

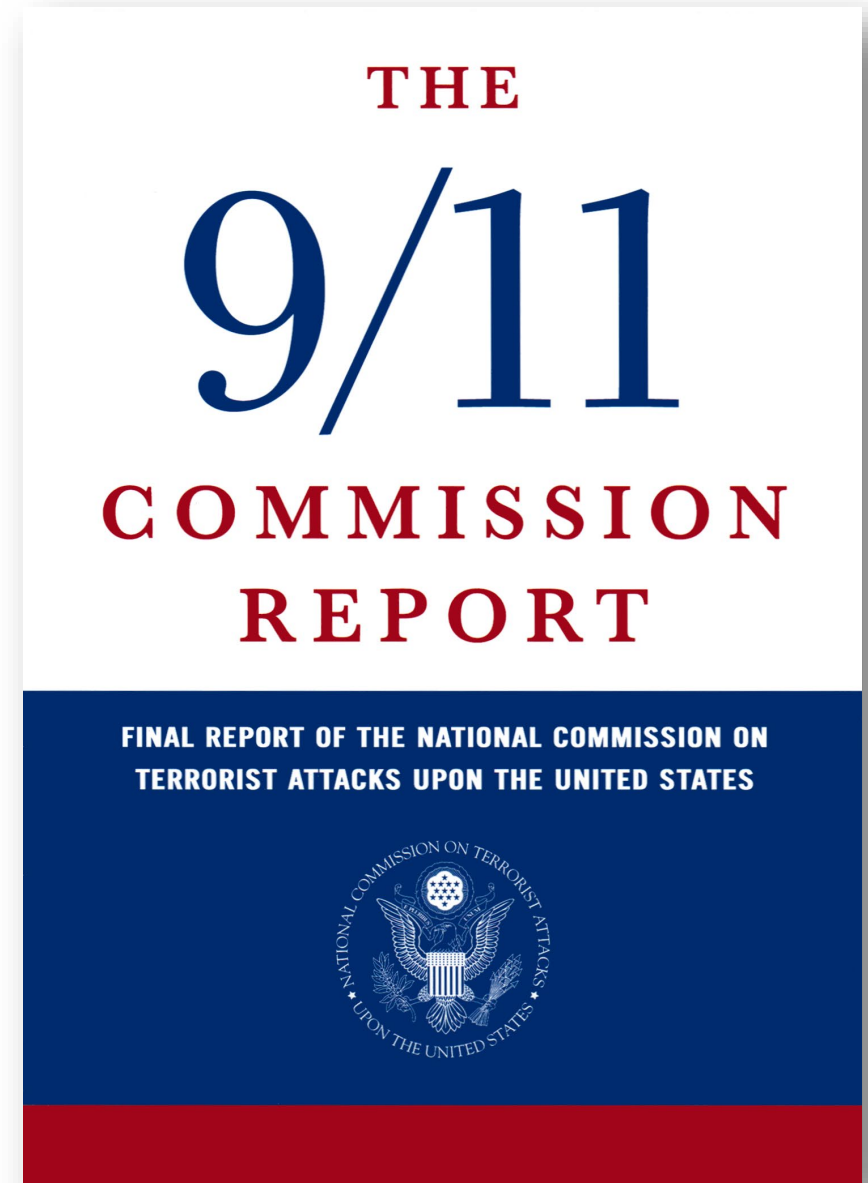


LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

SERVICE OKLAHOMA: DRIVER LICENSE PROCESS

Meeting of the Legislative Oversight Committee
September 17, 2026

Recommended creation of standardized state Identification cards with up-to-date security features; this would later be known as REAL ID.



REAL ID Timeline

2005:

Congress passes the REAL ID Act to strengthen ID standards for better security.



2017:

Oklahoma passes HB 1845 allowing the creation and use of REAL ID and Noncompliant IDs in the state.



2020:

COVID 19 causes major operational complications, while the federal deadline drove high consumer demand.



2007:

Oklahoma passes SB 464 to prohibit DPS from implementing the REAL ID requirements.



2018:

DPS began the process of implementing REAL ID systemwide. Inadequate data and technology slowed progress.



2021:

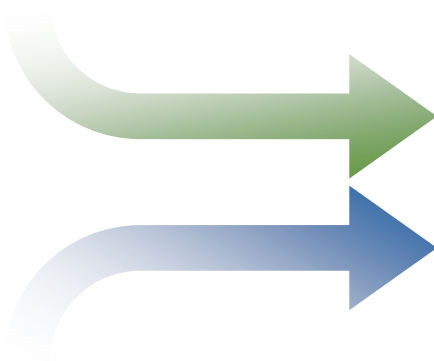
Oklahoma passes HB 1059 and HB 2465 to address the operational bottlenecks and long wait times.



OKLAHOMA
Tax Commission
Motor Vehicle Division



OKLAHOMA
Department of Public Safety
Driver License Services Division



SERVICE
OKLAHOMA

Goals of Service Oklahoma:

- 1) Consolidate Fragmented Services
- 2) Reduce Wait Times
- 3) Standardize Licensed Operators
- 4) Expand Digital Capabilities
- 5) Expedite REAL ID Implementation

KEY OBJECTIVES



LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

This evaluation was guided by four key objectives:

- Evaluate the changes in service delivery after the transition to Service Oklahoma, including a comparison of fulfillment times for driver's licenses.
- Assess the current processes of Service Oklahoma, including changes made by the agency since its creation and any measurable outcomes related to service delivery.
- Assess the role of technology in modernizing the delivery of services.
- Compare Oklahoma's service delivery and costs to other states, identifying best practices.

REPORT FINDINGS



LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

This evaluation resulted in three findings:

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

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

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

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

Service Oklahoma Locations

- State-Operated
- All assets are owned by the state of Oklahoma
- Employees are state employees
- Technology is owned by the State

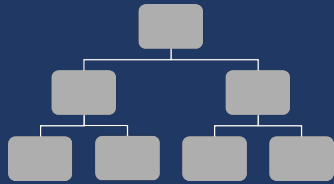
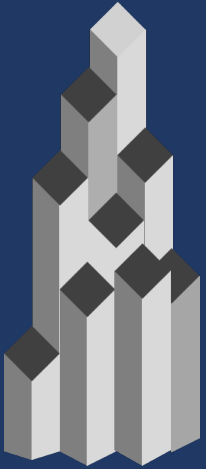
Licensed Operator Locations

- Privately-Operated
- All assets are owned by the business
- Employees are not state employees
- Technology is owned by the State

Oklahoma's Use of a Public Private Partnership

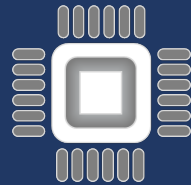
Centralized Service Oklahoma's Advantage

Standardized
Revenue and
Budget



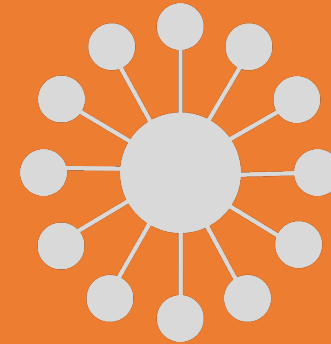
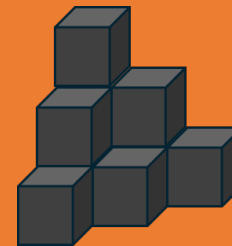
Operational
Efficiency

Unified
Technology
Investment



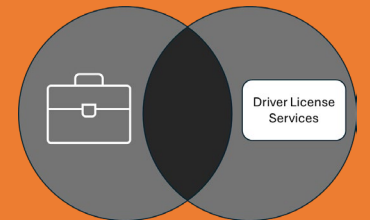
Licensed Operator's Advantage

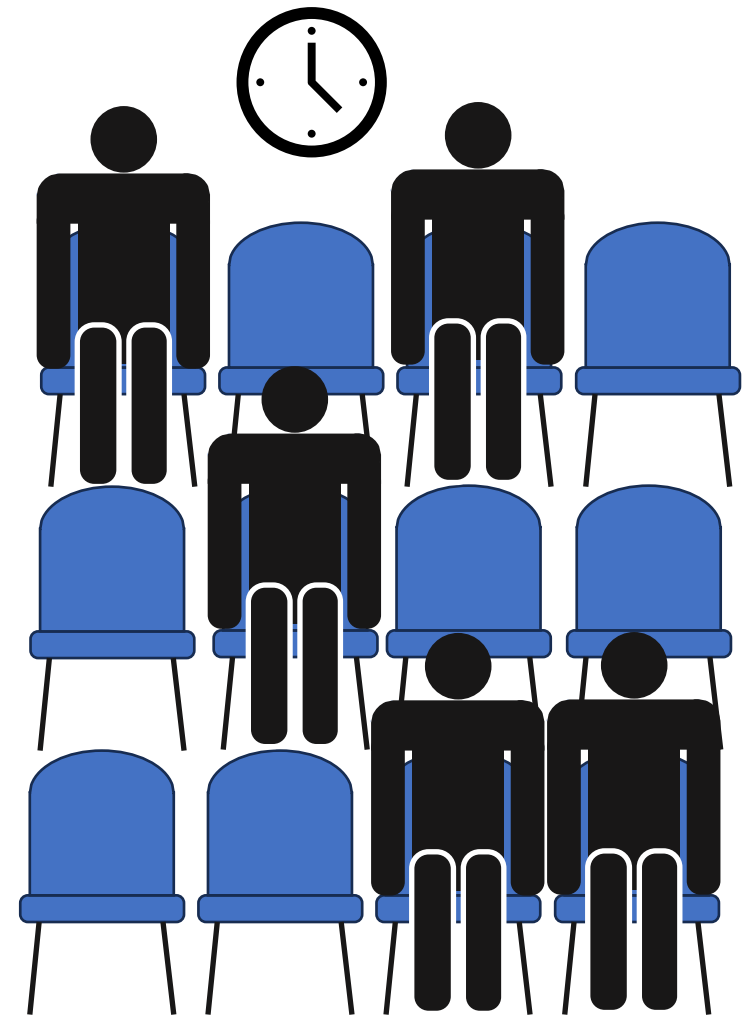
Private
Ownership of
Capitol



Expanded
Rural
Accessibility

Parallel
Business
Operations





Wait Time
Pre-SOK:
1 hour 8 minutes

Wait Time
After SOK:
24 minutes

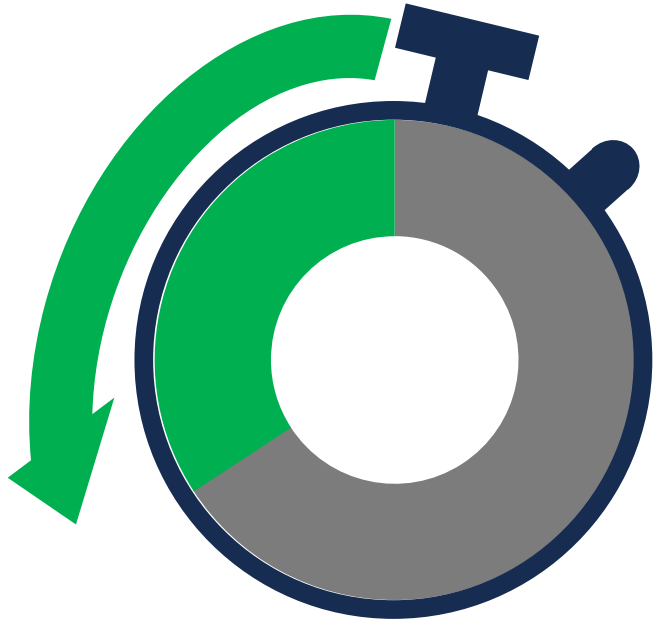
SERVICE
KLAHOMA



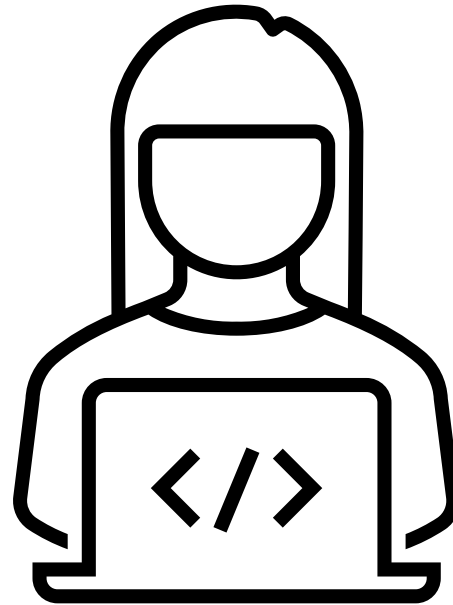
Project BOOST

- Development began 2023
- Replace the Legacy D360 System
- \$41 Million in RFP Awarded
- Fast Enterprises
- Launched February 17, 2026

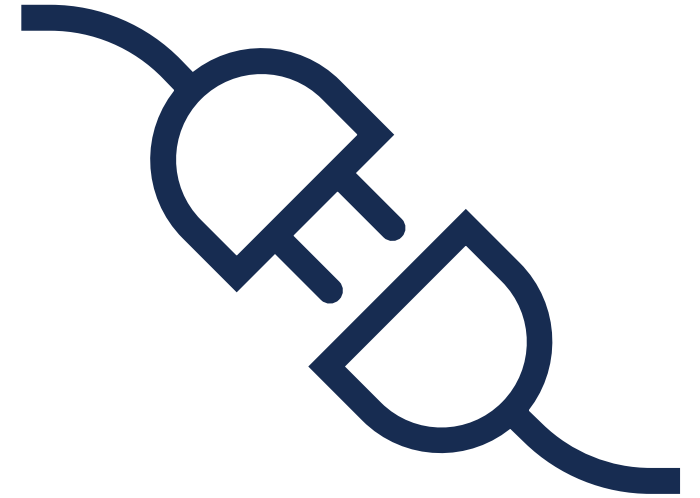




38% Faster Transactions



Every Station Does
All Transactions



99% Stable





SOK Oklahoma City Licensing and Exam

 Onsite

6015 N Classen Blvd Building 4, Oklahoma City, Oklahoma 73118

 **Open** • Closes 5:30 pm

[See details](#)

[Join waitlist](#)

Estimated wait: **17 min**

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.

Oklahomans Don't Know if Licensed Operators are Open

Google Business Hours

Sunday	CLOSED
Monday	9am to 5pm
Tuesday	9am to 5pm
Wednesday	9am to 5pm
Thursday	9am to 5pm
Friday	9am to 4pm
Saturday	CLOSED

Approved Hour Deviations

Sunday	CLOSED
Monday	8:30am to 5pm
Tuesday	8:30am to 5pm
Wednesday	8:30am to 5pm
Thursday	8:30am to 5pm
Friday	8:30am to 4pm
Saturday	CLOSED

Actual Hours

Sunday	CLOSED
Monday	8:30am to 5pm
Tuesday	8:30am to 5pm
Wednesday	8:30am to 5pm
Thursday	8:30am to 5pm
Friday	8:30am to 4pm
Saturday	CLOSED

License/ID Processing Times:
12:30pm to 2pm
Last Driver License
Appointment: 4pm

72%



How do working people renew their licenses if she says the only hours you can do it are after opening at 9, closed throughout lunch, and they shut it down an hour before the tag agency even closes?

Google and the business hours listed said back at 1:00 from lunch... only for a written sign to say back at 1:20.

My boyfriend went in today at 11:42am (they close at noon on Saturdays) and as he is opening the door, the man literally pulled back on the door to shut it, locked it, and did not say a word!!! ... I understand closing early if needed or however this office runs, but basic communication and respect would have avoided the issue.



Audit Type	Audit Scope
Annual Driver License Audit	Delivery and reporting of driver license transactions.
Annual Field Audit	Operational standards that have been approved by the Service Oklahoma Operator Board.
Transaction Audits	Periodic audit to verify that the transactions logged in the system match the amount of money remitted to the State.



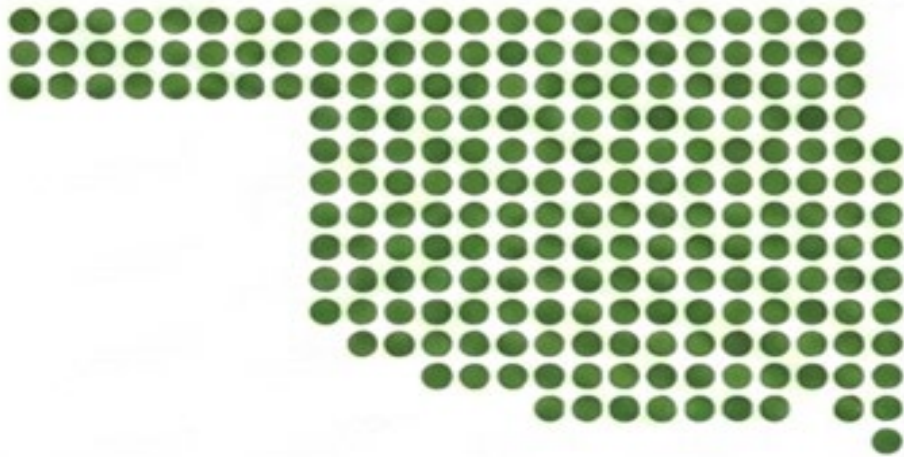
LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

Questions on Finding 1

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

Oklahoma

12,000 people per location



265

Louisiana

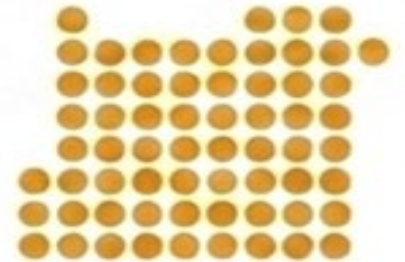
27,000 people per location



137

Oregon

60,000 people per location

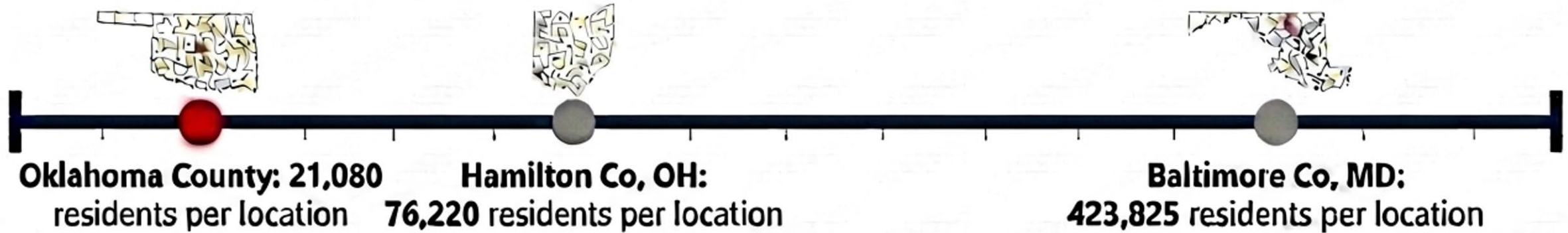


60

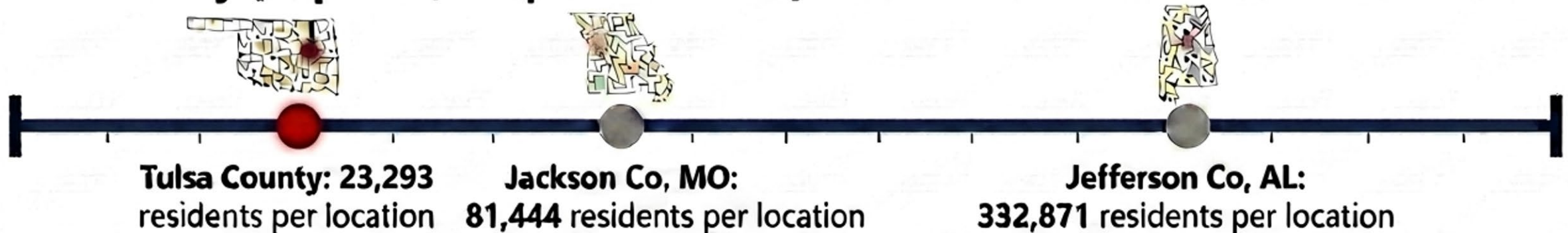
Metro Saturation: Comparing U.S. Counties

See pages 17-18
for more county-

Oklahoma County (Pop: 822,125 | 39 Locations)



Tulsa County (Pop: 698,782 | 30 Locations)



The abundance of credentialing locations is heavily concentrated in Oklahoma's major metros, resulting in significantly lower resident per location ratios than comparable U.S. Cities

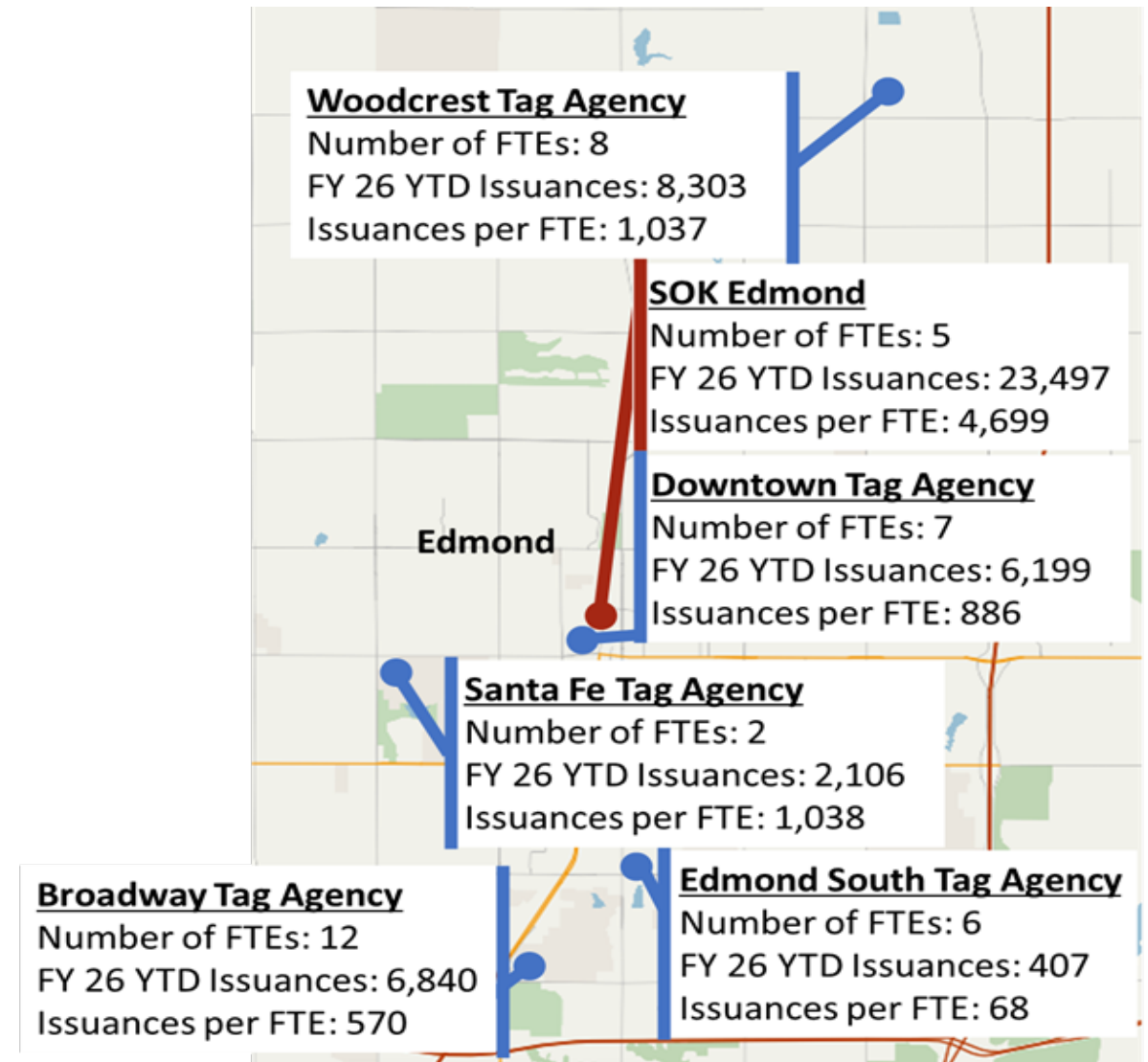
Workload Imbalance in Urban Markets

Edmond, Oklahoma

The SOK location performs 50% of the total credential volume for the entire city (23,497 out of 47,352 issuances)

SOK Edmond: 5 FTEs | 4,699 Issuances per FTE

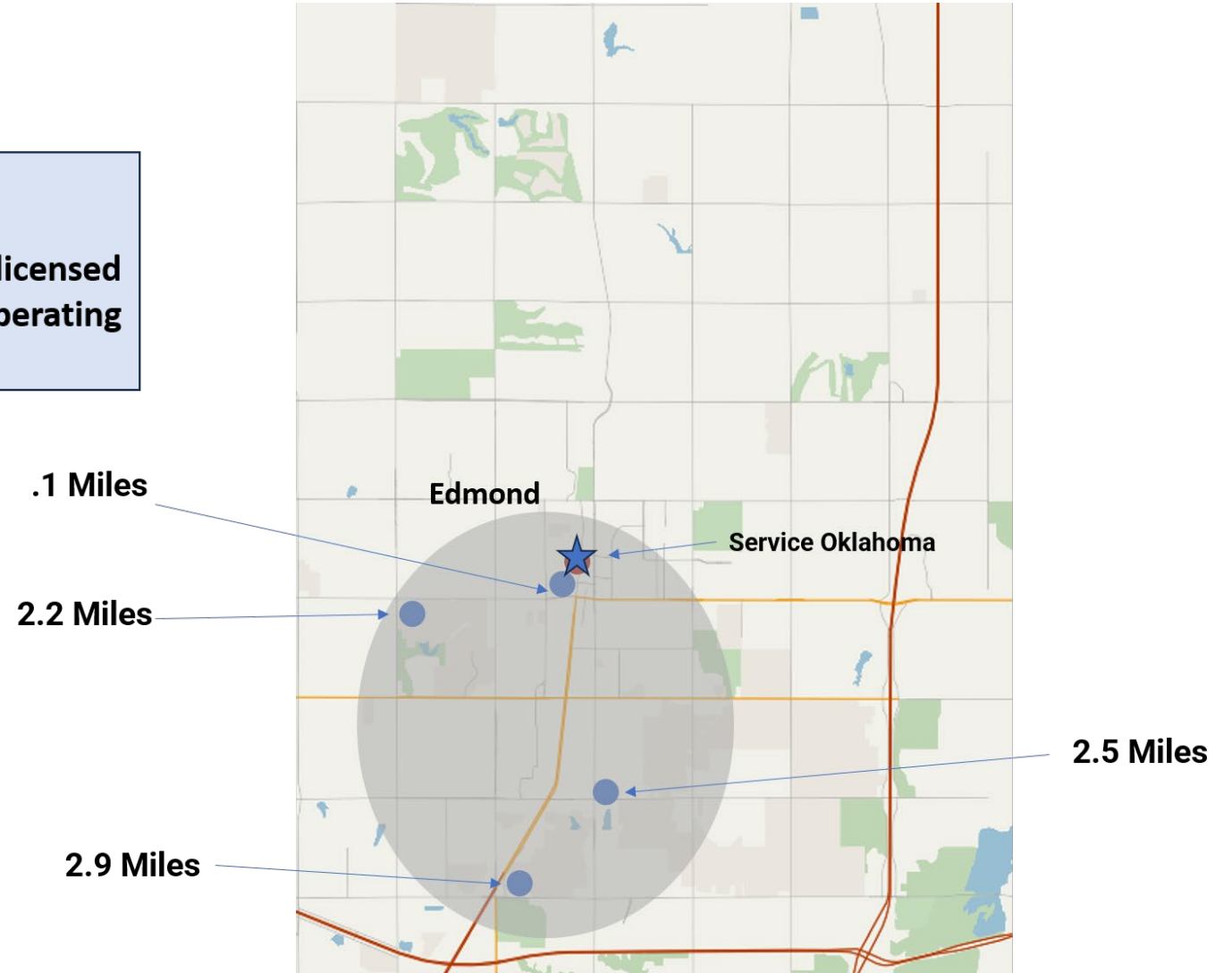
LO Average: Surrounding private operators manage between 68 and 1,038 issuances per FTE



Three Mile Rule

47 O.S. § 1140

...the location not be within a three-mile radius of an existing licensed operator unless the applicant is assuming the location of an operating licensed operator.



FY 26 Credentials Processed by Employee Count – Regional Hub and Rural Markets

Lawton



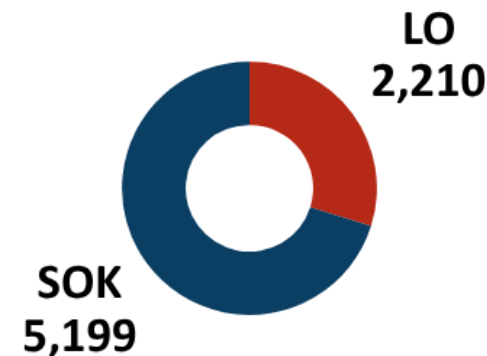
Enid



Chickasha



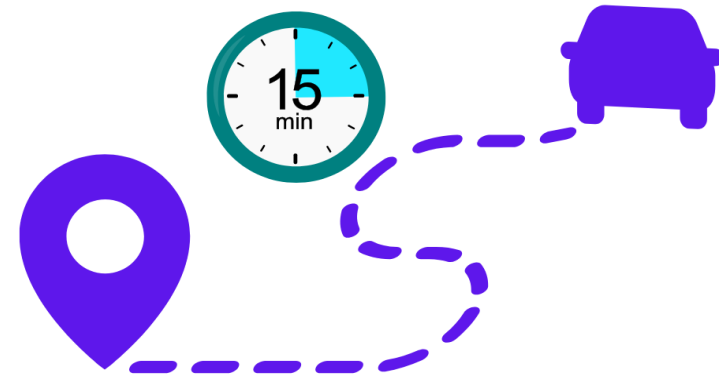
Clinton



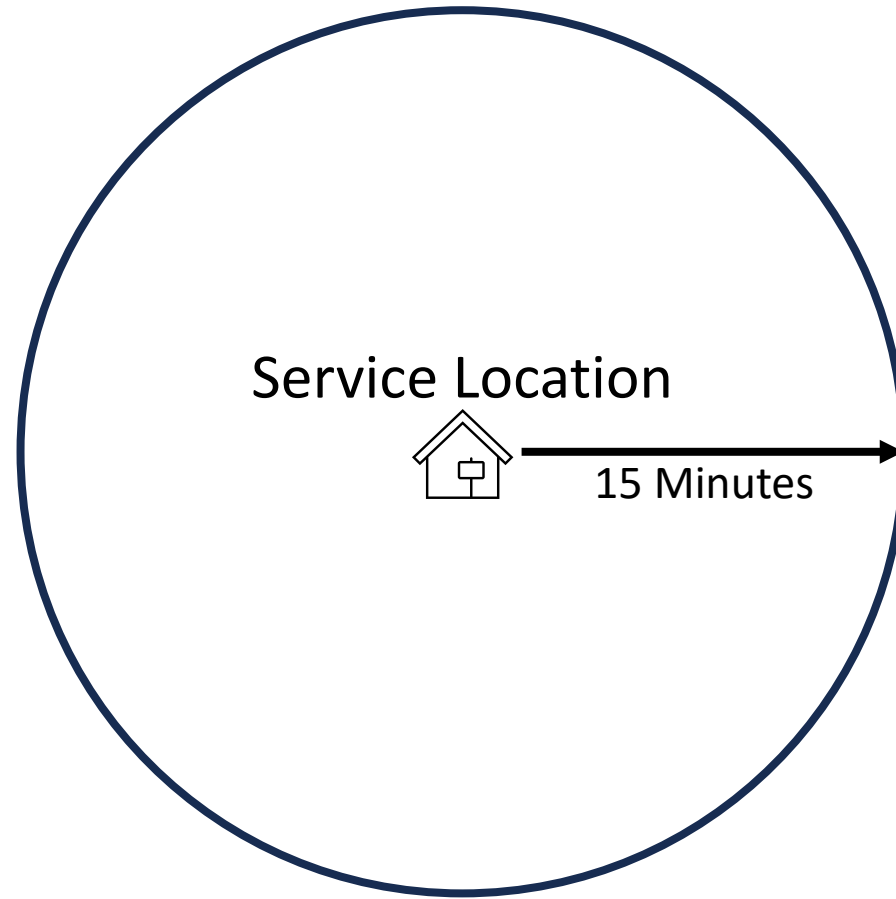
Right Sized Service Market

2024 Cost Model Analysis emphasized:

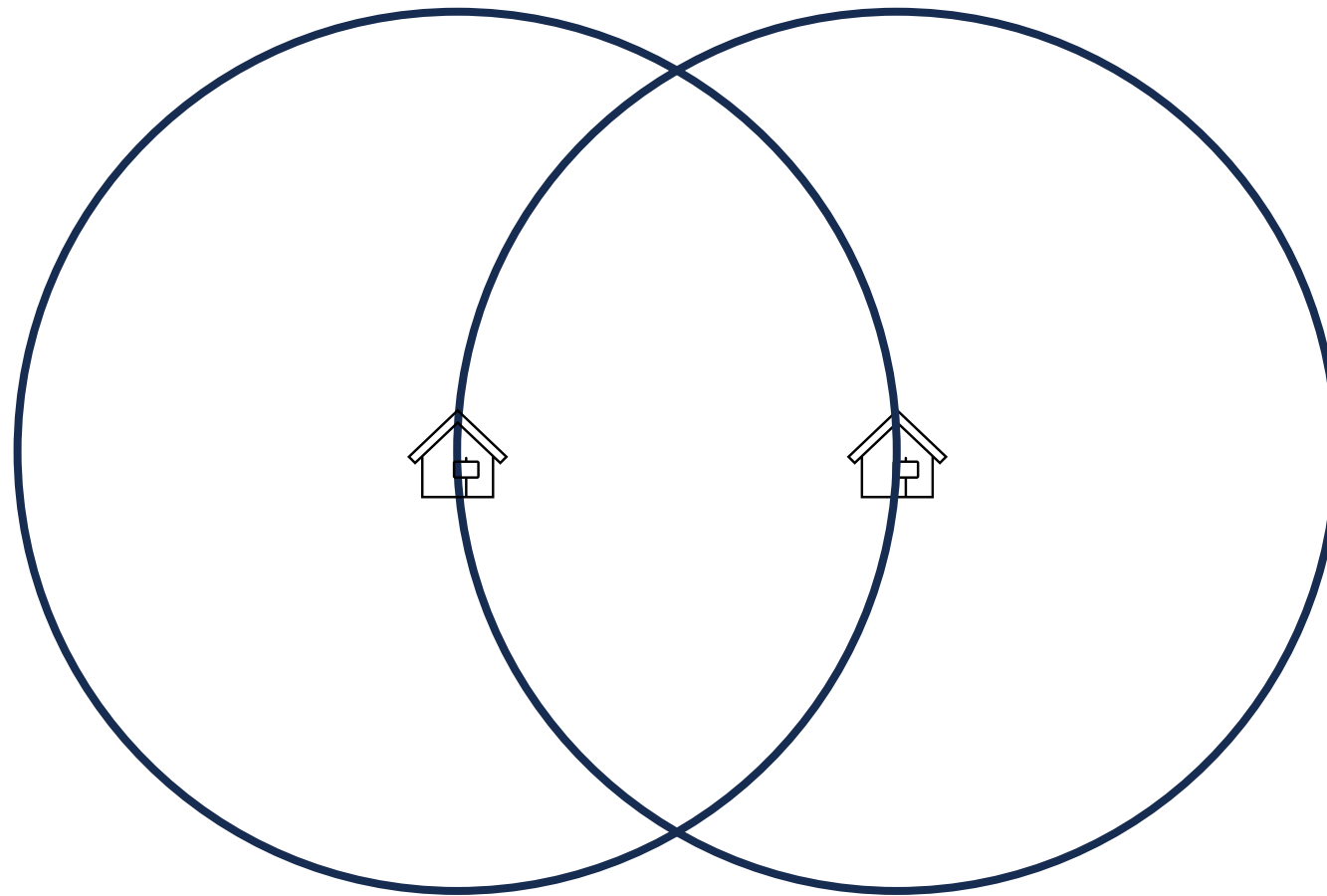
1. Distance between locations is a good measure to determine need for new locations.
2. Goal is 15 minutes of drive time for Oklahomans to receive credentialing services.



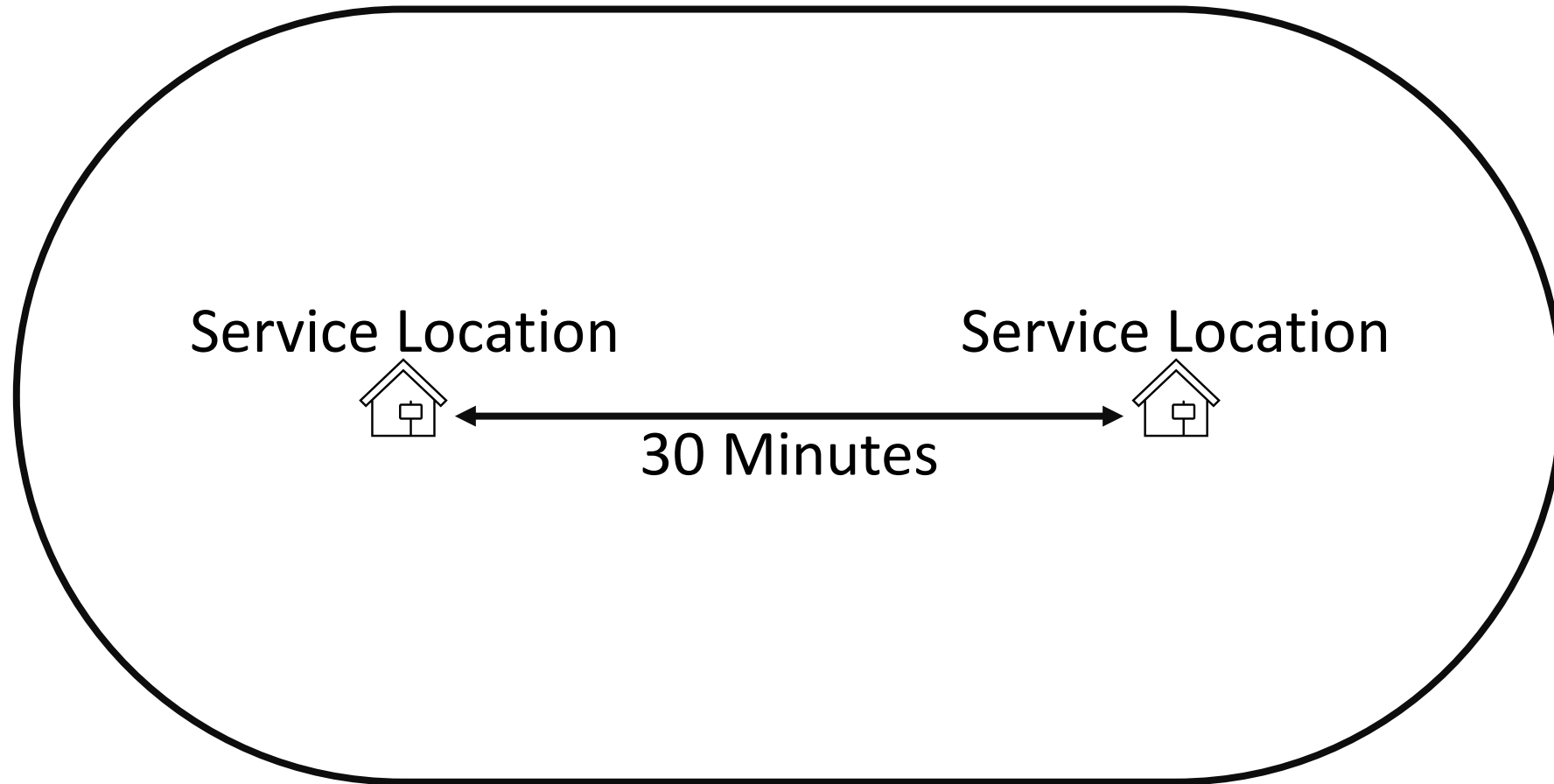
Problematic Logic



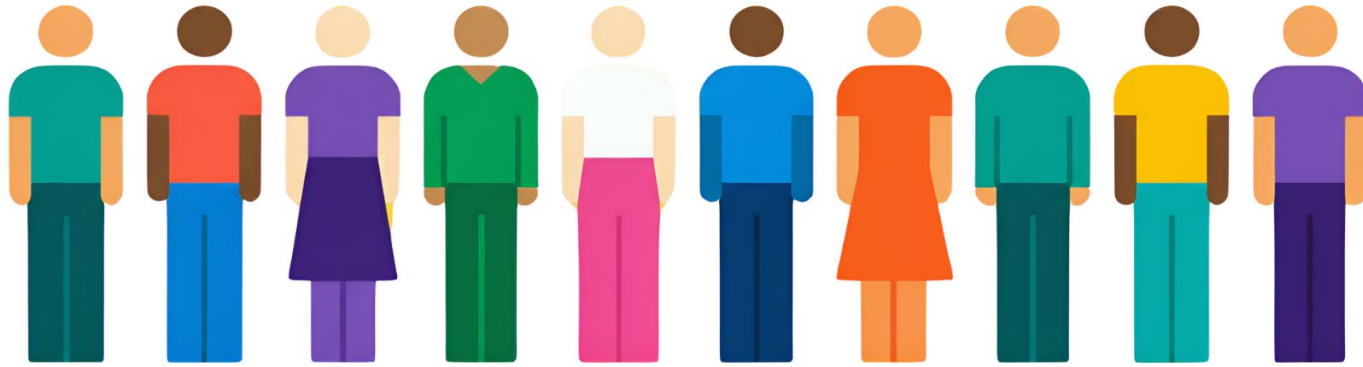
Problematic Logic



Problematic Logic



Possible Solutions to Oversaturation: One Location Per County



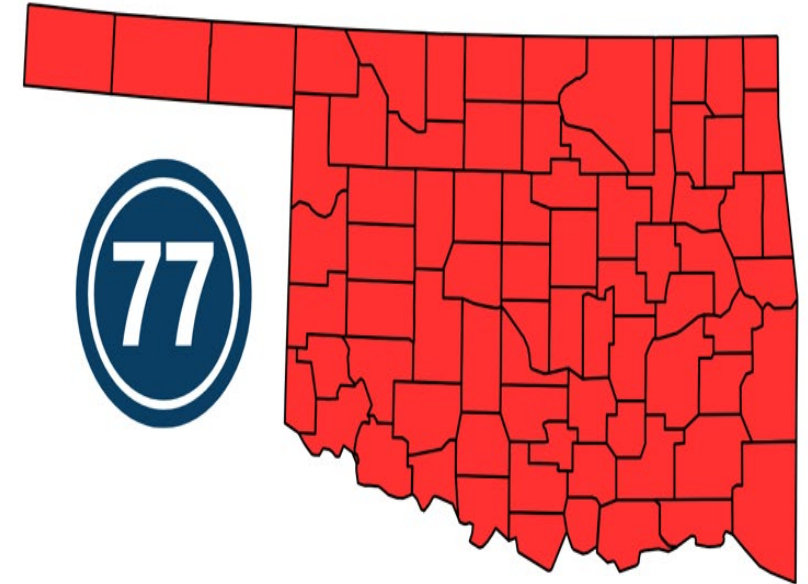
Measuring the need for new Licensed Operator locations through population would be a better measurement of need than a metric that measures one-way travel times

Possible Solutions to Oversaturation: One Location Per County

Statutory Solution

47 O.S. § 1140

9. There should be at least one Service Oklahoma location in each county.



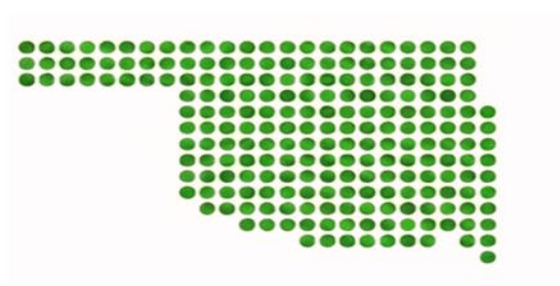
One per county

Possible Solutions to Oversaturation: One Location Per County

27,000 People



42,857 People

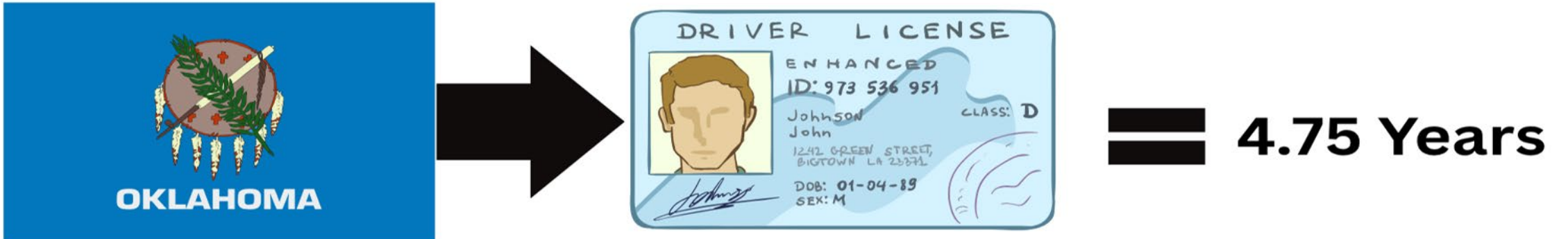


60,000 People

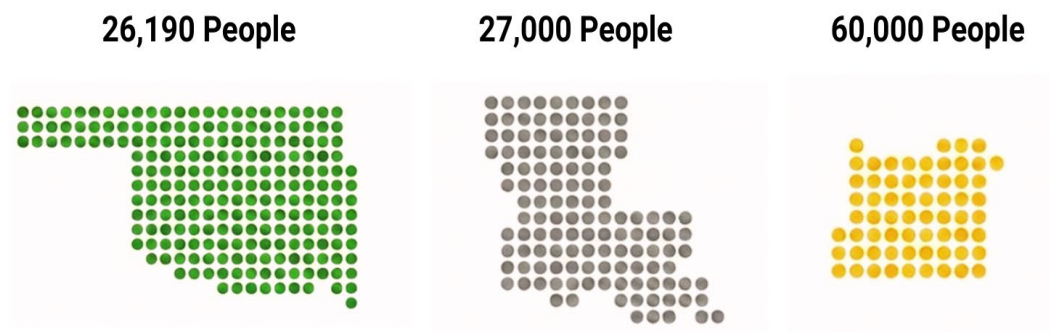


Each location would serve 42,857 Oklahomans

Possible Solutions to Oversaturation: 50,000 Residents Per Location



Possible Solutions to Oversaturation: 50,000 Residents Per Location

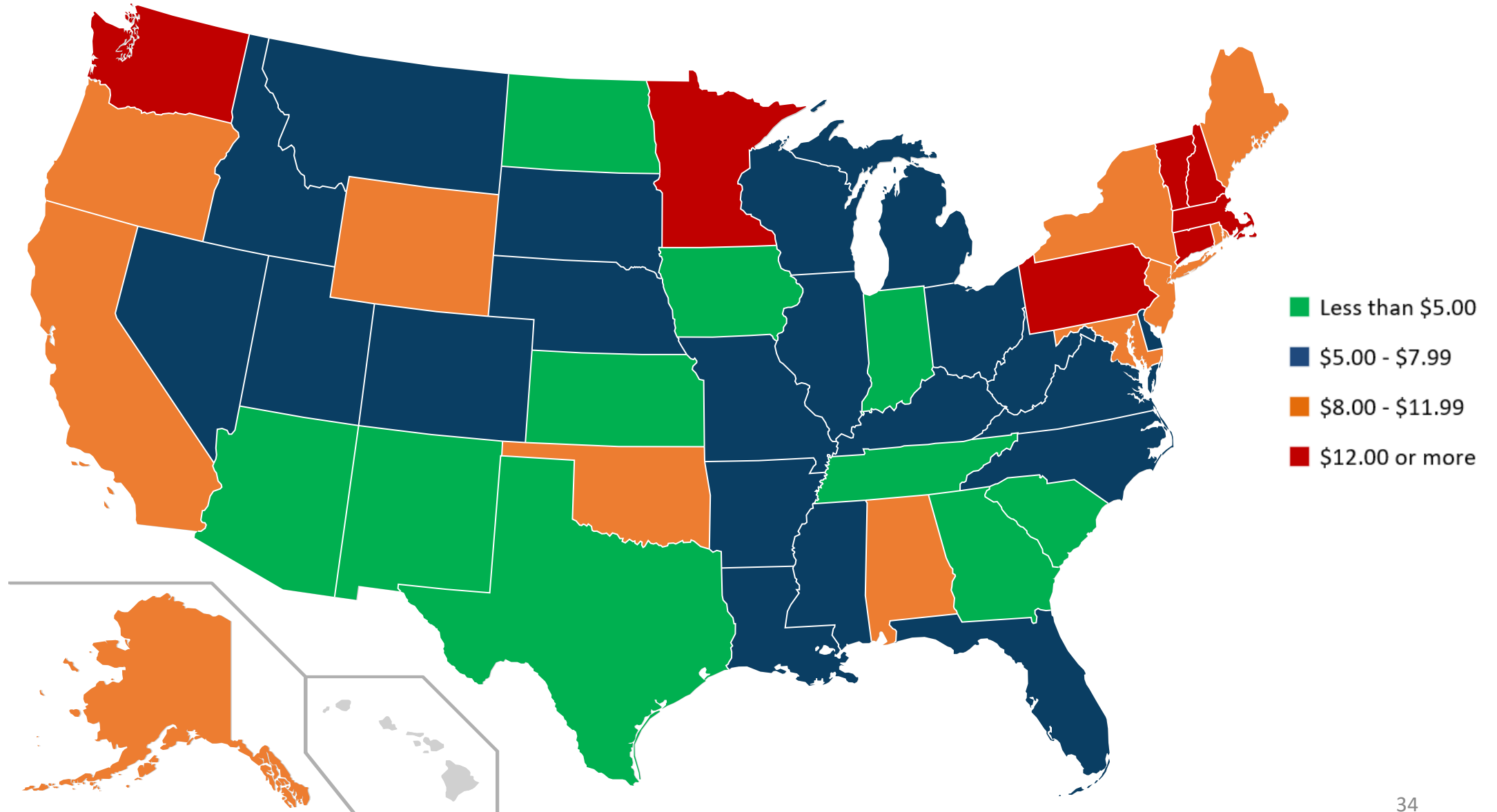




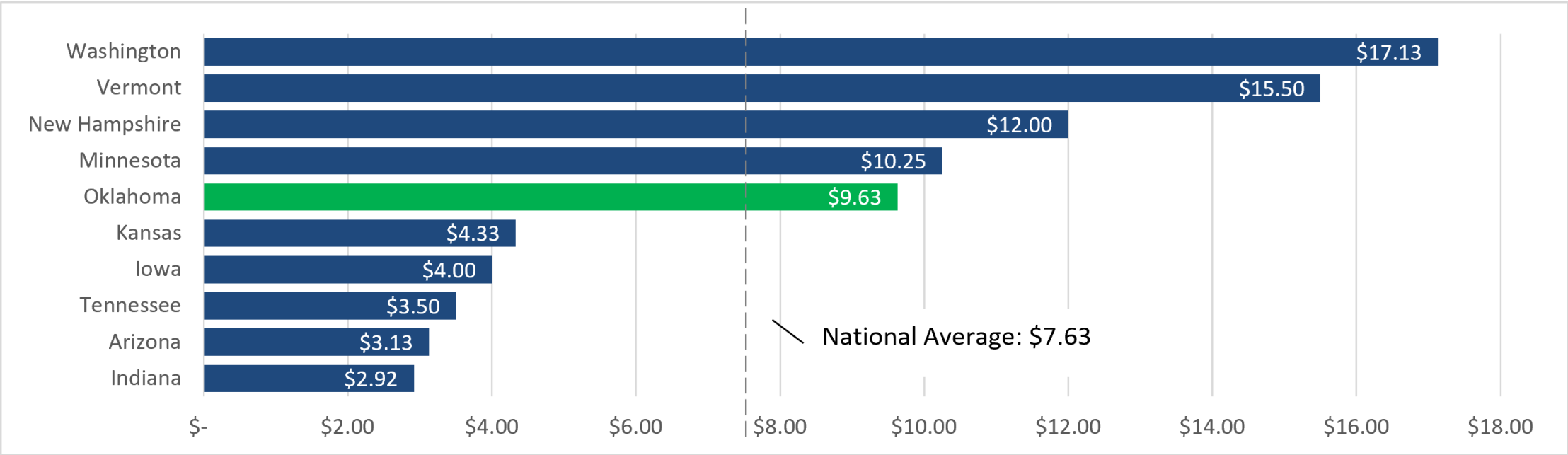
LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

Questions on Finding 2

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



Oklahoma's annualized REAL ID cost is two dollars above the national average



LOFT identified three factors contributing to higher state fees

- The use of a hybrid system that relies on private businesses retaining 40% of license fees.
- Not all Licensed Operators are profitable, and the state subsidizes some of these businesses.
- The amount of credential issuing locations prevents some locations from issuing credentials efficiently, and the Licensed Operator governance structure is not incentivized to correct this.

Licensed Operators generate revenue from issuing credentials through retaining credential fees

40%

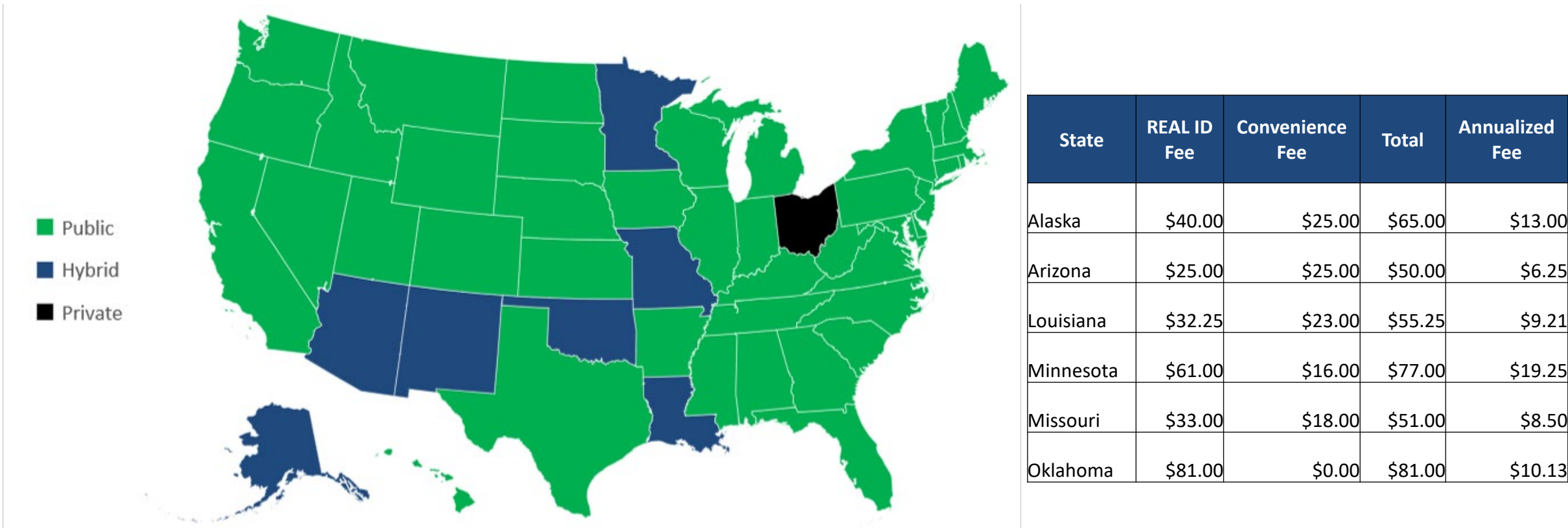
Licensed Operator retention



60%

State's share of fee

Oklahoma is one of eight states that allows private businesses to issue first-time credentials



The Licensed Operator Performance Fund was made to subsidize unprofitable, rural License Operators

Maximum Metric-Based
Payout per Licensed
Operator

=

\$

\$50,000 base per eligible
county

+



\$0.78 per county resident
(if >1 LO in county)

Number of LOs in county



Service Oklahoma budgeted about \$5.1 million to the Performance Fund in FY25

~\$3,600,000

Annually budgeted to fund \$50,000 for 72 counties

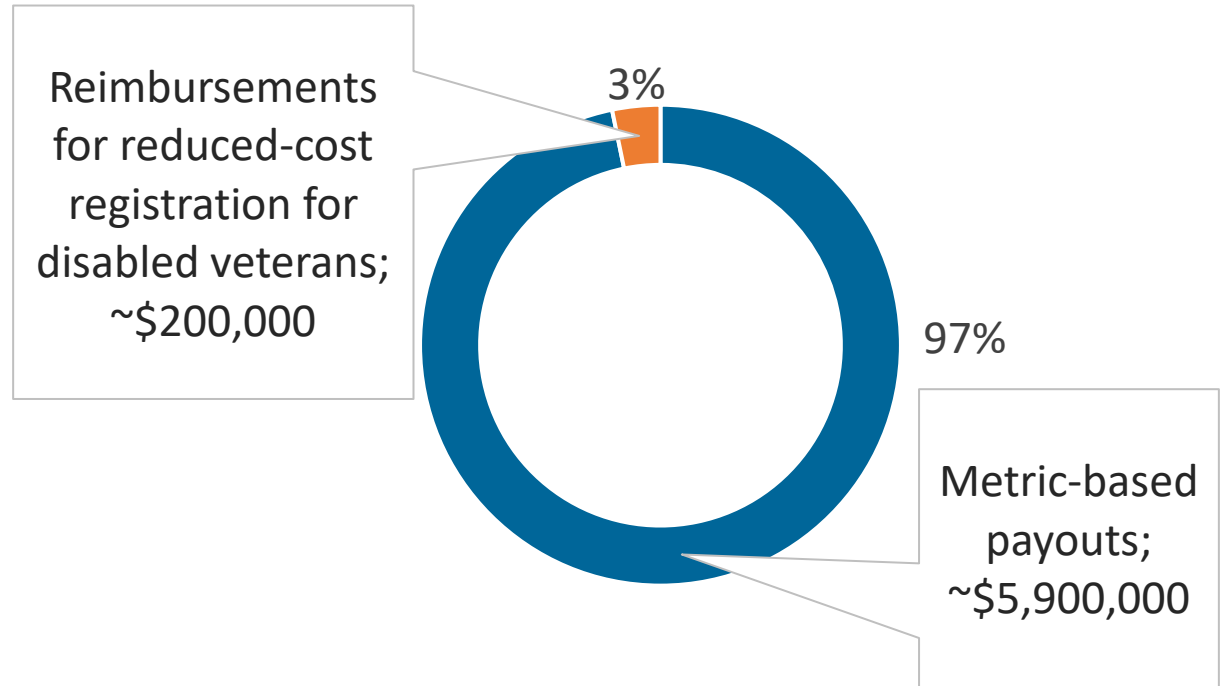
\$1,500,000

Budgeted \$0.78 per resident for eligible counties

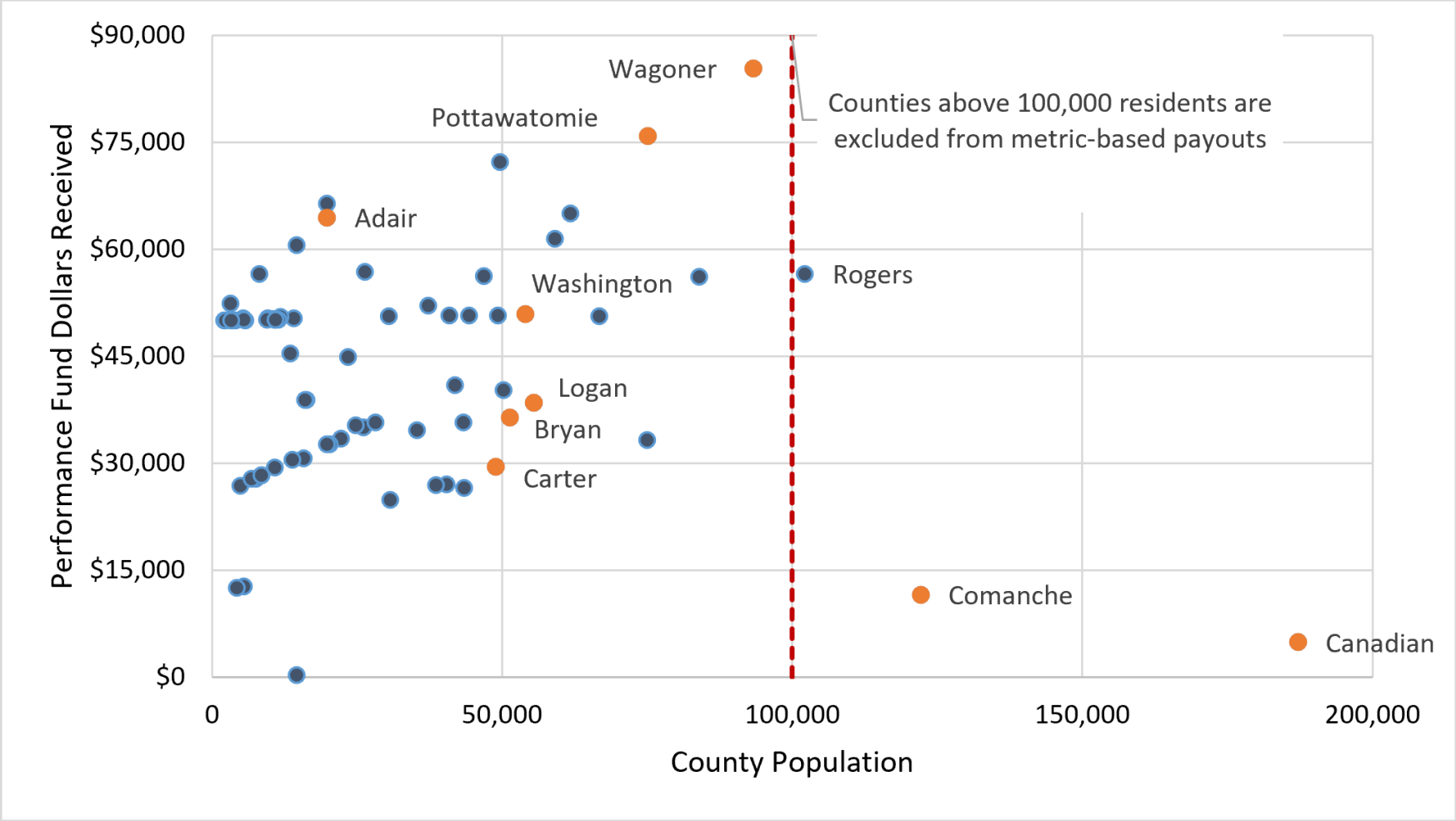
Performance Fund disbursements, FY24 – FY25

\$6.1M

Performance Fund payouts between
FY24-25.



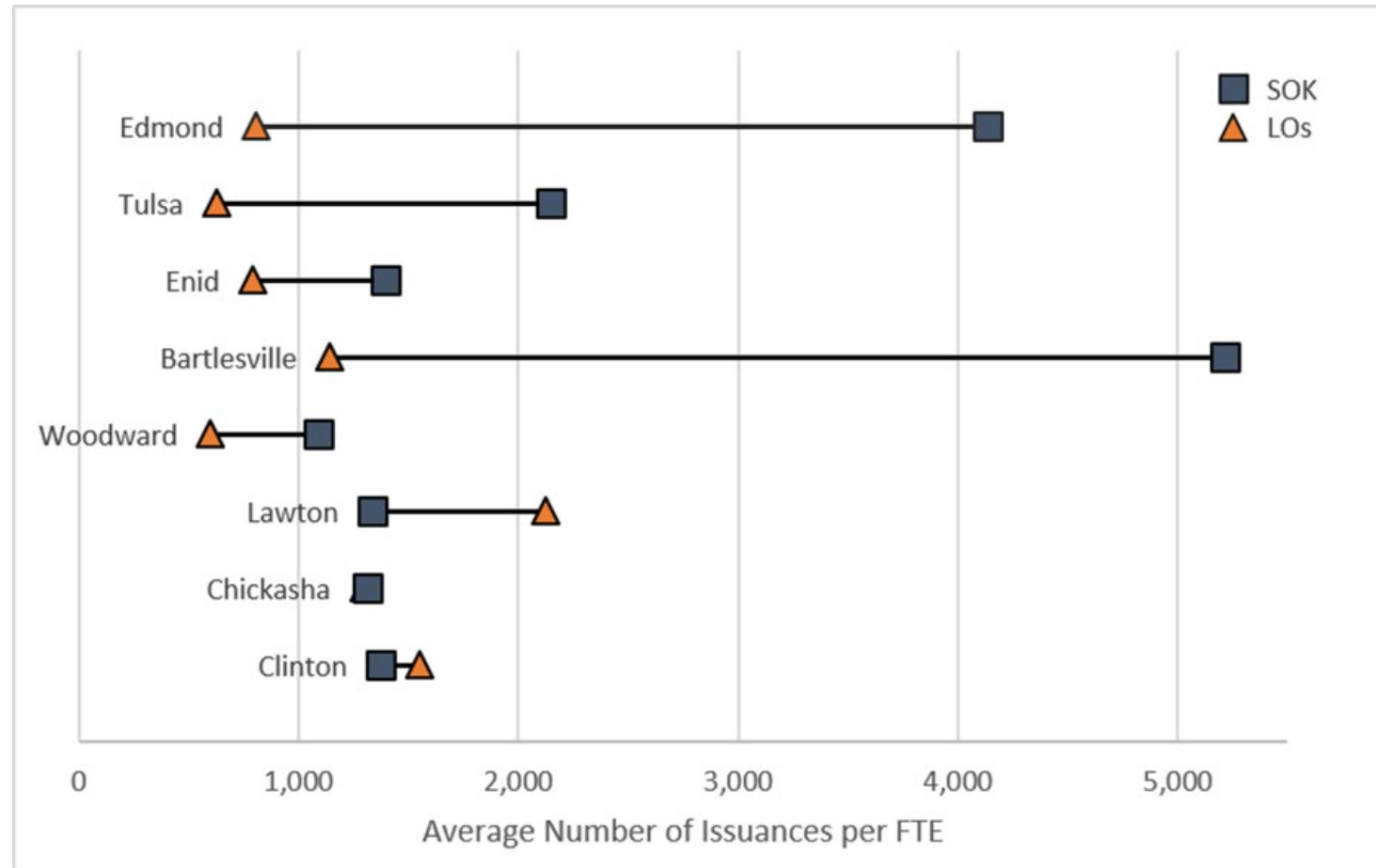
The counties that received the most Performance Fund dollars in FY25 were closer to the population limit



Service Oklahoma staff issues credentials more efficiently than Licensed Operator staff

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

Service Oklahoma staff issues credentials more efficiently than Licensed Operator staff



The Service Oklahoma Operator Board's structure presents conflicts of interest

Executive Appointments

Senate Appointments

House Appointments



- The Board acts as the oversight authority over all Licensed Operators.
- Functions include:
 - Establishing performance standards
 - Setting customer service metrics
 - Processes tied to the continuing or terminating Licensed Operator licenses

Policy Considerations

The Legislature may consider the following policy changes:

- Vest the director of Service Oklahoma with full operational and regulatory authority.
- Convert the role of the Service Oklahoma Operator Board to be advisory in nature to help alleviate any conflicts.
- 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.
- Direct the Service Oklahoma Operator Board to promulgate administrative rules to require Licensed Operators to provide annual financial statements, empowering the board to make decisions based on the reported financial position of Licensed Operators.

Agency Recommendations

Service Oklahoma should:

- Assess the ideal ratio of Licensed Operators to population.
- During unannounced Operational Audits, record the posted business hours and validate those hours with those reported to Service Oklahoma.
- Implement a customer feedback form on its website and include a summary of the feedback in its annual report.
- Require all Licensed Operators to utilize the online queue system used by Service Oklahoma, with wait times of all locations viewable on Service Oklahoma's website.
- Issue vehicle registrations at all Service Oklahoma locations.



LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

SERVICE OKLAHOMA DRIVER LICENSE SERVICES

Meeting of the Legislative Oversight Committee
September 17, 2026