being located within a three-mile linear radius of one another. This provision was enacted in 1987, therefore any locations that have been opened within a three-mile radius of another Licensed Operator since this date are in violation of State law.³⁹ **Using Google Maps, LOFT found numerous instances of locations that are in violation of this statute.** For example, in Bethany, Ray’s Westside Tag Agency (7601 NW 23rd St, Bethany, OK) and Bethany Tag Agency (7323 NW 23rd St, Bethany, OK) are 0.3 miles apart. These two Licensed Operators were approved by the Oklahoma Tax Commission in 2015 and 1991, respectively. Despite the statutory distance limitation, the overseeing agency at the time – the Oklahoma Tax Commission – approved the new operators.⁴⁰ LOFT’s review also found locations whose proximity is in violation of statute in Duncan, Edmond, Enid, Moore, Oklahoma City, Purcell and Lexington, Shawnee, Tulsa, and Yukon.

Exhibit 10: States with Similar Populations, Comparing Service Locations Per Capita.

If exceptions are to be made to statutory limitations on proximity, it would be for areas where the business demand had outgrown the availability of services. To measure business demand, LOFT analyzed areas within the state, as well as different regions around the country. As of the 2024 census, there were 3.3 million Oklahomans that are of driving age.⁴¹ Currently, there are 234 Licensed Operators and 31 Service Oklahoma Locations that provide driver license services. On a per capita basis, Oklahoma has a driver’s license facility for every 12,000 people. LOFT compared Oklahoma’s availability of license locations to states with similar populations and found:

- Louisiana has 137 licensing facilities serving 3.7 million people of driving age for an average of one facility per 27,000 drivers.
- Oregon has 60 licensing facilities serving 3.6 million people of driving age for an average of one facility per 60,000 drivers.

Credential Issuing Locations: Per Capita Comparison



Source: Census Bureau "Age and Sex," Service Oklahoma, Louisiana Department of Public Safety, and Oregon Department of Transportation data.

³⁸ 47 O.S. § 1140.

³⁹ HB1341 (1987).

⁴⁰ *Ibid.*

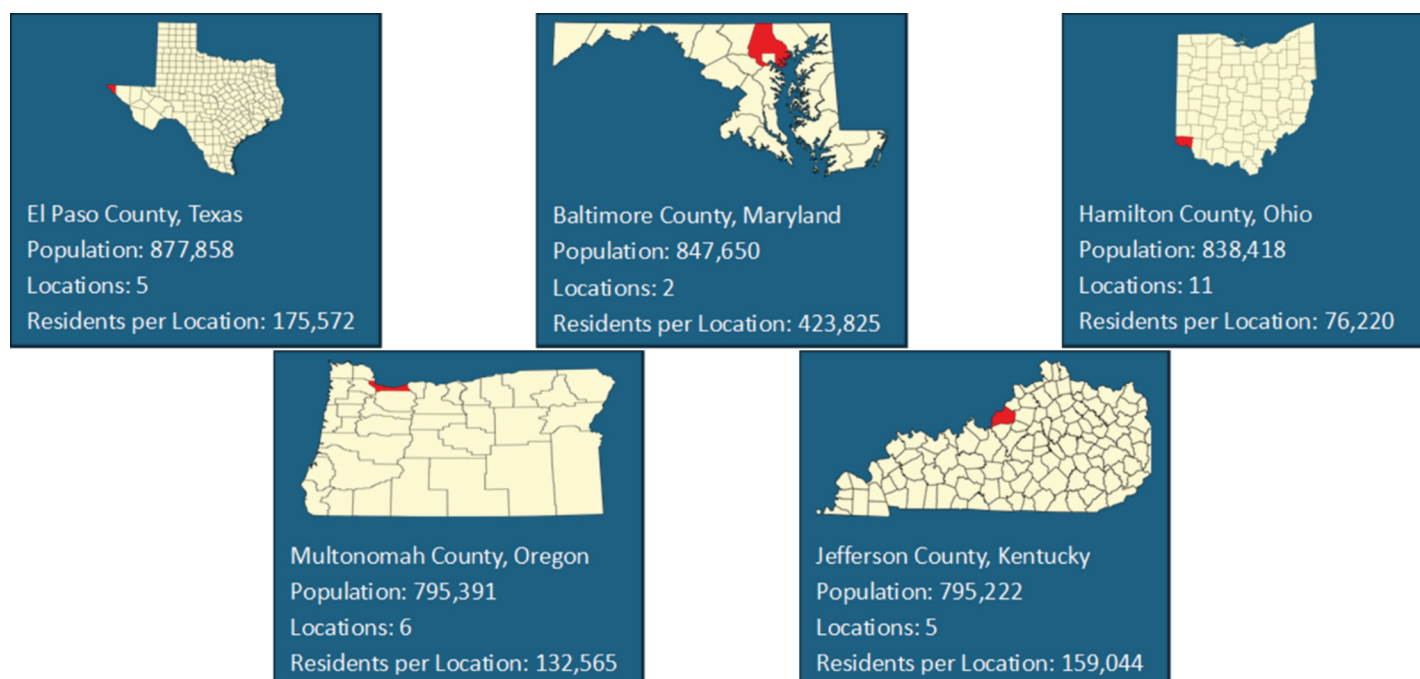
⁴¹ U.S. Census Bureau. "Age and Sex." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0101. Accessed on Apr. 29, 2026.

Comparing Oklahoma's metropolitan areas to other states

Most of the cities that had violations of the three-mile proximity rule were in the greater metropolitan areas of Oklahoma City and Tulsa. While the proximity of service locations in these areas could reflect a greater demand for services in the most populous areas of the state, there is a risk the availability of service exceeds demand, which could lead to Licensed Operators not having enough business to be profitable. To determine if Oklahoma's two most populous counties are overserved, LOFT compared the per capita of driver's license issuing offices to ten similarly populated counties from ten different states. Oklahoma County contains 39 locations that issue driver's licenses: 35 Licensed Operators and four SOK locations. LOFT compared both counties to those in five other states with similar populations, dividing the number of residents by the number of driver's license issuing locations in the county.⁴²

With a population of 822,125, there are 21,080 residents for every driver's license issuing location in Oklahoma County. This is a smaller ratio than five similarly populated counties, which range from having 76,220 residents per location (Hamilton County, Ohio) to 423,825 residents per location (Baltimore County, Maryland).

Exhibit 11: Comparison counties have a higher residents per location ratio than Oklahoma County.



Source: LOFT analysis of 10 states containing similarly populated counties to Oklahoma and Tulsa counties.

⁴² U.S. Census Bureau, "Population Data." LOFT selected counties whose populations were within approximately 50,000 of Oklahoma County's population.

With a population of 698,782, there are 53,752 residents for every driver's license issuing location in Tulsa County. Tulsa County contains 13 locations that issue driver's licenses: nine Licensed Operators and four SOK locations.⁴³ Tulsa County has a smaller resident per location ratio than five similarly populated counties, which range from having 81,444 residents per location (Jackson County, Missouri) to 332,871 residents per location (Jefferson County, Alabama).

In Oklahoma, Licensed Operators and one SOK location - its headquarters - can issue new driver's licenses and register vehicles.

This service availability is similar to seven of the ten states used in the above comparison. Alabama, Tennessee, and Texas have locations that offer driver's licenses but cannot register vehicles, meaning their locations shown in the exhibits provide less services than those offered in Oklahoma and the other comparison states.

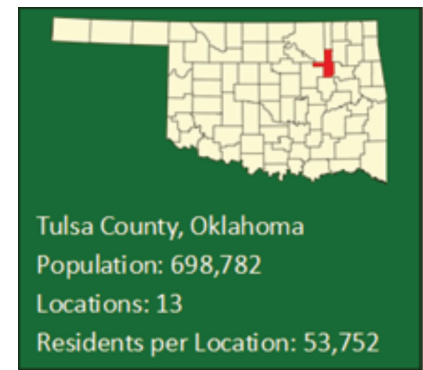
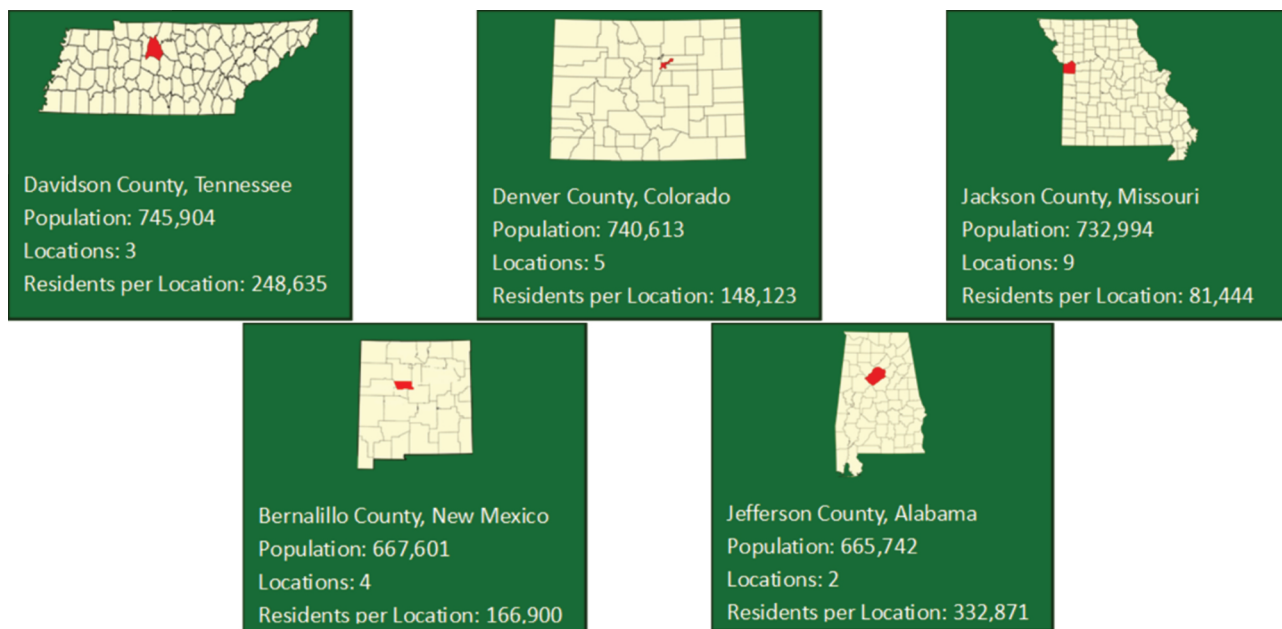


Exhibit 12: Comparison counties have a higher residents per location ratio than Tulsa County



Source: LOFT analysis of 10 states containing similarly populated counties to Oklahoma and Tulsa counties.

Service Oklahoma locations typically issue more driver's licenses than nearby Licensed Operators

While Oklahoma has a relatively high number of credential issuing locations compared to similarly populated states, the number of locations alone does not indicate whether capacity aligns with demand. To better evaluate workload, LOFT compared the number of credentials issued by Service Oklahoma locations and Licensed Operators.

Using data provided by Service Oklahoma, LOFT analyzed eight markets across the state: two urban markets, four regional hubs, and two rural markets.⁴⁴ LOFT compared credential issuance numbers

⁴³ U.S. Census Bureau, Population Data. LOFT selected counties whose populations were within approximately 50,000 of Tulsa County's population.

⁴⁴ LOFT used three categories of town populations for analyses of issuances per FTE. Urban markets are cities with a population above 90,000 residents. Rural markets refer to towns with a population less than 15,000. Regional hubs refer to all towns/cities with a population between 15,000 and 90,000. See Appendix A for a fuller explanation of the market designations.

between Service Oklahoma and Licensed Operator locations in Edmond, Tulsa, Lawton, Enid, Chickasha, Bartlesville, Clinton, and Woodward.

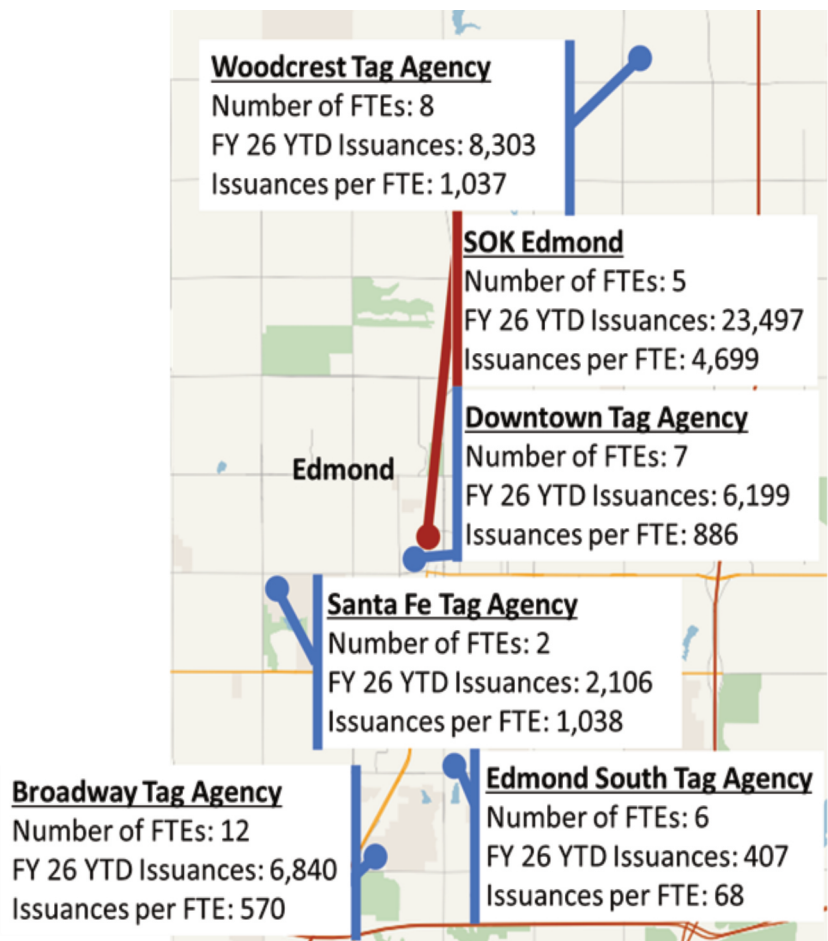
LOFT must note a limitation in the comparison: except for its Oklahoma City headquarters, Service Oklahoma locations primarily provide identification credential services. Most Licensed Operator locations provide both identification services and vehicle registration services. As Licensed Operators divide staff time and resources between credential issuance and vehicle registration services, differences in credential issuance volumes may not fully reflect differences in overall operational performance. **The data shows that, in most markets examined, Service Oklahoma locations issued substantially more credentials than nearby Licensed Operators.**

Urban Markets

As shown in Exhibit 13, there is a workload disparity between service locations in Edmond. Through July 1, 2026, the Service Oklahoma location issued 23,497 credentials while the Licensed Operators issued 23,855 in FY26. One Service Oklahoma location outperformed every Licensed Operator location since its opening in 2023. The State-operated location issued 82,710 credentials from FY23 through FY26. Meanwhile, the five Licensed Operators closest in proximity to this location collectively issued 113,801 licenses. The number of licenses issued by these locations varied significantly. One location, Woodcrest, was responsible for 45,953 (40 percent) of issuances done by Edmond license operators. Over the same time, the Edmond South location issued 2,338 credentials.

License issuances in Tulsa show a similar trend. SOK at the Farm was opened in April of FY25 and issued 5,285 credentials through the end of the fiscal year. The four closest Licensed Operator locations issued 32,902 licenses during FY25. As of July 1, 2026, the SOK location has taken over the market by issuing 34,423 licenses versus the 23,361 licenses issued by the Licensed Operators, an 11,062 difference. This shows a clear consumer pattern: Oklahomans in these two populous cities prefer to get their IDs from Service Oklahoma.

Exhibit 13: Workload disparity among Edmond's six licensing locations for FY26.
(The SOK location performs 50 percent (23,497 of 47,352) of the total number of credentials in Edmond.)



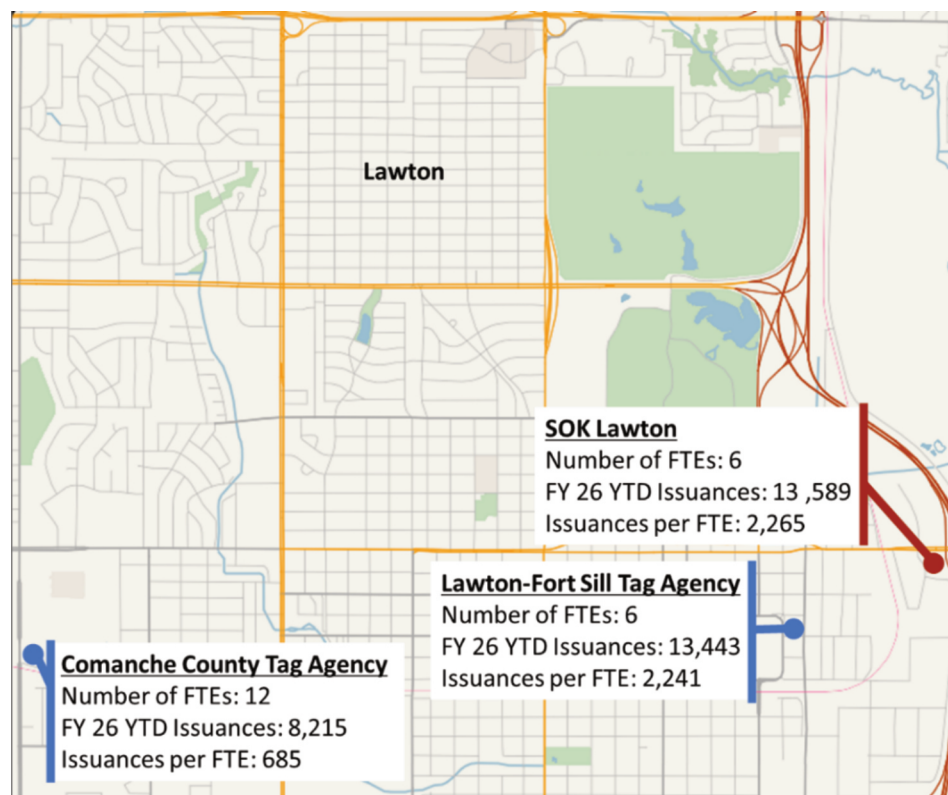
Source: LOFT visualization of SOK data.

Notes: Data reflects FY26 transactions through July 1, 2026.

Regional Hub Markets

Oklahoma has several towns that fall in the middle ground between being urban (population greater than 90,000 people) and rural (population with less than 15,000 people). These towns act as regional hubs for surrounding communities. For example, in Lawton there is one Service Oklahoma location and two Licensed Operators. The State operated facility issued more licenses than one Licensed Operator while keeping pace with the other Licensed Operator located closest in proximity. From FY23 to FY26, these locations issued 153,221 credentials, with the Service Oklahoma location accounting for 33 percent (51,151 issuances) of the total; in Lawton, the Service Oklahoma location distributes the workload evenly with the two Licensed Operators. LOFT found this trend holds constant in Enid as well. Enid has two Licensed Operators and one Service Oklahoma location. The Service Oklahoma location manages 41 percent of the transaction load on average every year.

Exhibit 14: Workload disparity among Lawton's three licensing locations for FY26. (the SOK location performs 39 percent (13,589 of 35,274) of the total number of transactions in Lawton.)



In Chickasha, the SOK location issued 5,710 more credentials from FY23 through FY26 than its private counterparts and processed 54 percent of all the area's transactions.

Bartlesville was the only town analyzed where a private location consistently outpaced its public partner, although the SOK location has issued 1,851 more credentials as of July 1, 2026. In total, the difference in the number of issuances is 444 over a four-year period.

Source: LOFT visualization of SOK data.

Notes: Data reflects FY26 transactions through July 1, 2026.

Rural Markets

In Clinton, the SOK locations issued 9,617 more credentials during this period than their private counterparts. On average, the SOK location in Clinton produced 64 percent of the total number of issuances.

Woodward has a SOK location and a Licensed Operator. The SOK location has processed 525 more licenses than the LO over a five-year period. However, the LO began issuing more licenses in recent years. In FY23, the SOK location issued 739 more licenses than the LO; in FY24 the LO produced 122 more licenses than the SOK location; and in FY25 the LO exceeded the SOK location by 732 licenses. These examples show that in areas where the population is smaller, the workload share is more equitable.

There are service differences between SOK and Licensed Operators that might influence customer preferences. As SOK locations are the only ones able to administer driver's exams for new licenses, it can be assumed that those locations capture much of the first-time credential business.

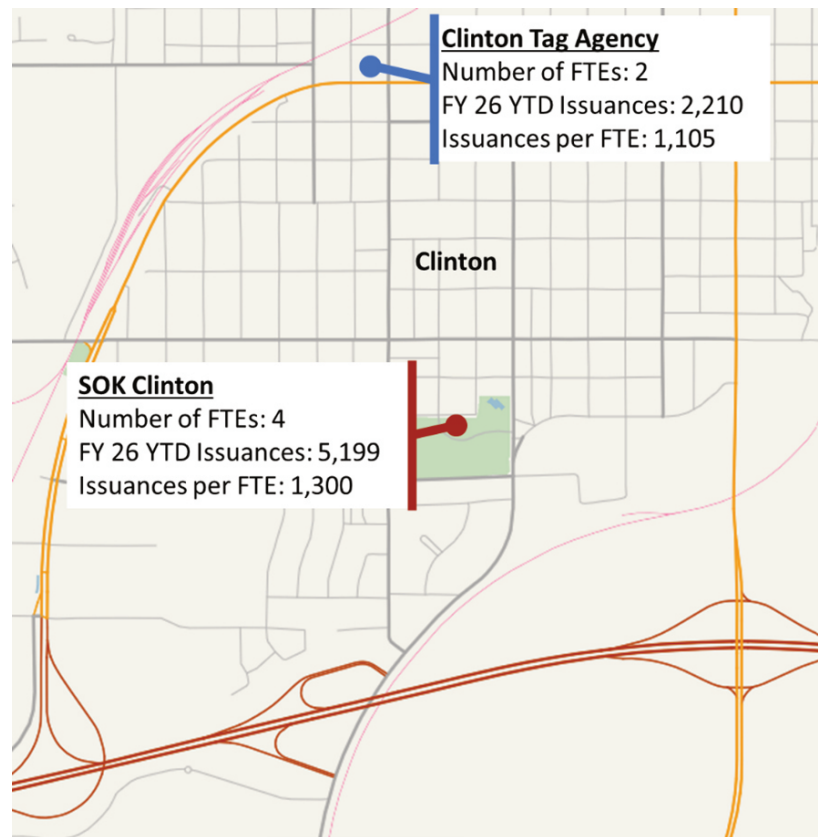
Right Sized Service Market

To address the oversaturated service market, the Service Oklahoma Operator Board should consider the appropriate number of providers and the services available to Oklahomans at all locations. If it were determined that Oklahoma should have at least one location in every county, the state would have a total of 77 service locations. This would place Oklahoma between Louisiana and Oregon in terms of per capita service locations, with one location per 42,900 driving age residents. Currently, there are 28 counties that have one Licensed Operator. On average, the LOs in these counties serve approximately 14,000 residents per location.

A low residents per location ratio may be hampering the state's ability to cost control delivery of these services. The Board should determine the average workload to be managed by the Licensed Operator in each county. If the board were to set a standard resident per location metric, it would assist in determining the appropriate number of operators needed to service Oklahomans without sacrificing customer satisfaction.

For example, if the board were to set the number of residents per location at 50,000, there would be 63 counties that could be served with one Licensed Operator. Per Service Oklahoma's reporting metrics, an Oklahoman will visit an LO or SOK location to obtain a credential once every 4 years and 9

Exhibit 15: Workload disparity among Clinton's two locations for FY26. (For FY26, the SOK location performed 70 percent (5,199 of 7,409) of the total number of transactions in Clinton as of July 1, 2026.)



Source: LOFT visualization of SOK data.

Notes: Data reflects FY26 transactions through July 1, 2026.

months on average.⁴⁵ Serving 50,000 people over 4.75 years translates to an annual workload of 10,526 transactions per year. If this level were set by the Board, Oklahoma would need just 126 Licensed Operators as opposed to the current 234, a 46 percent reduction in locations.

Alternatively, LOFT evaluated how many locations would be needed based on geographic footprint alone. Oklahoma is 69,899 square miles. A stated goal of the Board is for a Licensed Operator to be within a 15-minute drive of any Oklahoman. If a 15-minute drive covers approximately 15 miles, each LO would geographically control 900 square miles. If it were possible to optimally place an LO 30 miles away from any other LO, then the state would need 78 LOs. This is not unlike other government services that require driving to a central location for services, often in the county seat.

If the State sought to ensure greater consistency in customer access to services, as intended with the creation of Service Oklahoma, Service Oklahoma locations should provide all services to the public, similar to what is required of Licensed Operator locations. This change would also naturally regulate the market, as those with the best customer service could consume the greatest market share.

Recent Reports Provided Metrics that Overstate the Need for More Licensed Operators

Service Oklahoma is statutorily required to contract with a third party consultant to address the profitability of Licensed Operators.⁴⁶ Similar to the options presented above, the report from Jill Geiger Consulting (JGC) attempts to qualify the need for additional locations in underserved areas of the state. The 2024 report recommended the use of a decision matrix to determine the need for additional Licensed Operator locations. This matrix has six variables to consider:

1. If a SOK or Licensed Operator exists in the county of the proposed location,
2. The number of residents in a county per SOK or Licensed Operator in the county of the proposed location,
3. The density of the population in the county,
4. The nearest SOK or Licensed Operator to the proposed location, measured by drive time,
5. Demand for motor vehicle services, based on prior year transaction data, in the area of the proposed location, and
6. The number of driver's license and motor vehicle service transactions being performed in the county of the proposed location.⁴⁷

LOFT's evaluation of these reports finds metric number four to be the most problematic as it measures if there is a drive time between locations exceeding 15 minutes. By measuring this way, this metric would show a greater need for locations than a metric that measured one-way travel times from an Oklahoman's residence. LOFT contends the latter approach would better reflect the need for an additional location in rural areas of the state.

⁴⁵ Service Oklahoma email to LOFT June 12, 2026.

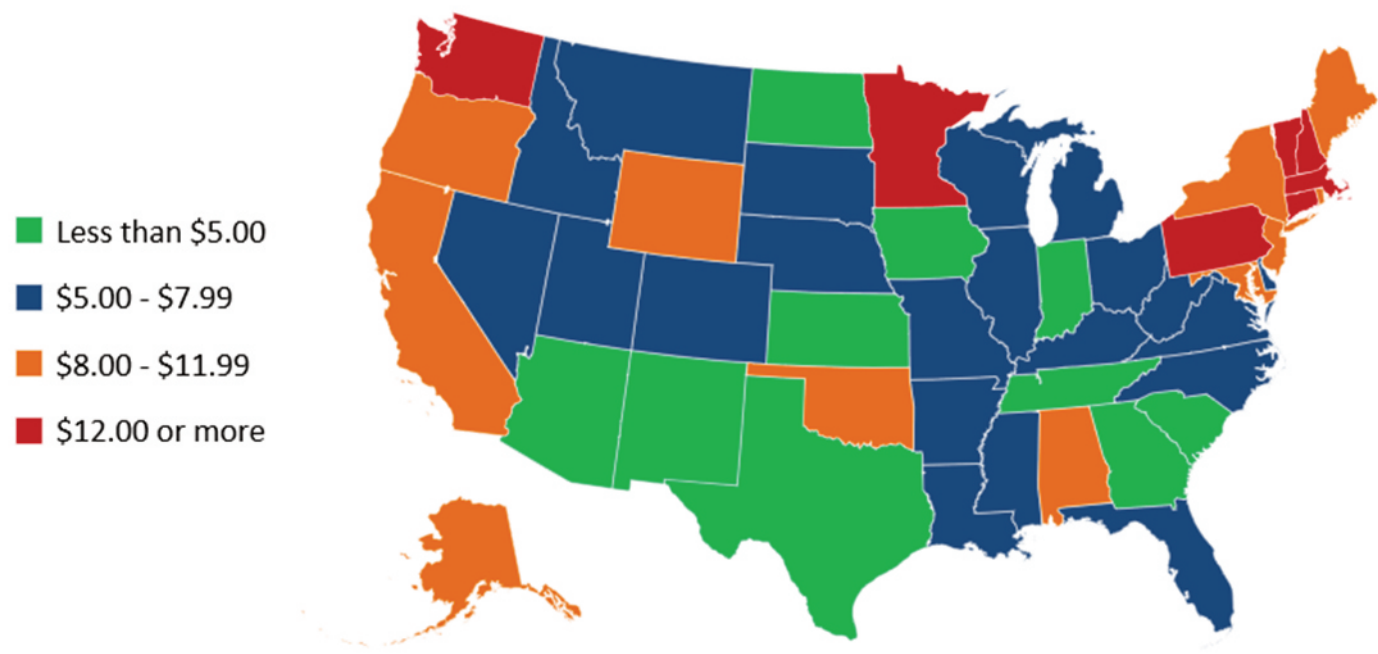
⁴⁶ O.S. 47 § 3-103.

⁴⁷ Jill Geiger Consulting, "Service Oklahoma Cost Model Analysis and Report." November 1, 2024.

Finding 3: Oklahoma has the 10th Highest Driver’s License Fees

Oklahoma’s driver's license fees rank among the highest in the nation. The fees are set in statute and support the State’s hybrid public-private service delivery model.

Exhibit 16: Oklahoma’s annualized cost of \$10.13 makes it the tenth most expensive state to get a new REAL ID.



Source: LOFT analysis of forty-nine states' annualized costs.

The fee for a REAL ID compliant driver’s license is \$77.00 for an eight-year Class D license, plus a \$4.00 application fee.⁴⁸ These fees annualize to \$10.13 a year for new licenses and \$9.63 for license renewals. LOFT compared Oklahoma’s annualized cost to that of other states and found that nationally, **Oklahoma is the eighth most expensive state to acquire a new driver’s license and the tenth most expensive state to acquire a REAL ID compliant driver’s license. Oklahoma is also the tenth most expensive state to renew a driver’s license or a REAL ID compliant driver’s license.**⁴⁹ Fees were annualized in this comparison to equalize for differing windows of license eligibility.

	Total Cost	Annualized Cost
Oklahoma Application Fee	\$4	\$0.50
Oklahoma 8-Year Drivers License	\$77	\$9.63
		\$10.13

Compares to Oklahoma's Averages		
New REAL ID U.S. Average	↓ 22%	\$7.89
New Non-REAL ID U.S. Average	↓ 32%	\$6.91
Real ID Renewal U.S Average	↓ 28%	\$7.30
Non-REAL ID Renewal U.S. Average	↓ 34%	\$6.69

⁴⁸ 47 O.S. § 6-101v1 (H) – (K).
⁴⁹ Hawaii was excluded from national comparison due to high variation of fees within the state.

On an annualized basis, the national average cost to obtain a new driver's license is \$6.91; \$7.89 to obtain a new REAL ID compliant driver's license; \$7.30 to renew a REAL ID compliant driver's license, and \$6.69 to renew a driver's license.⁵⁰

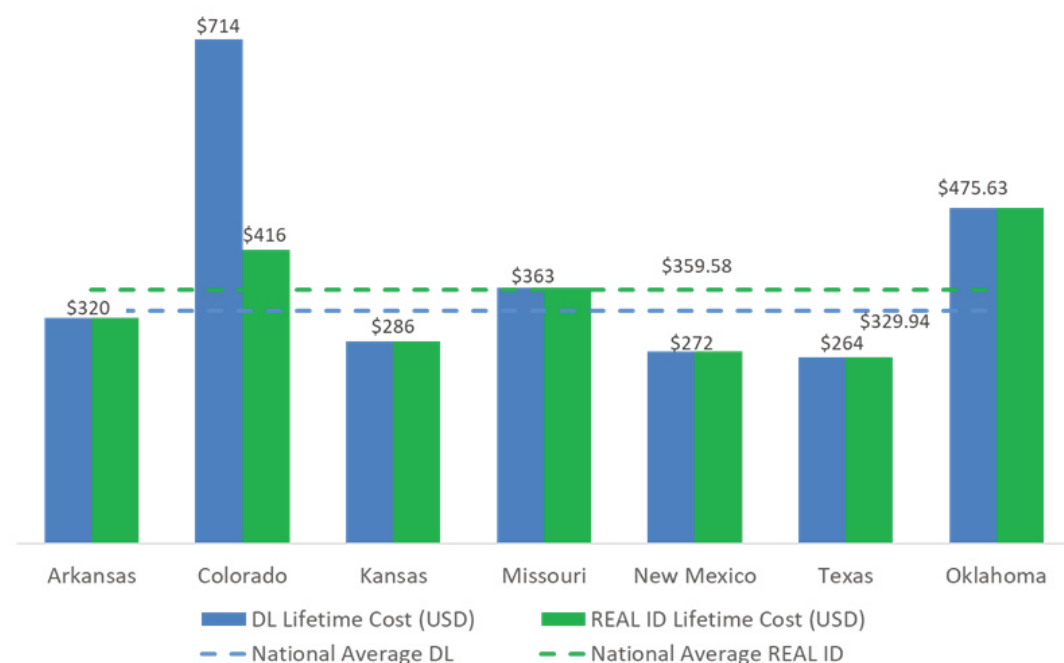
Between the ages of 16 and 65, Oklahomans will pay \$475.63 to maintain a driver's license, ranking Oklahoma as the tenth most expensive state when comparing costs over a lifetime. Oklahoma's lifetime license cost is 44.16 percent more expensive than the national average lifetime cost to maintain a driver's license and 32.27 percent more expensive than the national average lifetime cost to maintain a REAL ID complaint driver's license. LOFT used annualized costs of obtaining and renewing a license to estimate lifetime costs for maintaining a standard driver's license or a REAL ID compliant driver's license.⁵¹

Oklahomans pay more for their license than those in neighboring states

LOFT performed the same analyses of annualized driver's license costs to obtain a regional comparison. Among Oklahoma's six neighboring states, only Colorado has a more expensive annualized cost to obtain a new driver's license, and no neighboring state has a more expensive annualized cost to obtain a new REAL ID complaint driver's license. Oklahoma has the second most expensive lifetime cost to maintain a driver's license and the most expensive cost to maintain a REAL ID compliant driver's license when compared to its neighboring states.

Oklahoma last raised its license fees in 2017 with the REAL ID Act (HB1845). This act increased license fees by \$5.00 and allowed Licensed Operators to retain \$2.00 of the increase for each credential issued.

Exhibit 17: Oklahomans pay a greater lifetime cost for driver's licenses than neighboring state residents.



Source: LOFT's regional analysis of license fees.

Note: The regional average lifetime cost for a driver's license is \$384.95. The regional average lifetime cost for a REAL ID is \$342.38.

⁵⁰ See Appendix J to see all 49 states' annualized REAL ID costs.

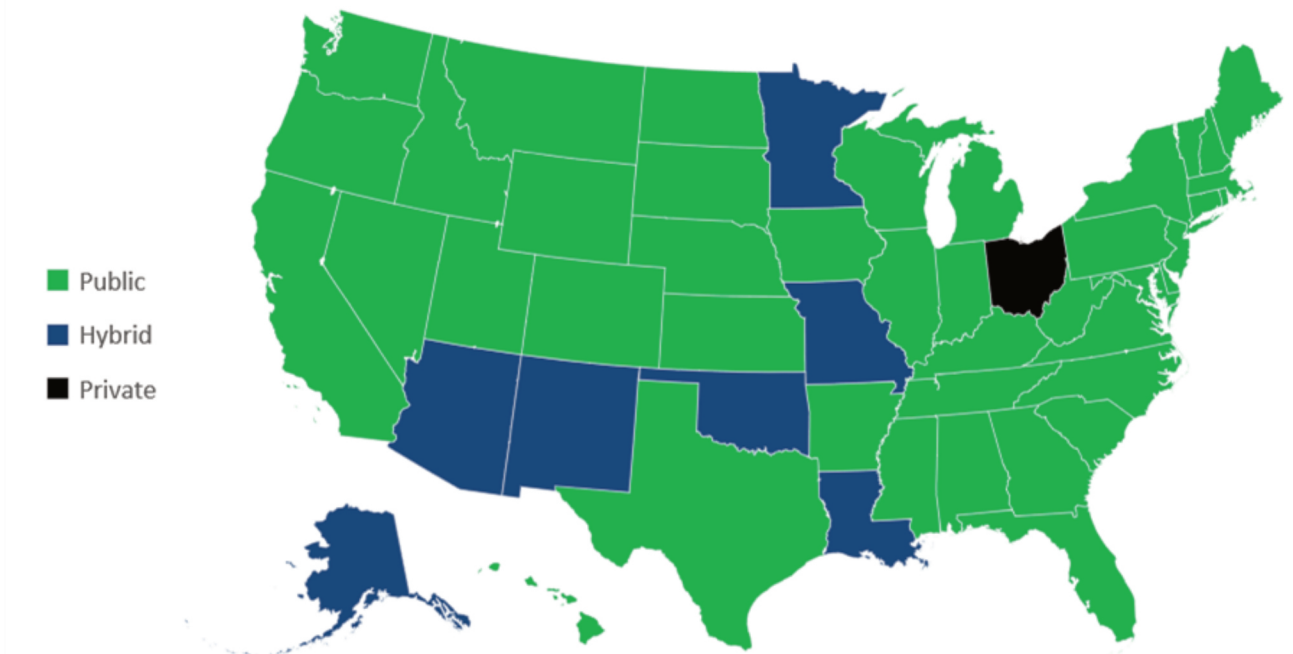
⁵¹ Annualized costs were determined by using annualized driver license and renewal fees to reflect a driver keeping a valid license from the ages of 16 - 65. The age cap of 65 was imposed as states vary on how they bill those 65 and older for license fees. This analysis also ignores any discounted license fees for those under the age of 21. In states where there were cheaper annualized fees for longer renewal periods, these were the fees that were used. In New York, the cheaper fees for residents who live outside of the New York City metropolitan area were used. These annualized fees do not consider age-based discounts.

Hybrid Models Across the Country Use Convenience Fees to Maintain Lower State Fees

LOFT sought to quantify why Oklahoma's license fees rank among the most expensive in the country. LOFT determined that while most states have a hybrid model for providing vehicle and motor services, it is not common for private businesses to issue first-time credentials. Eight states allow private businesses to issue first-time credentials. Seven of these states use a hybrid system like Oklahoma, where both public and private entities can issue a credential. Ohio is unique in that their issuance of credentials is solely performed by private businesses.

LOFT found no correlation between a state's use of service model and costs. Arizona and New Mexico both use a hybrid model and rank among the lowest annualized costs. Conversely, Oklahoma and Minnesota both use a hybrid model and rank among the most expensive states to obtain a REAL ID.

Exhibit 18: Eight states allow private businesses to issue first-time credentials.



Source: LOFT's analysis of fifty states' methods of issuance for first-time credentials.

Of the seven states that use a hybrid model for issuing first-time credentials, Oklahoma has the second most expensive annualized cost to obtain and renew a REAL ID. LOFT analyzed the five states that had hybrid models and annualized credential costs lower than Oklahoma's to determine how other states with hybrid models could have lower costs for residents. The five states are: Alaska, Arizona, Louisiana, Missouri, and New Mexico.

All five states allow private businesses that issue credentials to charge a convenience fee along with the state's license fee. The convenience fee is fully retained by the private business. Alaska, Arizona, and New Mexico do not regulate the amount that businesses can charge as a convenience fee. New Mexico is unique as private businesses charge a convenience fee and are remitted a minimum of \$6.00 of the state fee for each credential issued.⁵² Louisiana and Missouri regulate this fee, establishing caps. In Louisiana, a private business is statutorily allowed to charge up to \$23 per transaction.⁵³ In Missouri, statute permits a convenience fee of \$9 for a credential valid for three years or less and a fee of \$18 for a credential valid for longer than three years.⁵⁴

⁵² NMSA 66-6-23 (A).

⁵³ R.S. 47:532.1

⁵⁴ RSMo 136.055.1

The use of convenience fees is not limited to those states whose annualized costs for credentials are less than Oklahoma's. Minnesota has a hybrid model, an annualized cost more expensive than Oklahoma's, and allows private businesses to add a convenience fee to the state driver's license fee. The fee charged in Minnesota is regulated to \$16 for a first-time credential and \$11 for renewing a credential.⁵⁵

LOFT's national and regional comparisons of states' driver's license and REAL ID fees only considered the fees charged by the state. Below, LOFT re-calculated the annualized fees for those states with a convenience fee, using the maximum convenience fee allowed in states with a regulated fee. For states with an unregulated fee, LOFT used a convenience fee posted on the website of a private business. This calculation shows that Alaska, whose annualized state cost was lower than Oklahoma's, exceeds Oklahoma's annualized cost to the consumer when including a convenience fee of \$25.

Exhibit 19: Alaska's annualized cost exceeds Oklahoma's when factoring in a convenience fee.

State	REAL ID Fee	Convenience Fee	Years Valid	Annualized Fee
Alaska	\$40.00	\$25.00	5	\$13.00
Arizona	\$25.00	\$25.00	8	\$6.25
Louisiana	\$32.25	\$23.00	6	\$9.21
Minnesota	\$61.00	\$16.00	4	\$19.25
Missouri	\$33.00	\$18.00	6	\$8.50
Oklahoma	\$81.00	\$0.00	8	\$10.13

Source: LOFT's analysis of national convenience fees.

Note: A convenience fee could not be found for New Mexico's privately run driver's license locations.

Oklahoma could lower its cost to obtain a credential without decreasing Licensed Operators' revenues

The implementation of hybrid models in other states shows that Oklahoma could lower its state license fees without negatively impacting Licensed Operators by making use of a convenience fee. Rather than allowing Licensed Operators to profit through retaining 40 percent of the State's driver's license fees and metric-based disbursements from the Licensed Operator Performance Fund, Service Oklahoma could allow Licensed Operators to collect a convenience fee along with a lesser retention of the state fee.

This model would allow Oklahoma to lower the state fee for its driver's licenses without decreasing Licensed Operators' revenues, if the convenience fee and lesser retention rate matches or exceeds what Licensed Operators currently retain for issuing a credential. Licensed Operators who charge this fee would have a higher cost to the applicant than a Service Oklahoma location, but it provides the applicant with the choice to pay a higher price if they believe a Licensed Operator can provide a credential more quickly or conveniently.

The Licensed Operator Performance Fund was created to ensure profitability in less populated counties

Demand for driver's license services is greater in urban areas than in the rural areas of the state. As a result, Licensed Operators in lower population markets generate less revenue from licenses than their urban counterparts.

⁵⁵ Minn. Stat. 171.061.

The creation of the Performance Fund was recommended by Jill Geiger Consulting (JGC) to Service Oklahoma in their 2022 SOK Cost Model report. This recommendation called for a fund that could be, “...used to ensure LO profitability in less populated counties, to incentivize behaviors Service Oklahoma wants Licensed Operators to exhibit, and to demonstrate that services are being provided to citizens.”⁵⁶ When the Performance Fund went into effect in 2023, SOK set the following metrics for Licensed Operators to receive Performance Fund disbursements:

1. A Licensed Operator processing at least 80 percent of eligible applicants within their share of their county’s driver’s license applications, and
2. If a Licensed Operator provides at least 80 percent of vehicle registrations within their share of their county.⁵⁷

In the December 2024 SOK Cost Model Analysis Report, JGC reported that 68 percent of Performance Fund-eligible Licensed Operators met one of these two metrics and 53 percent met both metrics. This report also made further recommendations for the Performance Fund:

1. Make Licensed Operators who operate in towns with a population above 90,000 residents ineligible to receive money from the Performance Fund. JGC determined that LOs in towns with more than 90,000 residents make a profit without needing disbursements from the Performance Fund.
2. Change performance metrics to factor in driver’s license applicants and vehicle registrations outside the Licensed Operator’s county, if those customers are closer to them than a different Licensed Operator.
3. Changes to how the driver’s license application metric is calculated, to better reflect the true demand for the service.

How the Licensed Operator Performance Fund Works

Each eligible county is initially allotted \$50,000 by Service Oklahoma, which is divided equally among the Licensed Operators within the county.⁵⁸ Service Oklahoma budgets approximately \$3.6 million annually to the Performance Fund to provide this base allocation to every eligible county.

Service Oklahoma budgets an additional \$1.5 million to the Performance Fund to further supplement Licensed Operators operating in the more populous eligible counties. These funds are distributed proportionally based on county population to counties with multiple Licensed Operators, providing an additional \$0.78 per resident to Licensed Operators that qualify for a Performance Fund payout.⁵⁹

Between FY24 and FY25, the Licensed Operator Performance Fund disbursed a total of \$6,141,598.04 to Licensed Operators who have achieved performance metrics and to reimburse Licensed Operators

Title 47 O.S. § 3-106 (D) establishes the Licensed Operator Performance Fund. Established July 1, 2023, this is a revolving fund that is used to:

reimburse Licensed Operators for processing no-cost vehicle registrations (for those aged 65+ and disabled veterans), and

disperse money to Licensed Operators in counties with a population of 100,000 or less, if they meet certain metrics.

⁵⁶ See Appendix F for Profitability Table. Jill Geiger Consulting, Service Oklahoma Cost Model Analysis and Report. December 5, 2022. Page 19. See Appendix G for report excerpt.

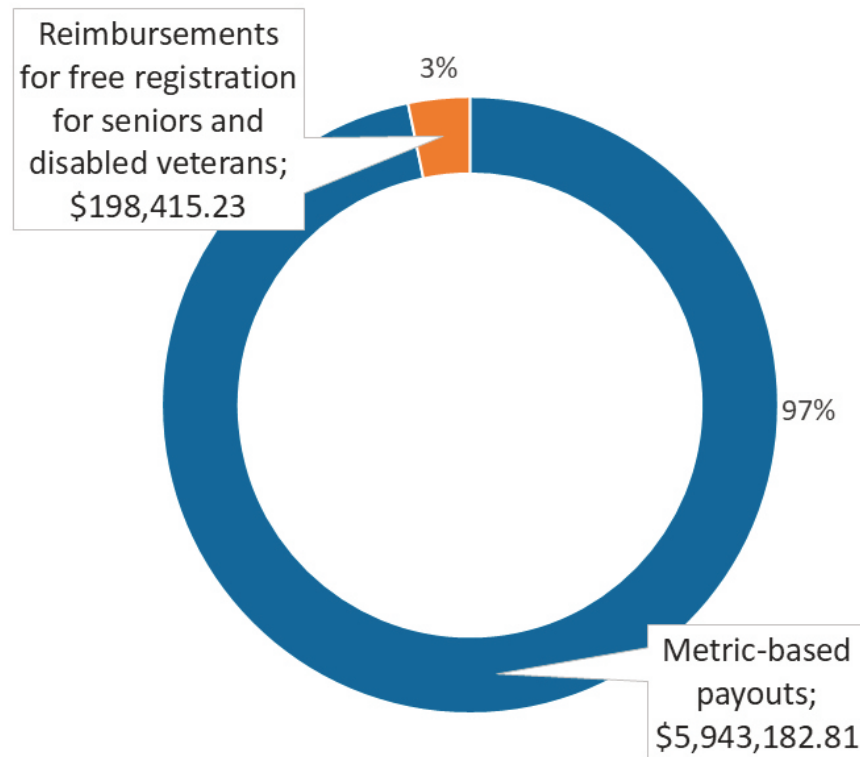
⁵⁷ Service Oklahoma, “Compensation Structure FAQs,” June 30, 2023.

⁵⁸ See Appendix H to see how Service Oklahoma calculates the share of metric-based payouts each Licensed Operator is eligible for in counties with multiple Licensed Operators.

⁵⁹ Service Oklahoma Data Received June 2026.

for motor vehicle registrations for individuals aged 65 and older or fully disabled veterans. Ninety-seven percent of disbursed funds were performance-metric based payouts.

Exhibit 20: Ninety-seven percent of Performance Fund disbursements are metric-based payouts.



Source: LOFT's visualization of Service Oklahoma License Operator Performance Fund Data.

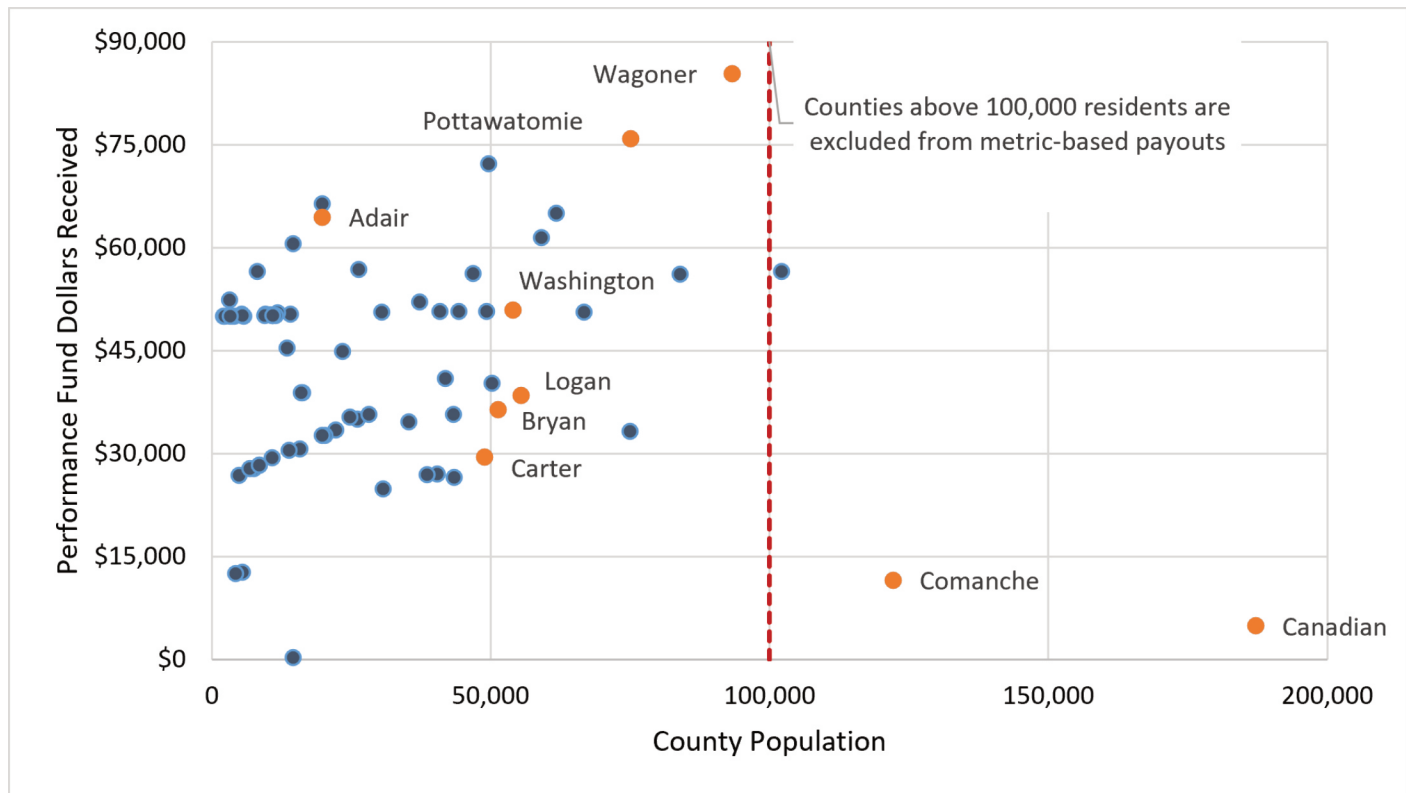
Two hundred and forty-three Licensed Operators received a payout from the Performance Fund in FY25. Less than half, 118, received a payout for performance metrics.⁶⁰ Those that did not receive a performance-based award were reimbursed for those transactions where a fee was not charged to citizens over the age of 65 or fully-disabled veterans, which is another allowable use of the fund. Counties with a population of over 100,000 residents are not eligible for performance metric-based payouts from the Performance Fund. Oklahoma has five counties that exceed 100,000 residents and are excluded from metric-based payouts: Oklahoma, Tulsa, Cleveland, Canadian, and Comanche counties.⁶¹

Performance Fund disbursements were analyzed by county to see if payouts were being disbursed in line with the stated goal of ensuring profitability in lower-populated counties. In FY25, the county that received the most money from the Performance Fund was Wagoner County, which received \$85,350.11; \$83,610.59 of this total was for metric-based payouts and \$1,739.52 was for reimbursements for senior and disabled veteran registrations. The average amount a county received from the Performance Fund in FY25 was \$41,838.61. Forty-one counties received more than this from the Performance Fund. Of those 41 counties, 33 had a population below the average population of an Oklahoma county.

⁶⁰ The total number of Licensed Operators reflects all LOs that were open at any point during the Fiscal Year. Locations that were bought or transferred during the year were counted more than once

⁶¹ Rogers County also exceeds 100,000 residents per US Census 2025 population estimates but remains eligible.

Exhibit 21: The largest Performance Fund payments are to Licensed Operators in counties close to a population of 100,000.



Source: LOFT's visualization of Service Oklahoma License Operator Performance Fund Data, FY25.

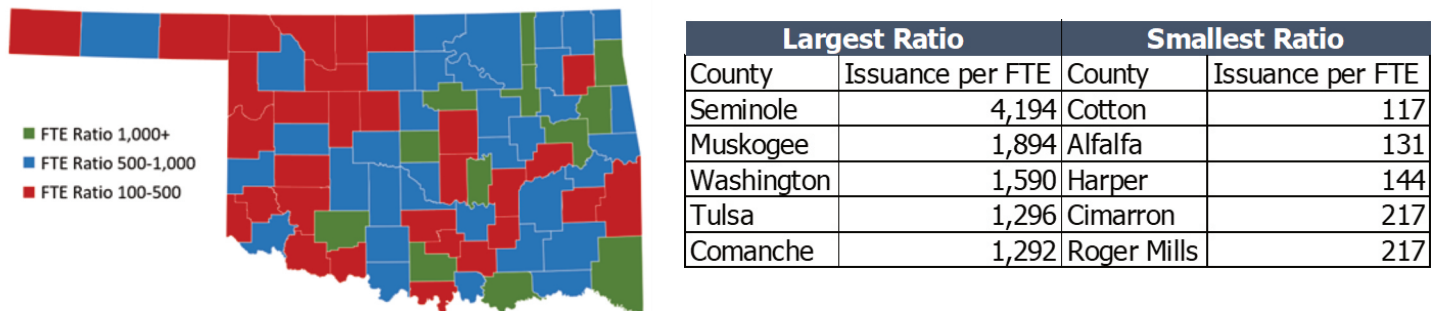
Notes: The locations reflected in orange are ones that are named in the graph. Rogers County exceeds 100,000 residents per US Census 2025 population estimates but remains eligible.

The ten counties with the highest funds received a total of 21 percent of funds disbursed in FY25. The average population of these counties was 52,160 residents, about equal to the average population of all counties in Oklahoma: 53,549 residents. Half of the top ten Performance Fund receiving counties exceeded the average statewide county population. Two of the three counties that received a payout exceeding \$70,000 were Pottawatomie and Wagoner, which have a population of 75,102 and 93,263 residents, respectively. This suggests that the counties that receive the most from the Performance Fund are those that can remain eligible for performance-based metric disbursements but have an above average county population.

Less populated counties issue less licenses per FTE

LOFT received BOOST authorized user counts for 233 Licensed Operators and 29 Service Oklahoma locations. These counts were used as a proxy for staffing levels. Using partial FY26 issuance data, the only year in which BOOST credentials were active, LOFT calculated the ratio of issuances per FTE at the county level. About half of counties, 35, had an issuance-per-FTE ratio between 500-1,000. Thirty counties had an issuance-per-FTE ratio between 100-500. Twelve counties had an issuance-per-FTE ratio above 1,000.

Exhibit 22: About half of counties issue between 500 – 1,000 credentials per FTE.



Source: LOFT analysis of issuance data and BOOST credential amounts provided by Service Oklahoma.

Generally, lower issuance-per-FTE ratios were observed in less populated counties, though this pattern was not uniform. Some counties with ratios exceeding 1,000 licenses per FTE were not among the state's most populated counties. The following counties, all of which fall below the average Oklahoman county population, recorded issuance-per-FTE ratios above 1,000:

- Seminole – population of 23,441
- Cherokee – population of 49,196
- Delaware – population of 41,910
- Bryan – population of 51,367
- Carter - population of 48,910
- McCurtain – population of 30,744

Service Oklahoma staff issue credentials more efficiently than Licensed Operator staff

LOFT used authorized user counts from the BOOST system to compare credential issuance between Licensed Operators and Service Oklahoma in FY26.⁶² Licensed Operators accounted for 86 percent of staff and issued 61 percent of credentials. Service Oklahoma accounted for 14 percent of staff and issued 39 percent of credentials. **On average, a single FTE at a Licensed Operator location issued 641 credentials, compared with 2,428 licenses per FTE at Service Oklahoma locations, approximately four times higher productivity per FTE.**

⁶² See Appendix K to see total credentials issued by Service Oklahoma and Licensed Operators between FY23 and FY26.

Exhibit 23: On average, one Service Oklahoma FTE issues four times more credentials than an FTE at a Licensed Operator.

	FTEs	FY26 Issuance	Issuances per FTE
LOs	1,061 (86%)	679,868 (61%)	640.78
SOK	178 (14%)	432,105 (39%)	2427.56

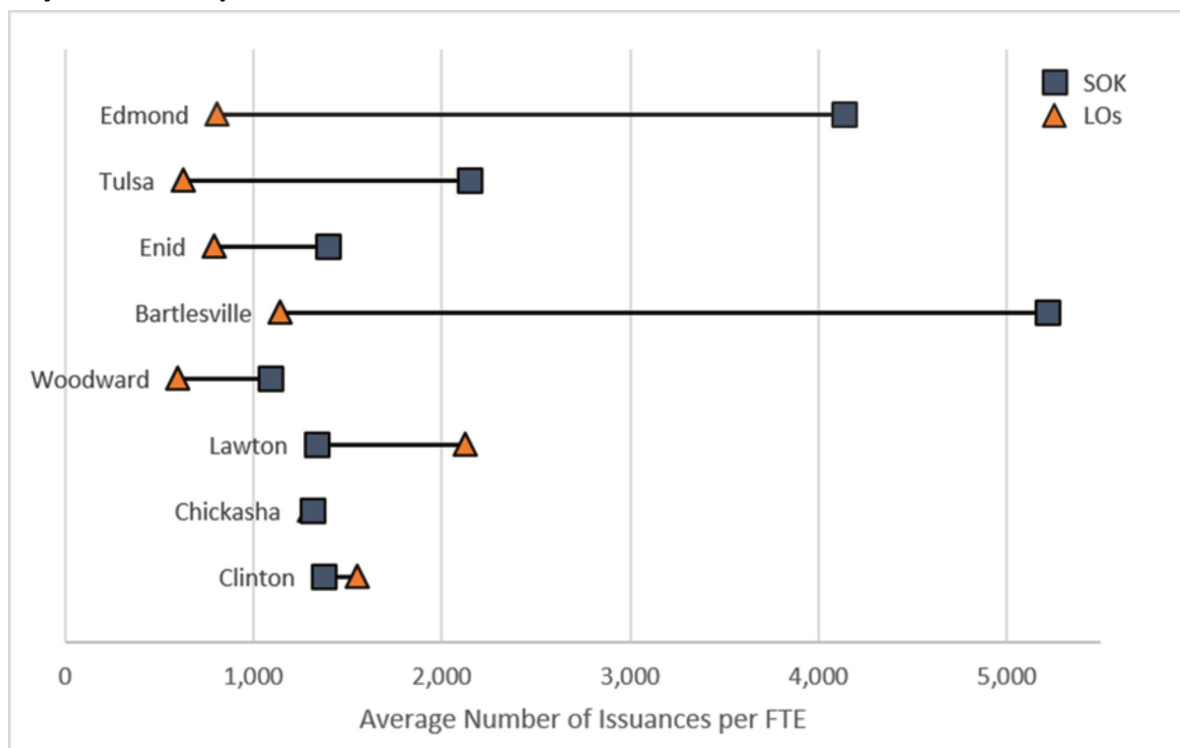
Source: LOFT analysis of issuance data and BOOST credential amounts provided by Service Oklahoma.

LOFT compared the issuances per FTE in FY26 of Service Oklahoma staff to nearby Licensed Operator staff in eight different communities of varying population size: Edmond, Tulsa, Lawton, Enid, Chickasha, Bartlesville, Clinton, and Woodward.

Service Oklahoma locations issued more credentials per FTE than nearby Licensed Operators in six of the eight communities. The largest differences were observed in Edmond, Tulsa, and Bartlesville, where Service Oklahoma staff issued substantially more credentials per FTE than Licensed Operator staff. There are two communities whose LOs surpassed Service Oklahoma's efficiency by comparison: Lawton and Clinton. In Chickasha, the differences in FTE efficiency were negligible.

Overall, Service Oklahoma locations issue more credentials on a per-employee basis than nearby Licensed Operators in the analyzed communities. This, combined with the statewide analysis of issuances per FTE, suggests that Service Oklahoma locations issue credentials more efficiently than Licensed Operators.

Exhibit 24: Service Oklahoma locations tend to have a higher average of credentials issued per FTE than nearby Licensed Operator locations.



Source: LOFT analysis of issuance data provided by Service Oklahoma.

This analysis is not an evaluation of the work performed by Licensed Operators. This analysis is limited to issuance of identification credentials, an area of operations where SOK locations and Licensed Operators function as partners, with Service Oklahoma helping alleviate demand for driver's

licenses while Licensed Operators provide other services such as car tags. LOFT did not analyze data related to tag issuance for this report. The Licensed Operators could view license issuance as a secondary function of their business. However, given recent changes that allow Licensed Operators to retain a greater percentage of the state licensing fee, the State may have an interest in Licensed Operators increasing the volume of credentials issued at their locations.

Another possible explanation for the discrepancy in efficiency is that Licensed Operators are private businesses that decide which areas of their business they would like to focus on. In finding 1, LOFT shared examples of locations that did not offer license services for multiple hours a week. Historically, license/ID retention rates were lower for licenses than for tags. Further, there are many locations that have not issued licenses by practice until recently. When a private business is allowed to decide which services to offer, inefficiencies will be found throughout the system, especially when there is a capable and durable state-run option for consumers to use in lieu of the private business. Licensed Operators may also refer business overflow to the State-run facilities, further strengthening the hybrid model. The creation of the Licensed Operator Performance Fund, the lower volume of credentials issued in less populated counties, and the greater share of credentials issued by Service Oklahoma staff compared to Licensed Operator staff illustrate the tradeoffs within Oklahoma's hybrid model.

Oklahoma's credential fees are among the highest in the nation, and a portion of that revenue is used to support Licensed Operators in less-populated markets where demand may not be enough to sustain operations. In some markets, competition from nearby Service Oklahoma locations may further reduce the volume of credentials issued by Licensed Operators. LOFT's analysis found that Licensed Operators generally issue fewer credentials per FTE than Service Oklahoma staff, and rural counties typically have lower issuance rates per FTE than other counties in the state. Together, these factors increase the cost of maintaining the current level of statewide access to driver's license services.

Service Oklahoma Operator Board Conflicts

Introduced earlier in this report, the Operator Board acts as the oversight authority of all Licensed Operators. Under current law, the board is responsible for establishing performance standards, setting operational expectations, and shaping the overall framework within which Licensed Operators function. The board's authority includes setting customer service metrics, operational requirements, and processes tied to the continuation or termination of Licensed Operator licenses. While this structure was designed to incorporate industry expertise into oversight, it has created a fundamental governance concern.

State statute requires that two of the nine members of the Service Oklahoma Operator Board be active Licensed Operators.⁶³ **As a result, individuals who own or operate Licensed Operator locations are directly involved in regulating the same marketplace in which they compete.** This arrangement creates an inherent conflict of interest because those participating in regulatory decisions are also subject to and impacted by those same decisions in a competitive business environment.

The enforcement of Licensed Operator operational hours exemplifies potential biased decision making by the Operator Board. Administrative rules allow the board to authorize a Licensed Operator to operate outside of the standard 40-hour work week.⁶⁴ Service Oklahoma provided LOFT with a list of the 168 Licensed Operators that had approved deviations from the standard hours of operation,

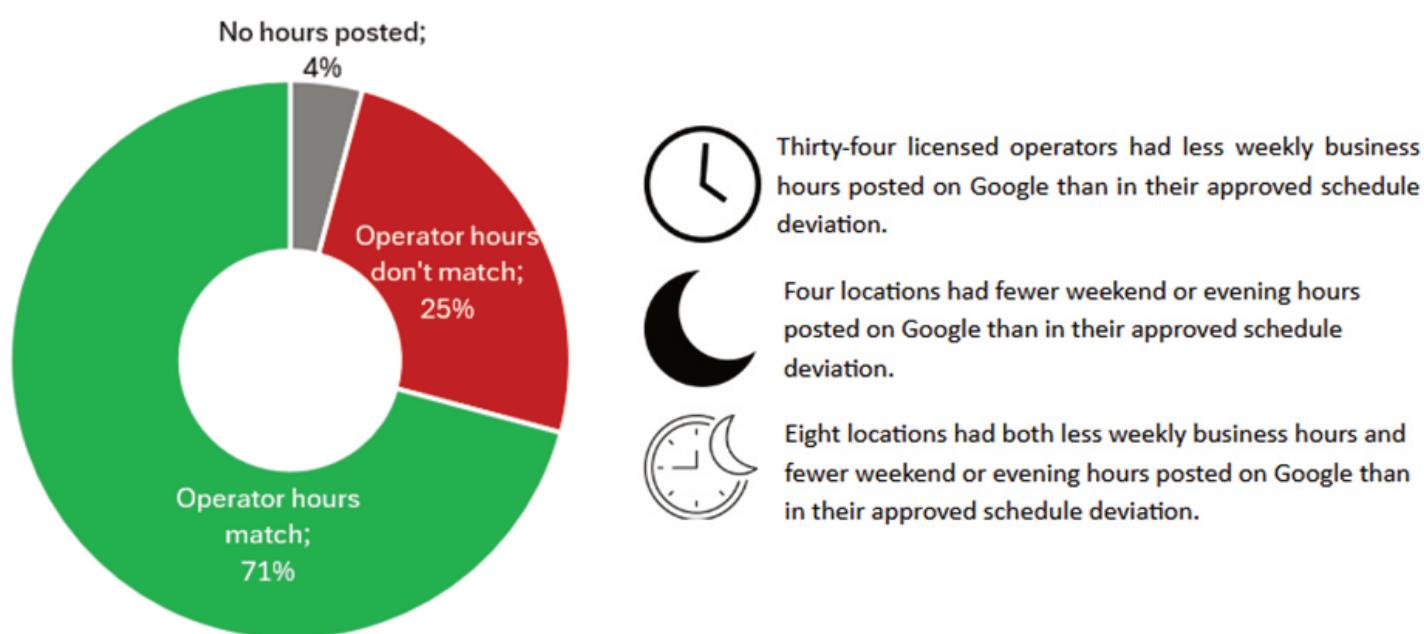
⁶³ 47 O.S. § 3-104.

⁶⁴ Oklahoma Administrative Code 670:10-9-3.1

along with the hours approved by the Operator Board.⁶⁵ Service Oklahoma's standard hours of operation require Licensed Operators to be open at least 40 hours per week, including at least four hours on weekends or outside normal business hours. Although "normal business hours" are not defined in statute nor in administrative rules, the data provided by Service Oklahoma treats any weekday hours after 5:00 p.m. as outside normal business hours.

Licensed Operators may request deviations from the Operator Board, allowing them to operate fewer than 40 hours per week, reduce or eliminate weekend or after-hours service, or both. Once approved, these deviations remain in effect unless changed and do not require reapplication.

Exhibit 25: 42 Licensed Operators who had approved hours of operation deviations had different hours than those listed on Google Business Profile. Of those, 34 had less hours of operation, 4 had less weekend or evening hours, and 4 had both.



Source: Service Oklahoma schedule deviation data.

Of the 168 Licensed Operators with approved schedule deviations, 119 had Google business hours that matched their approved schedules. Forty-two had Google business hours that differed from their approved schedules, and seven did not list business hours on Google. Of these forty-two locations that had different hours listed on Google:

- thirty-four had less hours of operation a week than what was listed in their schedule deviation,
- four had fewer operational hours on the weekend or in the evening than what was listed in their schedule deviation

47 O.S. § 1144

(1) Licensed Operators are required to operate the Service Oklahoma location forty (40) hours a week, of which at least four (4) hours are after normal business hours or on Saturday. The number of operating hours required of a specific Service Oklahoma location may be reduced upon written approval from the Service Oklahoma Operator Board.

⁶⁵ See Appendix I for Board minutes.

- eight had both less hours of operation a week and fewer operational hours on the weekend or in the evening than what was listed in their schedule deviation

A recurring complaint identified in LOFT's analysis of Google reviews was that Licensed Operators were closed during hours they reported as being open. To assess whether Licensed Operators were potentially operating differently than their reported schedules, LOFT compared approved deviation schedules with the hours listed on Google. Differences could be attributable to Google business hours being outdated and potentially misleading to customers or that the hours reported to Service Oklahoma are inaccurate.

To fully realize the legislative goal of standardization, full operational authority should be vested in the Director of Service Oklahoma. This would include final decision-making power over standards, enforcement actions, and all matters affecting Licensed Operators. Centralizing authority in the Director ensures that regulatory decisions are made by a single, accountable state official who is not engaged in the market being regulated.

Summary of Policy Considerations and Agency Recommendations:

The Legislature may consider the following policy changes:

- Convert the role of the Service Oklahoma Operator Board to be advisory in nature to help alleviate any conflicts.
- Vest full operational and regulatory authority of Service Oklahoma to the director.
- Direct Service Oklahoma to dedicate the primary use of the Licensed Operator Performance Fund to subsidize Licensed Operator locations that do not generate enough customer transactions to be profitable, with the goal of ensuring there is a minimum of one licensing facility in each county.
- Create a separate fund to reimburse Licensed Operators for the vehicle registration fees that are waived for those 65 and older and disabled veterans.
- Direct the Service Oklahoma Operator Board to promulgate administrative rules requiring Licensed Operators provide annual financial statements, empowering the board to make decisions based on the reported financial position of Licensed Operators.
- Remove the statutory exemption for Licensed Operators operating prior to the creation of Service Oklahoma to adhere to the brand standards, requiring that each location make annual progress toward meeting the standards set for all service locations.

Service Oklahoma should:

- Assess the ideal ratio of Licensed Operators to population.
- Create a process and dedicate personnel to review, report, and recommend action for poor customer service by Licensed Operators.
- Evaluate the metrics of the Licensed Operator Performance Fund to ensure they are measurable and accomplish the goals of consistent service delivery in rural areas of the State.
- During unannounced Operational Audits, Service Oklahoma should record the posted business hours and validate those hours with the hours of service reported to Service Oklahoma.
- Require the next Licensed Operator Compensation Evaluation examine the market impact of enforcing or eliminating the three-mile proximity rule. A copy of the evaluation should be provided to the Chairs of the respective oversight subcommittees of the Legislature.
- Issue vehicle registrations at all Service Oklahoma locations.
- Examine the new technology tools being used by other states to determine if they have the potential to improve the delivery of services or reduce costs.
- Require all Licensed Operators to utilize the same online queue system that Service Oklahoma uses, so the wait times of all locations can be displayed on Service Oklahoma's website.
- Implement a customer feedback form on Service Oklahoma's website that is easy to find and provides clear direction for submission. The agency should include a summary of the feedback in its annual report on driver's licenses and vehicle registrations.
- Design the Licensed Operator Compensation Evaluation RFP so that the same consultant cannot be used more than two times in a row, to ensure the report maintains objectivity.

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Appendix A: Research Methodology

Stakeholders Engaged:

- Service Oklahoma
- Lobbyist Representing Licensed Operators
- Public Officials

Statutory and Video Review of Enacted Laws

LOFT reviewed past and current legislation to qualify the legislative directive for the creation of Service Oklahoma. LOFT used publicly available media libraries to gain understanding of legislative intent regarding the creation and desired operational expectation of Service Oklahoma.

Financial Data Collection

LOFT utilized the statewide accounting software, PeopleSoft, to evaluate the agency's financial standing. Throughout this evaluation, LOFT evaluated budget to actuals, revenues, expenditures, and cash flow statements for Service Oklahoma.

Evaluating the Use of the BOOST Implementation

Two LOFT employees obtained drivers license services; one from Service Oklahoma and another from a Licensed Operator. In both cases, the date of service was after the implementation of project BOOST. These experiences allowed the staff to see firsthand how the new system worked. These observations informed components of the report's findings.

Evaluation of Google Reviews

LOFT analyzed Google Reviews of licensed operators posted between December 2025 and May 2026 to capture customer feedback before and after the implementation of Project BOOST. Licensed operators were selected by calculating a sample equal to 40 percent of the licensed operators in each county. This number of licensed operators were then randomly selected from within each county. For a complete list of the Licensed Operators that were selected, see Appendix E.

Population Classifications

LOFT categorized town/cities based on their population used in all analyses of credentials issued per FTE. Since these analyses compared Licensed Operator performance to Service Oklahoma performance, LOFT only considered towns/cities that contained a Service Oklahoma location. LOFT classified towns/cities that contained a Service Oklahoma and at least one Licensed Operator as urban, a regional hub, or rural. Cities with a population above 90,000 residents were classified as urban. The threshold of 90,000 residents is based on Service Oklahoma's decision to exclude cities with 90,000 or more residents from the Licensed Operator Performance Fund metric-based payouts. Towns with a population below 15,000 were classified as rural. All towns/cities with a population between 15,000 and 90,000 were classified as a regional hub.

Calculating the Annualized Cost of a License in All 50 States

Annualized costs of driver's licenses and REAL IDs were determined for all states except Hawaii, which was excluded from analysis due to a high variance of fees within the state. State fee costs were obtained through individual state agency websites. Annualized costs were determined by dividing states' costs to obtain a new driver's license and REAL ID, but ignoring any differentiated age-based rates, and dividing the cost by the number of years the new credential is valid for. The same was done

to calculate the annualized cost of renewal. In states where there were less expensive annualized fees for longer renewal periods, LOFT used these fees. For the costs for New York, the lesser fees for residents who live outside of the New York City metropolitan area were used. These annualized fees do not consider age-based discounts.

Lifetime costs were determined by using annualized driver license and renewal fees to reflect a driver keeping a valid license from the ages of 16 - 65. The age cap of 65 was imposed as states vary on how those aged 65 and older are billed for license fees.

Obtaining Exhibit 6

LOFT obtained the picture used in Exhibit 6 by driving to three licensed operators near one another in downtown Oklahoma. Of these three licensed operators, one had a sign posted on its door stating a window when credentials would not be issued.

Hybrid Models that use Convenience Fees

LOFT reviewed all states to identify those that use a hybrid model for driver's license services and allowed private businesses to issue first-time credentials. Seven states were identified. LOFT then reviewed state statutes, state agency websites, and private business websites to determine the convenience fee private businesses may charge for issuing a credential.

LOFT compared the annualized REAL ID driver's license fees of hybrid model states after accounting for convenience fees. For states with a regulated convenience fee, LOFT used the maximum fee allowed. For states with an unregulated fee, LOFT used the convenience fee posted on the website of a private business. LOFT could not identify a convenience fee for private businesses in New Mexico, but both state agency and private business websites state that a convenience fee is charged.

Appendix B: Letter from Oklahoma Legislators to Governor, February 9, 2021

Oklahomans across the state are facing enormous challenges and lengthy wait times to schedule appointments to receive driver's licenses or update existing licenses to REAL IDs.

As a result of social distancing due to the COVID-19 pandemic and the high demand for REAL IDs, our tag agencies are overwhelmed. These unreasonable wait times are leading to significant delays for our commercial drivers in the state, limiting our opportunities for economic growth and making it substantially more difficult for new drivers to become licensed.

Our constituents have faced this issue for months, and many have tried for several months to schedule appointments. Oklahomans across the state are facing the same issue and we the undersigned Legislators applaud your efforts to work with all parties and find a solution that meets the needs of our constituents in a timely manner.

As members of the Oklahoma House of Representatives, we support your efforts to enact an Executive Order with the help of the Oklahoma Department of Public Safety as well as the Oklahoma Legislature to address this alarming issue facing many Oklahomans. While there is legislation pending in the House to increase the number of authorized driver testing exam locations, we agreed this problem merits immediate action.

We request the following recommendations be considered for implementation by the executive order:

- Allow tag agents to renew, replace or downgrade a commercial driver's license (CDL). The Dept. of Public Safety currently has to process all of them.
- Allow tag agents to issue an identification card if the person requesting the identification card has an existing state driver's license file, even if the driver's license is expired or suspended. Currently, the requesting person must have a valid driver's license to receive an identification card from a tag agent.
- Allow third-party examiners (non-DPS CDL examiners) to test anyone with a CDL permit. Currently, they are only allowed to administer driving tests to their own students.
- Allow certain locations, such as Oklahoma Career Tech Centers, to administer driving knowledge written tests for Class D exams, with hopes to expand to CDL exams.

We believe the changes listed above would lend more authority and control to our local tag agencies and significantly reduce the wait times Oklahomans are facing.

Again we appreciate your efforts in enacting this Executive Order to help Oklahomans throughout the State.

Sincerely,

- Rep. Ross Ford, R-Broken Arrow
- Rep. Lonnie Sims, R-Jenks

-
- Rep. Rhonda Baker, R-Yukon
 - Rep. Steve Bashore, R-Miami
 - Rep. Jeff Boatman, R-Tulsa
 - Rep. Brad Boles, R-Marlow
 - Rep. Denise Brewer, D-Tulsa
 - Rep. Ty Burns, R-Pawnee
 - Rep. Carol Bush, R-Tulsa
 - Rep. Sherrie Conley, R-Newcastle
 - Rep. Rusty Cornwell, R-Vinita
 - Rep. Denise Crosswhite Hader, R-Piedmont
 - Rep. Dean Davis, R-Broken Arrow
 - Rep. Eddy Dempsey, R-Valliant
 - Rep. Sheila Dills, R-Tulsa
 - Rep. Mike Dobrinski, R-Okeene
 - Rep. Scott Fetgatter, R-Okmulgee
 - Rep. Andy Fugate, D-Oklahoma City
 - Rep. Brian Hill, R-Mustang
 - Rep. Justin Humphrey, R-Lane
 - Rep. Ronny Johns, R-Ada
 - Rep. Gerrid Kendrix, R-Altus
 - Rep. Dell Kerbs, R-Shawnee
 - Rep. Mark Lawson, R-Sapulpa
 - Rep. Dick Lowe, R-Amber
 - Rep. Ken Luttrell, R-Ponca City
 - Rep. Robert Manger, R-Oklahoma City
 - Rep. Anthony Moore, R-Clinton
 - Rep. Carl Newton, R-Cherokee
 - Rep. Monroe Nichols, D-Tulsa
 - Rep. Jim Olsen, R-Roland
 - Rep. Daniel Pae, R-Lawton
 - Rep. Kenton Patzkowsky, R-Balko
 - Rep. Dustin Roberts, R-Durant
 - Rep. Eric Roberts, R-Oklahoma City
 - Rep. Jacob Rosecrants, D-Norman
 - Rep. Todd Russ, R-Cordell
 - Rep. Danny Sterling, R-Tecumseh
 - Rep. Tammy Townley, R-Ardmore
 - Rep. Mark Vancuren, R-Owasso
 - Rep. Kevin Wallace, R-Wellston
 - Rep. Kevin West, R-Moore
 - Rep. Rick West, R-Heavener
 - Rep. Tammy West, R-Oklahoma City
 - Rep. Max Wolfley, R-Oklahoma City
 - Rep. Rande Worthen, R-Lawton

Appendix C: Executive Order 2021-05

FILED



February 10, 2021

J. Kevin Stitt OKLAHOMA SECRETARY

Office of the Governor OF STATE

State of Oklahoma

EXECUTIVE DEPARTMENT

EXECUTIVE ORDER 2021-05

As COVID-19's impact continues to affect our State and its citizens, it is important to continue to take measures to mitigate this threat for all. It has come to my attention that COVID-19 has contributed to unacceptable delays in the processing of licenses and other identification documents under the authority of the Department of Public Safety. It is therefore necessary to expand the flexibility of the State and political subdivisions of the State during the continuance of the State emergency as provided by this Order and pursuant to the provisions of the Oklahoma Emergency Management Act of 2003 and Executive Order 2020-20, as amended.

Therefore, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the power and authority vested in me by Sections 1 and 2 of Article VI of the Oklahoma Constitution, hereby direct the Department of Public Safety to waive statutory or regulatory restrictions, to the extent allowable by law, on the ability of certified Motor License Agents to issue renewals or replacements of valid, unexpired, Class A, B, or C driver licenses. Likewise, the Department of Public Safety shall waive statutory or regulatory restrictions on the ability of certified Motor License Agents to issue a lower class Oklahoma REAL ID compliant driver license or Oklahoma REAL ID non-compliant driver license in response to a voluntary downgrade from a Class A, B, or C, driver license. Nothing in this paragraph relieves the licensee from the responsibility to provide documentation required by the Department of Public Safety or the Federal Motor Carrier Safety Administration's commercial driver license requirements (49 C.F.R part 383).

This Order directs the Department of Public Safety to waive statutory or regulatory restrictions, to the extent allowable by law, on the ability of certified Motor License Agents to issue an Oklahoma REAL ID compliant, or Oklahoma REAL ID non-compliant identification card, as long as the person requesting the identification card has an existing Oklahoma driver license file. A licensee whose record reflects a notation of the person's proof of legal presence, verified by the U.S. Department of Homeland Security, or proof of U.S. citizenship, may obtain a REAL ID compliant identification card, or non-compliant identification card, regardless of the status of the license held by the licensee. Provided, the licensee must comply with all REAL ID documentation requirements to obtain a REAL ID compliant identification card. Nothing in this paragraph relieves the person requesting the identification card from the responsibility to provide documentation required by the Department of Public Safety for the issuance of an identification card.

This Order directs the Department of Public Safety to waive statutory or regulatory restrictions, to the extent allowable by law, on the ability of certified Third-Party Examiners to administer a skills test to any applicant applying for a Class A, B, or C commercial driver license. However, if the applicant is applying for a Class B commercial driver license with an "S" endorsement, or Class C commercial driver license with an "S" endorsement, the applicant shall provide, to the Third-Party Examiner, proof of training from a school district recognized by the State Department of Education, or a technology center school recognized by the State Board of Career and Technology Education.

This Order authorizes the Department of Public Safety to execute agreement(s) with an institution of higher education, a technology center school recognized by the Oklahoma Board of Career and Technology Education, or a public school district recognized by the Oklahoma Department of Education, to proctor Class A, B, C, or D written driver license examinations. Provided, however, any agreements entered pursuant to this paragraph must provide for protection of applicant data and protection of the integrity of the test and testing process, as determined by the Department. The applicant is responsible for any fees associated with the proctoring of the examination. This order suspends Department of Public Safety rules requiring an applicant to submit an application for a driver license prior to taking a written examination. The applicant may submit a record of passing the written examination to the Department at the time of completing the application.

This Order shall be effective until the end of 30 days after the filing of this Order.

Copies of this Executive Order shall be distributed to the Commissioner of the Oklahoma Department of Public Safety, the Oklahoma Department of Career and Technology Education, the State Department of Education, and to the Secretary for Agency Accountability, who shall cause the provisions of this Executive Order to be implemented.

IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma this 10th of February, 2021.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA



J. KEVIN STITT

ATTEST:



BRIAN BINGMAN, SECRETARY OF STATE

Appendix D: Service Oklahoma Decision Matrix

SERVICE OKLAHOMA Licensed Operator Remediation Plan

This is not an exhaustive list of possible violations. Service Oklahoma reserves the right to categorize issues not explicitly listed based on their nature, severity, and impact.

Level	What Triggers It	Response	Path Back
Coaching <i>Initial Alert</i>	An initial issue is identified, such as: - Late semi-monthly reports (2+ in 6 months) - Excise tax error rate 10–14.99% in a report period - Failure to deposit within required timelines PATTERN-BASED - Incorrect transfer of plate - Incorrect documentation - Typographical errors - Missing forms or signatures - Minor process deviations - Incorrect miscellaneous fees	<i>Email notice to the LO alerting them to the issue. No formal level entered yet.</i>	<i>Issue corrected → No further action. Repeated issues → Written Notice.</i>
Written Notice <i>Minor Errors</i>	- Late semi-monthly reports (3+ in 6 months) - Excise tax error rate 10–14.99% in a report period - Failure to deposit within required timelines, repeated PATTERN-BASED - Typographical errors - Missing forms or signatures - Minor process deviations - Incorrect miscellaneous fees	<i>Written notice + 90-day monitoring period. Monitoring uses existing semi-monthly audits, no new audit scope is created.</i>	<i>90 days clean → Off the plan. Issues persist after 90 days → Remedial Training.</i>
Remedial Training <i>Moderate Errors</i>	Escalated from Written Notice, or entered directly, including: - Excise tax error rate 15–19.99% in a report period - Repeated minor errors not corrected under Written Notice - Unauthorized system access or credential misuse - Failing to visually inspect odometer/VIN - Refusal to issue eligible services (pattern)	<i>Formal written notice + mandatory retraining for the entire office + 90-day audit. May be entered directly. Failure to complete training is itself an escalation trigger to the Board.</i>	<i>Training complete + 90-day audit clean → Off the plan.</i>
Board Action <i>Serious Violations</i>	Fraud, criminal conduct, or similarly serious violations, including: - Fraud or criminal activity - Knowingly processing or altering fraudulent documents - Intentional misuse of excise tax exemptions - Conspiring with customers, dealers, or third parties - Falsification or destruction of records - Financial theft, system misuse, or failure to pay a field audit demand - Breach of the Licensed Operator Contract or owing the State \$50,000+	<i>Formal notice + referral to the LO Board to determine appropriate license action. No progressive steps required, and an operator may be placed here directly. Service Oklahoma may take temporary action prior to Board review where necessary.</i>	<i>Board determines the path back on a case-by-case basis.</i>

Appendix E: Licensed Operators Randomly Selected for Google Reviews

License Number	Address	License Number	Address
0104	1280 South Williams Westville OK 74965	4921	216 East Main Street Locust Grove OK 74352
7606	504 Flynn Street Alva OK 73717	4414	302 West Main Street Suite 101 Purcell OK 73080
0305	177 North Ohio Avenue Atoka OK 74525	4412	697 North Main Street Suite B Newcastle OK 73065
0405	412 South Main Turpin OK 73950	4522	212 North Main Street Broken Bow OK 74728
0510	115 East Broadway Avenue Elk City OK 73644	5116	316 East Bengé Road Fort Gibson OK 74434
0608	316 East Oklahoma Okeene OK 73763	5003	2112 West Broadway Suite A Sulphur OK 73086
0720	1202 North 16th Avenue Durant OK 74701	5118	806 3rd Avenue Warner OK 74469
0719	404 West Main Street Bokchito OK 74726	4611	305 South Main Street Unit A Eufaula OK 74432
0836	105 East Main Street Hinton OK 73047	5215	325 North 7th Street Perry OK 73077
0923	933 South Cornwell Yukon OK 73099	5308	1223 East Cherokee Avenue Nowata OK 74048
0931	414 Piedmont Road N Piedmont OK 73078	5407	421 West Broadway Street Okemah OK 74859
0929	120 South Rock Island Avenue El Reno OK 73036	5569	2839 South Douglas Boulevard Suite 112 Midwest City OK 73130
1012	4151 Hospital Road Healdton OK 73438	8808	13919 North May Avenue Suite A Oklahoma City OK 73134
4520	30 East Wilson Suite B Valliant OK 74764	5582	3100 North Classen Boulevard Oklahoma City OK 73118

1104	25 Plaza South Street Tahlequah OK 74464	8812	4512 South Pennsylvania Avenue Oklahoma City OK 73119
1302	101 Main Street Boise City OK	8828	5936 Northwest 122nd Street Oklahoma City OK 73142
1219	1605 East Jackson Hugo OK 74743	5577	7323 Northwest 23rd Street Bethany OK 73008
1432	108 East Broadway Street Lexington OK 73051	8824	7601 Northwest 23rd Street Bethany OK 73008
1436	1315 24th Avenue Southwest Suite 204 Norman OK 73072	8834	221 South Ash Street Luther OK 73054
1435	443 West Gray Street Norman OK 73069	5585	3900 South Broadway Suite 2E Edmond OK 73013
1503	28 North Main Street Coalgate OK 74538	4206	14700 South Coltrane Road Edmond OK 73034
1627	902 Southwest 38th Street Lawton OK 73505	8836	10443 North May Avenue Oklahoma City OK 73120
1620	303 Southwest 5th Street Cache OK 73527	5553	2511 North Western Avenue Oklahoma City OK 73106
1711	202 West Missouri Street Walters OK 73572	8825	14890 Southeast 29th Street Suite 105 Choctaw OK 73020
1806	175 West Ketchum Avenue Ketchum OK 74349	5565	6225 Northwest 39th, Bethany, OK
1917	103D Cimarron Drive Mannford OK 74044	5612	312 South Hughes Morris OK 74445
1922	713 South Mission Street Sapulpa OK 74066	5610	501 East 8th Street Suite B Okmulgee OK 74447
2016	504 South 10th Street Arapaho OK 73620	5737	801 East Main Street Pawhuska OK 74056
2011	200 South Broadway Street Weatherford OK 73096	5802	20 1st Avenue Northeast Miami OK 74354
2110	2123 South Main Street Suite D	5911	108 South Broadway Street

1013	Grove OK 74344 2024 Newport Road Lone Grove OK 73443	6021	Cleveland OK 74020 911 East Main Street Cushing OK 74023
2222	218 West Hobson Avenue Leedey OK 73654	6019	702 South Western Road Stillwater OK 74074
2316	122 West 3rd Shattuck OK 73858	6113	909 East Main Street Quinton OK 74561
2419	115 West Owen K Garriott Road Enid OK 73701	6115	902 Pennsylvania Avenue Hartshorne OK 74547
2421	114 East Euclid Waukomis OK 73773	6214	509 Arlington Street Ada OK 74820
2516	311 West Cherokee Suite C Lindsay OK 73052	6212	23433 County Road 3460 Roff OK 74865
2515	113 East Paul Avenue Pauls Valley OK 73075	6332	514 North Broadway Street Tecumseh OK 74873
2619	1027 South 4th Street Chickasha OK 73018	6330	3715 North Kickapoo Avenue Shawnee OK 74804
2618	303 West Main Street Tuttle OK 73089	6712	213 South Wewoka Avenue Wewoka OK 74884
2704	112 North Main Street Medford OK 73759	6416	191475 North 4140 Road #2 Antlers OK 74523
2808	108 East Pierce Street Mangum OK 73554	6508	104 South Cearlock Avenue Cheyenne OK 73628
2907	511 East Broadway Street Hollis OK 73550	6621	1755 North Highway 66 Suite E Catoosa OK 74015
3006	911 South Broadway Laverne OK 73848	6617	319B North Broadway Inola OK 74036
3106	801 East Main Street Stigler OK 74462	6333	48248 Highway 9 Earlsboro OK 74840
3217	112 North Main Street Wetumka OK 74883	6811	915 East Cherokee Avenue Sallisaw OK 74955
3221	825 Roosevelt Avenue	6918	101 Village Mall

3320	Stuart OK 74570 802 Falcon Road	6917	Comanche OK 73529 102 Sunny Lane
3504	Altus OK 73521 103 West Main Street	7012	Velma OK 73491 317 East 1st Street
3617	Tishomingo OK 73460 2101 North 14th Street Suite 109	7119	Grandfield OK 73546 13809 South Casper Street Suite I
3618	Ponca City OK 74601 114 South Main Street	7254	Glenpool OK 74033 1003 West Broadway Street
3708	Newkirk OK 74647 401 North Main Street	7260	Collinsville OK 74021 14621 South Memorial Drive
3821	Hennessey OK 73742 407 South Main Street	7283	Bixby OK 74008 11560 North 135th E Avenue Suite 104
3820	Hobart OK 73651 100 North 2nd	7290	Owasso OK 74055 824 South Elm Place
3903	Mountain View OK 73062 106 East Ada Avenue	7262	Broken Arrow OK 74012 1914 South Garnett Road
4018	Wilburton OK 74578 800 West Broadway Street	7280	Tulsa OK 74128 1158 North 38th Street
4016	Spiro OK 74959 101 East Avenue C	7313	Broken Arrow OK 74014 3190 West 21st Street Suite 304
4120	Heavener OK 74937 821 North Jim Thorpe Boulevard	7277	Tulsa OK 74107 8216 South Elm Place Suite B
4118	Prague OK 74864 101 South Dewey Avenue	7278	Broken Arrow OK 74011 12657 South State Highway 51
4207	Chandler OK 74834 2105 South Division Street	7317	Coweta OK 74429 1414 South Denver Avenue
4303	Guthrie OK 73044 112 West Main Street Suite J10	7271	Tulsa OK 74119 1661 Swan Drive
4706	Marietta OK 73448 103 South 7th Avenue	7404	Bartlesville OK 74006 114 East Main Street
	Fairview OK 73737		Cordell OK 73632

4809	206 Highway 70 West Kingston OK 73439	7521	124 South Main Street Mooreland OK 73852
4922	420 East Graham Avenue Pryor OK 74361	7706	111 South Grand Avenue Cherokee OK 73728
		0209	

Appendix F: Licensed Operators' Profitability Table (2024)

Population Group	RealID Compliant	credtype	Count of Transactions	Est Total Cost	Credential Fee	MLA - Q	MLA - U	Total Retained	Est Profit (Loss)	Fee Retention to Fund Service	Impact to Other State Funds	Total \$ Impact to Other State Funds
Under 30K	Not RealID Compliant	CDL A	519.00	8.16	51.07	5.47	0.35	5.82	(2.34)	8.16	2.34	\$ 1,213.92
		CDL B	213.00	17.29	52.36	5.61	0.26	5.87	(11.42)	17.29	11.42	\$ 2,433.21
		CDL C	11.00	15.06	44.55	5.73	0.18	5.91	(9.16)	15.06	9.16	\$ 100.71
		CLP A	12.00	3.85	53.88	5.75	0.17	5.92	2.07	3.85	(2.07)	\$ (24.79)
		Standard DL	48,988.00	2.20	24.83	5.23	0.28	5.52	3.32	2.20	(3.32)	\$ (162,490.52)
		State ID Card	5,832.00	2.23	23.02	1.84	-	1.84	(0.39)	2.23	0.39	\$ 2,252.72
	Not RealID Compliant Total		55,575.00	8.13	41.62	4.94	0.21	5.15	(2.99)	8.13	2.99	\$ 165,997.85
	RealID Compliant	CDL A	961.00	7.84	50.27	8.42	4.01	12.43	4.59	7.84	(4.59)	\$ (4,411.96)
		CDL B	357.00	16.20	51.21	8.66	4.16	12.82	(3.38)	16.20	3.38	\$ 1,207.87
		CDL C	27.00	17.71	37.74	6.74	2.96	9.70	(8.01)	17.71	8.01	\$ 216.15
		Standard DL	24,193.00	3.07	24.54	7.08	2.82	9.90	6.83	3.07	(6.83)	\$ (165,332.80)
		State ID Card	354.00	4.57	20.90	1.67	-	1.67	(2.89)	4.57	2.89	\$ 1,024.47
	RealID Compliant Total		25,892.00	9.88	36.93	6.51	2.79	9.30	(0.57)	9.88	0.57	\$ 14,798.93
	Under Total		81,467.00	8.69	40.13	5.44	1.03	6.47	(2.22)	8.69	2.22	\$ 180,796.78
Between 30K-100K	Not RealID Compliant	CDL A	745.00	6.69	51.50	5.52	0.32	5.84	(0.84)	6.69	0.84	\$ 629.34
		CDL B	326.00	14.58	51.52	5.52	0.32	5.84	(8.74)	14.58	8.74	\$ 2,848.83
		CDL C	21.00	19.39	39.33	5.00	0.67	5.67	(13.72)	19.39	13.72	\$ 288.10
		CLP A	15.00	4.55	56.50	6.00	-	6.00	1.45	4.55	(1.45)	\$ (21.81)
		CLP B	1.00	16.11	25.00	3.00	2.00	5.00	(11.11)	16.11	11.11	\$ 11.11
		Standard DL	109,436.00	1.93	25.20	5.22	0.31	5.53	3.60	1.93	(3.60)	\$ (394,173.49)
		State ID Card	14,240.00	1.89	22.85	1.83	-	1.83	(0.07)	1.89	0.07	\$ 933.12
	Not RealID Compliant Total		124,784.00	9.30	38.84	4.58	0.52	5.10	(4.20)	9.30	4.20	\$ 524,481.47
	RealID Compliant	CDL A	1,082.00	7.89	48.46	7.95	3.72	11.67	3.78	7.89	(3.78)	\$ (4,092.02)
		CDL B	574.00	14.49	50.32	8.43	4.02	12.44	(2.05)	14.49	2.05	\$ 1,176.47
		CDL C	30.00	22.02	42.20	8.40	4.00	12.40	(9.62)	22.02	9.62	\$ 288.63
		Standard DL	64,856.00	2.52	24.60	7.12	2.84	9.97	7.45	2.52	(7.45)	\$ (483,309.39)
		State ID Card	929.00	3.29	21.56	1.72	-	1.72	(1.57)	3.29	1.57	\$ 1,455.63
	RealID Compliant Total		67,471.00	10.04	37.43	6.72	2.92	9.64	(0.40)	10.04	0.40	\$ 27,035.49
	Between Total		192,255.00	9.56	38.35	5.34	1.36	6.69	(2.87)	9.56	2.87	\$ 551,516.96
Over 100K	Not RealID Compliant	CDL A	416.00	9.96	49.08	5.29	0.47	5.76	(4.20)	9.96	4.20	\$ 1,746.77
		CDL B	169.00	20.89	49.60	5.34	0.44	5.78	(15.10)	20.89	15.10	\$ 2,552.70
		CDL C	7.00	38.02	37.29	4.71	0.86	5.57	(32.44)	38.02	32.44	\$ 227.11
		CLP A	3.00	57.34	56.50	6.00	-	6.00	(51.34)	57.34	51.34	\$ 154.02
		CLP B	2.00	8.72	25.00	3.00	2.00	5.00	(3.72)	8.72	3.72	\$ 7.44
		Standard DL	117,089.00	2.10	26.63	5.17	0.37	5.54	3.45	2.10	(3.45)	\$ (403,383.37)
		State ID Card	27,704.00	1.91	23.68	1.89	-	1.89	(0.02)	1.91	0.02	\$ 439.70
	Not RealID Compliant Total		145,390.00	19.85	38.25	4.49	0.59	5.08	(14.77)	19.85	14.77	\$ 2,147,129.78
	RealID Compliant	CDL A	774.00	8.49	46.68	7.50	3.44	10.94	2.44	8.49	(2.44)	\$ (1,891.15)
		CDL B	328.00	18.37	48.05	7.85	3.66	11.51	(6.86)	18.37	6.86	\$ 2,248.74
		CDL C	18.00	47.97	41.72	8.22	3.89	12.11	(35.86)	47.97	35.86	\$ 645.49
		Standard DL	130,814.00	2.51	25.78	7.21	2.99	10.20	7.69	2.51	(7.69)	\$ (1,005,447.62)
		State ID Card	3,283.00	3.10	22.37	1.79	-	1.79	(1.31)	3.10	1.31	\$ 4,313.70
	RealID Compliant Total		135,217.00	16.09	36.92	6.51	2.80	9.31	(6.78)	16.09	6.78	\$ 916,793.13
	Over Total		280,607.00	18.04	37.61	5.46	1.65	7.12	(10.92)	18.04	10.92	\$ 3,063,922.91
	Grand Total		554,329.00	13.72	38.24	5.42	1.46	6.88	(6.85)	13.72	6.85	\$ 3,796,236.65

Source: Jill Geiger Consulting, 2024 Cost Model Report.

Appendix G: Excerpts from the Licensed Operator Performance Fund Recommendations from the 2022 Service Oklahoma Cost Model Analysis and Report

Other Potential Considerations

2. Creation of a Performance Fund for Licensed Operators to ensure all services are offered equally in all locations across the state, ensuring availability of services to all Oklahomans. This fund could be deployed by formula.

The fund could be used to ensure LO profitability in less populated counties, to incentivize behaviors Service Oklahoma wants Licensed Operators to exhibit, and to demonstrate that services are being provided to citizens. It is recommended that metrics be established to gauge Licensed Operator productivity and their eligibility for potential payments from the performance fund.

To determine the criteria for the performance fund, a formula was created which accounts for the number of individuals needing DL/MV services in a given county, the number of Licensed Operators in that county, and the percentage of the drivers in the county served by a given Licensed Operator.

For DL services, census data for how many individuals between 18-65 live in the county is used to estimate the number of individuals in need of a license, with a formula applied to estimate the amount of 4-year and 8-year licenses. Then, the number of potential licensees is divided by the number of Licensed Operators in that county. If a Licensed Operator is serving at least 90% of eligible applicants for their share of their county, they meet the performance fund metric for DL services.

For MV services, a prior-year average of registrations is divided by the number of Licensed Operators in the county. If a Licensed Operator is providing at least 80% of registrations for their share of their county, they meet the performance fund metric for MV services.

3. Consideration of a minimum rate to be charged with the ability for Licensed Operators to charge some additional component for profit, with assurances against price gouging.

4. Bolster communication efforts and flexibility granted around community-specific hours of operation for LOs. Allowing them to tailor their service hours to the needs of their communities, assuring community needs were still being met, could provide additional incentive to maintain service standards.

5. Continue to improve service from SOK to LOs to maintain service standards from LOs to citizens, including high quality training opportunities and manuals.

6. The reality of longer durations to process any transaction through D360 at present is the largest variable impacting the profitability of those transactions at present, versus pre-D360 or versus where JGC understands Service Oklahoma intends to be with system improvements. With the knowledge that the system used to deliver these services will continue to evolve and, as such, the time per transaction will continue to change, thereby impacting the cost of providing the services, we recommend the requirement of a regular assessment of the cost of providing these services to ensure the fee retention schedule is appropriately aligned. This should be accompanied by a comprehensive review and simplification of the overall motor vehicle fee and tax structure, which may require changes to the reporting requirements from Licensed Operators to Service Oklahoma. It is prudent to consider removing the fee schedule from statute to allow for more flexibility in the process. In this model, the Legislature could mimic the process of the

Appendix H: Service Oklahoma's Calculation of the Blended Metric for Licensed Operator Performance Fund Metric-Based Payouts

Beginning in 2025, Service Oklahoma implemented a blended metric model to determine performance metrics for Licensed Operator Performance Fund annual disbursements. This model uses two weighted components:

1. Local Population Share (60%) – Based on the population of the city or town where the licensed operator is located, relative to all other cities and towns with licensed operators within that county.
2. Equal County Share (40%) – An equal distribution of the county's customers among all licensed operators in that county.

The blended metric assigned to each licensed operator is applied to the total number of driver license and motor vehicle transactions processed within the county during the prior fiscal year to establish individual driver license and motor vehicle transaction thresholds. A licensed operator who achieves at least 80 percent of both thresholds is eligible for a full payout. A licensed operator who achieves at least 80 percent of only one threshold is eligible for a payout equal to 25 percent of the full amount.

Appendix I: Service Oklahoma Operator Board Minutes

Service Oklahoma Operator Board

March 12, 2025, Meeting Minutes

Notice of the Service Oklahoma Operator Board meeting was posted with the Oklahoma Secretary of State on December 11, 2023, and posted on the door of 6015 N. Classen Blvd., Oklahoma City, OK 73118 on March 10, 2025, at 8:30 am.

1. The Service Oklahoma Operator Board meeting was Called to Order at 3:31 pm.
2. After taking roll of the members present, it was determined that a quorum was present. The following members were in attendance:

Diedra O'Neil on behalf of Jay Doyle Amber Brock

Todd Currie Lauren Toppins Jeff Mize

The following members were absent:

Baxter Lewallen Lex Gaylord

3. A motion to approve February 12, 2025, Regular Meeting Minutes was made by Lauren Toppins, seconded by Jeff Mize, and approved unanimously by the Board.
4. Diedra O'Neil presented the Service Oklahoma Report.
5. Jeff Mize moved to open applications until June 1, 2025, for a new designated Service Oklahoma location in the following locations: Caddo County, Okfuskee County, Chelsea, OK, North Tulsa, OK, and Alva, OK. Diedra O'Neil seconded this motion and was unanimously approved by the Board.
6. Todd Currie motioned to approve every deviation request where the designated Service Oklahoma location is open at least 40 hours per week and does not require a resubmission annually unless hours change. The motion was seconded

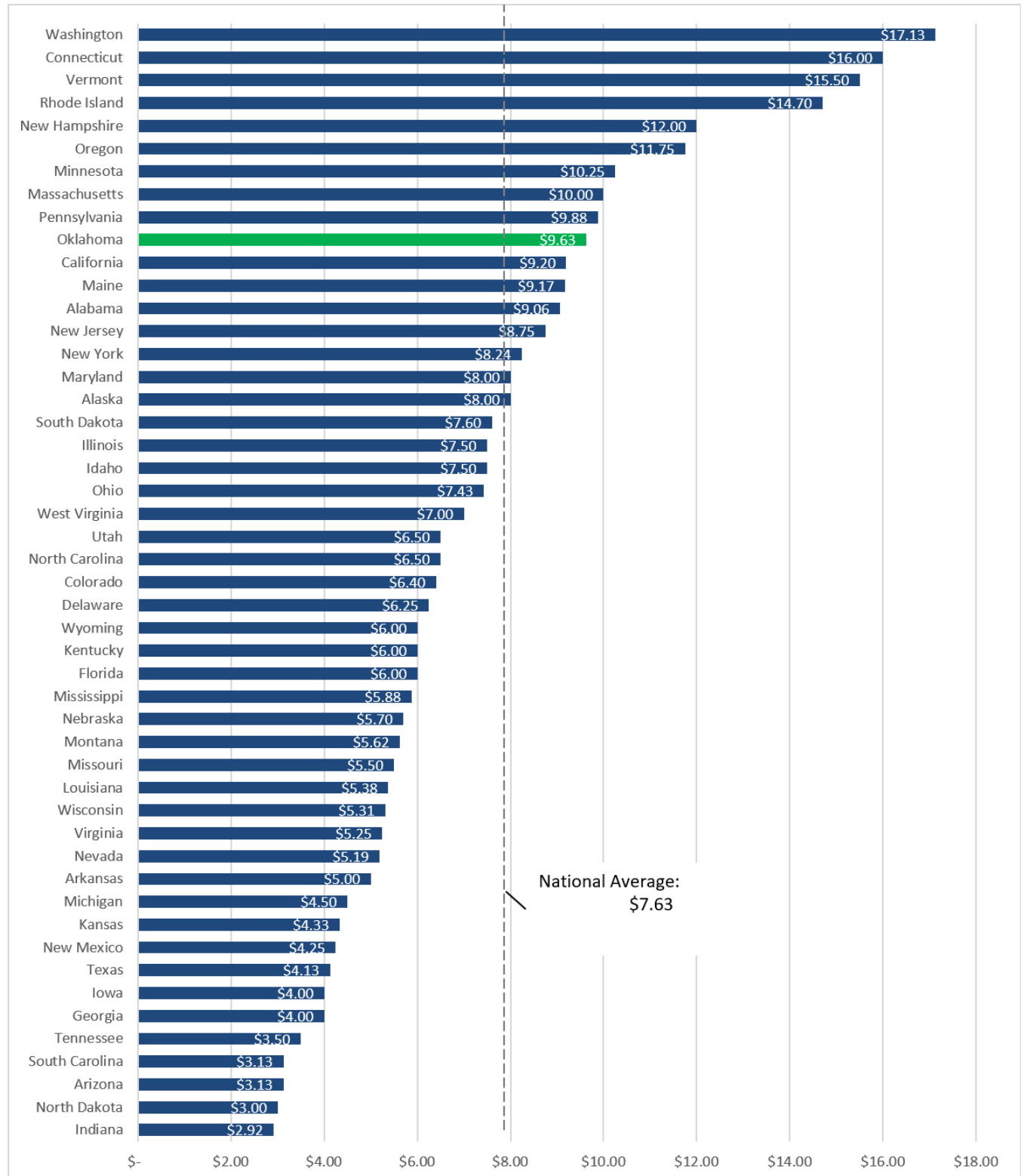
by Jeff Mize and approved unanimously by the Board.

Page 2 of 2

7. Seeing no other business, a motion to adjourn was made by Diedra O'Neil, seconded by Todd Currie, and approved unanimously in favor by the Board.

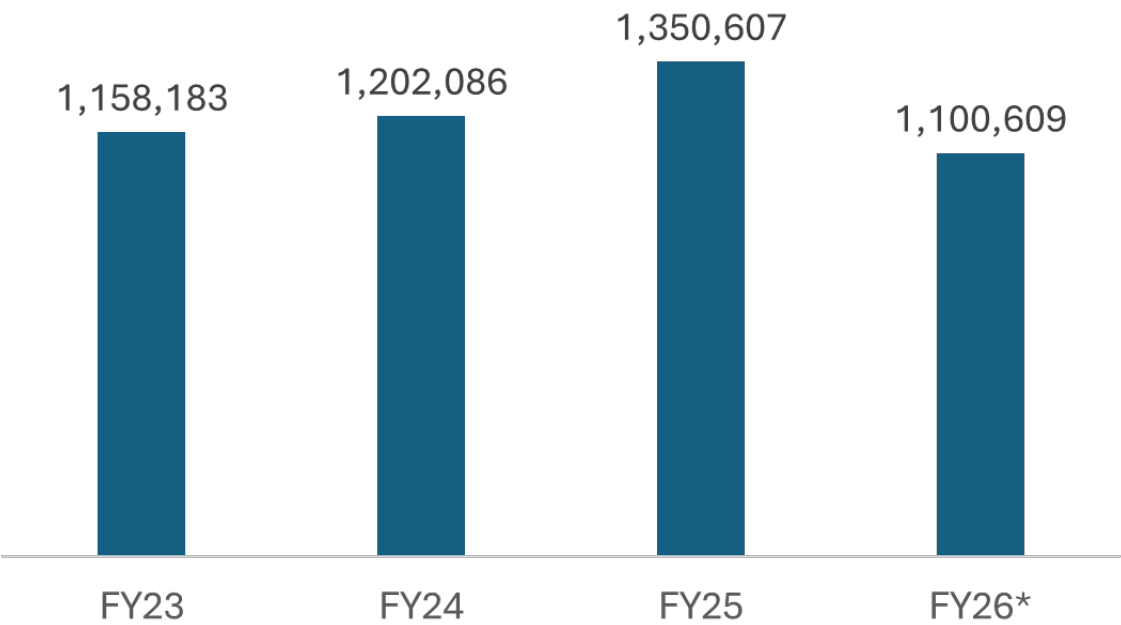
8. The meeting adjourned at 4:10 pm.

Appendix J: National Comparison of State Driver's License Fees



Source: LOFT analysis of forty-nine states' annualized costs.

Appendix K: Total Credentials Issued by Fiscal Year



Source: Service Oklahoma.

AGENCY RESPONSE

LOFT Evaluation of Service Oklahoma Driver's License Process

Service Oklahoma appreciates the thorough work of the Legislative Office of Fiscal Transparency (LOFT) and its collaborative approach throughout this evaluation. Our teams shared a commitment to ensuring Oklahomans receive accessible, consistent, and high-quality service.

Service Oklahoma became a stand-alone state agency on November 1, 2023, inheriting a decentralized service network, legacy technology, and operating practices developed over many decades. Its early work focused on standard operating procedures, transaction consistency, technology, wait times, and service levels. The LOFT report provides valuable direction for the agency's next phase of work.

Finding 1: Contrary to Legislative Intent, Citizens' Experiences Vary Between State and Private Operators

A. Does the agency agree with the facts as presented?

Service Oklahoma partially agrees with the finding. The agency agrees that customer experiences vary between state-run and Licensed Operator locations and among Licensed Operators. While the degree of variation differs by location and type of service, citizens do not always encounter the same level of access, service, or physical experience across the network. Greater consistency remains a priority.

B. Provide agency comments and/or clarifications to the finding.

Differences in hours, service availability, customer service, and physical standards can make the experience vary by location. LOFT's analysis provides a helpful view of how those differences are experienced by citizens. Service Oklahoma recognizes room to improve its oversight of Licensed Operator compliance, including verification that locations are open during approved hours and provide required services.

The agency will strengthen its audit and follow-up protocols and add an easy-to-find website option for customers to provide feedback on Licensed Operator locations. Together, these steps will give the agency better information to identify recurring concerns and address them consistently.

Finding 2: Oklahoma Offers Greater Access to Driver License Services than Similar Sized States

A. Does the agency agree with the facts as presented?

Service Oklahoma agrees with the finding. Oklahoma's state-run and Licensed Operator network provides broad access to driver license services across urban, regional, and rural communities. The size and geographic reach of the network help reduce travel burdens and preserve in-person access throughout the state.

B. Provide agency comments and/or clarifications to the finding.

As reflected in the report, 234 Licensed Operator locations and 31 state-run locations issue credentials in Oklahoma. This extensive footprint is a strength of the state's service model and provides citizens with more options for completing credential transactions, particularly in communities where access to a state-run location would otherwise require additional travel.

Finding 3: Oklahoma has the 10th Highest Driver's License Fees

A. Does the agency agree with the facts as presented?

Service Oklahoma agrees with the facts as presented. LOFT's analysis shows that Oklahomans pay more for a driver license than residents of most other states, and the agency recognizes that this results in a higher direct cost to citizens.

B. Provide agency comments and/or clarifications to the finding.

An original eight-year Oklahoma REAL ID Class D license costs the citizen \$81: a \$77 issuance fee and a \$4 application fee. Service Oklahoma agrees that this is a higher direct cost than in most other states. It is also important to distinguish the total amount paid by the citizen from the amount available to support Service Oklahoma's driver license operations.

Under 47 O.S. Section 6-101, the \$77 issuance fee is allocated among several purposes: \$11 to the Trauma Care Assistance Revolving Fund; \$13.50 to the Service Oklahoma Computer Imaging System Revolving Fund; \$20 to the Service Oklahoma Revolving Fund; and \$6 to the State Public Safety Fund. The remaining \$26.50 of the issuance fee, along with the separate \$4 application fee, is distributed under other statutory provisions. Together, these amounts account for the full \$81 paid by the citizen. This allocation does not change the cost to the citizen, but it clarifies that the full amount is not dedicated to the driver license program.

Recommendations

A. Does the agency agree with the recommendations?

Service Oklahoma generally agrees with the direction of the agency recommendations. The recommendations identify practical opportunities to build on the agency's early progress,

strengthen oversight, and continue improving access and consistency across the network. The agency will incorporate the recommendations into its ongoing strategic and operational planning, subject to available resources, statutory requirements, and the results of further evaluation.

B. Provide agency comments and/or clarifications to the recommendations.

Recommendations to the Agency

1. Assess the ideal ratio of Licensed Operators to population.

Service Oklahoma agrees. Its strategic plan includes evaluating the ideal footprint for both state-run and Licensed Operator locations. The assessment will consider population, transaction volume, travel distance, existing service capacity, and the availability of credential and motor vehicle services. LOFT's analysis will inform that work.

2. Create a formal process and dedicate personnel to Licensed Operator customer-service concerns.

Service Oklahoma agrees. The agency will evaluate the process and resources needed to receive, categorize, track, review, and follow up on Licensed Operator customer-service concerns. A more formal process will help identify recurring issues, support appropriate escalation, and provide better information for oversight and training.

3. Evaluate the metrics used by the Licensed Operator Performance Fund.

Service Oklahoma agrees. The agency will evaluate whether the metrics are measurable, supported by reliable data, and effective in encouraging consistent service and rural access. The review should also consider whether the measures align incentives with customer service, compliance, service availability, and the purposes established for the fund.

4. Verify posted and reported business hours during unannounced operational audits.

Service Oklahoma agrees and will strengthen its audit protocols to compare posted, publicly displayed, and Operator Board-approved hours with actual operating status. The agency will document discrepancies, follow up with the operator, and use recurring issues to inform future monitoring and corrective action.

5. Examine the market impact of enforcing or eliminating the three-mile proximity rule.

Service Oklahoma agrees. A Licensed Operator Compensation Evaluation is underway, and the agency will ensure it examines the potential effects of enforcing or eliminating the

three-mile rule on compensation, market coverage, competition, access, and operator viability.

6. Issue vehicle registrations at all Service Oklahoma locations.

Service Oklahoma agrees with improving access to motor vehicle services. As part of its footprint assessment, the agency will evaluate where adding motor vehicle services at state-run locations would provide the greatest benefit. That analysis will consider customer demand, the capacity of the existing network, operational readiness, and opportunities to improve accessibility, consistency, and customer experience.

7. Evaluate technology used by other states to improve service or reduce costs.

Service Oklahoma partially agrees. The agency routinely evaluates technologies used by other states and industries to improve service delivery, increase efficiency, and reduce administrative burden. The implementation of BOOST introduced new functionality and modernized several core processes. For example, customers can now visit the Navigate website and complete a pre-application before arriving at a Service Oklahoma location. Staff can retrieve the submitted information when the customer arrives, reducing data entry and making the in-person visit faster and more efficient. Service Oklahoma will continue evaluating new technologies and opportunities to build upon these capabilities.

8. Require all Licensed Operators to use the same online queue system as state-run locations.

Service Oklahoma partially agrees with the recommendation. The agency supports consistent service standards and greater customer visibility into wait times and service availability. However, requiring every Licensed Operator to use the same queue system would fundamentally change how many operators manage customer flow within their businesses. It would move beyond standardizing procedures and outcomes by prescribing a specific local service-delivery model. Implementing and supporting a common platform across more than 230 locations could also require significant investment. Service Oklahoma is open to evaluating the benefits, costs, operational effects, and less prescriptive alternatives that could achieve greater consistency.

9. Implement an easy-to-find customer-feedback form and summarize feedback in the annual report.

Service Oklahoma agrees and will add an easy-to-find website option for customers to provide feedback on Licensed Operator locations. The agency will establish consistent categories and a process to track, review, respond to, and report aggregate feedback while protecting personally identifiable information.

10. Prevent the same consultant from conducting more than two consecutive compensation evaluations.

Service Oklahoma partially agrees with the recommendation and supports preserving independence and objectivity in compensation evaluations. At the same time, bringing a new consultant up to speed on Oklahoma's statutory fee structure, service-delivery model, and underlying data requires substantial agency effort, particularly when the firm has not conducted this type of evaluation before. The agency has also experienced challenges identifying consultants interested in this specialized work. Service Oklahoma will consider consultant rotation or similar safeguards while balancing independence with relevant expertise, continuity, market availability, and the demands placed on agency resources.