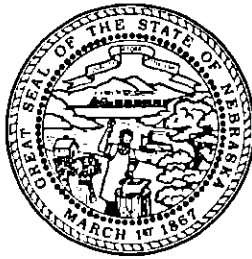


**NEBRASKA STATE RECORDS BOARD
MEETING: July 16, 1999**

Nebraska State Capitol
Room 1507
Lincoln, NE
July 16, 1999
1:00 P.M.

NEBRASKA STATE RECORDS BOARD
AGENDA
1507 STATE CAPITOL
July 16, 1999 - 1:00 P.M.

1. Call to Order, Roll Call
2. Notice of Hearing (Lincoln Journal Star, 7/12/99)
3. Approval of Minutes from June 24th meeting
4. Records Management Cash Fund Balance
5. Public Hearing--Department of Motor Vehicle Driver's Record Monitoring Services Fees
6. Public Hearing--Consideration of Agreement for Electronic Access to Secretary of State, Uniform Commercial Code Division data related to lien information by debtor location
7. Update--E-Commerce Conference
8. Grant Process for Services to Improve the State's Information Network
9. Miscellaneous Matters
10. Schedule Next Meeting
11. Adjournment



NEBRASKA STATE RECORDS BOARD

MINUTES

Meeting of June 24, 1999

The meeting was called to order by Chairman Scott Moore at 1:30 P.M. on June 24, 1999, in Room 1507 of the State Capitol, Lincoln, Nebraska.

The following Board members were present:

Scott Moore, Chairman;
John Dale;
David Heineman;
Lori McClurg;
Don Stenberg;
Kate Witck.

Present via videoconference were:

Jeff Funk;
Terri Harder;
Craig Schroeder.

Not present were:

Lauren Hill, representing the Governor;
Kathy Nathan;
Mark Sutko.

Chairman Moore noted that the legal notice of hearing was published in the June 18, 1999, Lincoln Journal Star.

The minutes of the meeting of May 5, 1999, were considered. Mr. Heineman moved that the minutes be approved as circulated; motion seconded by Ms. McClurg.

Voting For:	Dale	Funk	Harder	Heineman
	McClurg	Moore	Schroeder	Stenberg
	Witek			

Voting Against:	None
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Absent:	Hill	Nathan	Sutko
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The motion carried.

Greg Lemon, Deputy Secretary of State, reported that the mid-month cash balance of the State Records Board account in the Records Management Cash Fund was \$317,000. The fund is growing at the rate of \$10,000 to \$16,000 per month.

Chairman Moore opened discussion of the Subcommittee Report and Recommendation on Filing Fees for Electronic Access to the Driver's Records Monitoring Service. The subcommittee was made up of Scott Moore, David Heineman, and Lauren Hill.

Lauren Hill, representing the Governor, arrived at the meeting.

Philip Cascy, General Manager of Explore Information Services, testified that this proposal would significantly increase the cost of doing business for his company, and he answered questions from the Board.

After further discussion, Mr. Heineman moved that the subcommittee's proposal be adopted as presented; motion seconded by Ms. McClurg.

Voting For:	Dale Hill Stenberg	Funk McClurg Witek	Harder Moore	Heineman Schroeder
Voting Against:	None			
Absent:	Nathan	Sutko		

The motion carried.

Ed Wimes, Director of the Department of Motor Vehicles, indicated to the Board that these recommendations give clear guidance to the department to design contracts for providing driver records to interested parties.

Mr. Stenberg presiding.

Mr. Stenberg opened the public hearing on consideration of an Agreement for Electronic Filing Services with the Secretary of State, Uniform Commercial Code Division. Greg Lemon discussed this proposal and indicated that the fees were for electronic filing, not for access, but the same approval process was being followed. After discussion, Mr. Heineman moved the proposal be approved as presented; motion seconded by Ms. Hill.

Voting For:	Dale Hill Witek	Funk McClurg	Harder Schroeder	Heineman Stenberg
Voting Against:	None			
Not Voting:	Moore			
Absent:	Nathan	Sutko		

The motion carried.

Chairman Moore presiding.

Ms. McClurg opened discussion of the Department of Administrative Services Report on E-Commerce. Steve Schafer, Chief Information Officer for the State of Nebraska, discussed the concepts

of e-commerce and e-government, and the development of pilot projects involving e-government by the Department of Administrative Services. Sam Somerhalder, Nebraska@ Online Manager, suggested holding a one day conference for state agencies to present the concepts of e-commerce and e-government.

Ms. Witck departed from the meeting.

Mr. Schroeder presented a draft Proposal to Utilize the Nebraska State Records Cash Fund to Enhance the Delivery of State Agency Services via Nebraska@ Online, and discussed this proposal with the Board.

Ms. Harder departed from the videoconference meeting site.

After further discussion of the Schroeder proposal, Mr. Schroeder moved that the Board establish a subcommittee to develop a formal proposal, based on the draft proposal presented, for consideration by the Board at its next meeting; motion seconded by Mr. Dale.

Voting For:	Dale McClurg	Funk Moore	Heineman Schroeder	Hill Stenberg
Voting Against:	None			
Absent:	Harder	Nathan	Sutko	Witek

The motion carried.

Chairman Moore announced that the subcommittee to develop the Schroeder proposal into a formal proposal will consist of Mr. Moore, Mr. Schroeder, Mr. Heineman, Ms. McClurg, and Mr. Somerhalder. The same group will comprise the subcommittee to present a September conference on e-commerce and e-government and will be headed by Ms. McClurg and Mr. Moore will work with her to move forward with that proposal.

Sam Somerhalder announced that Rod Armstrong will be replacing him as the General Manager of Nebraska@ Online.

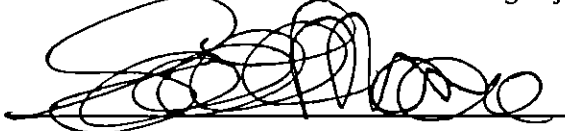
Chairman Moore announced that the next meeting of the Board will be at 1:00 P.M. on July 16, 1999.

Ms. McClurg moved that the meeting be adjourned; seconded by Mr. Heineman.

Voting For:	Dale McClurg	Funk Moore	Heineman Schroeder	Hill Stenberg
Voting Against:	None			
Absent:	Harder	Nathan	Sutko	Witek

The motion carried.

The Chairman declared the meeting adjourned at 4:50 P.M.



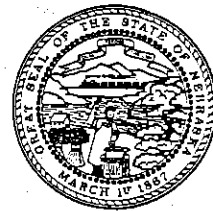
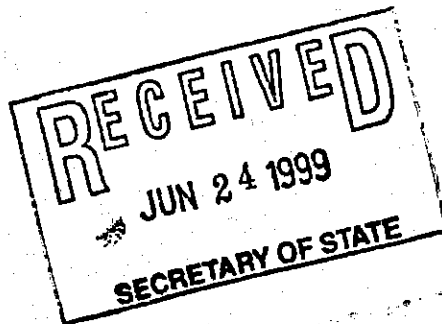
Scott Moore
Chairman
State Records Board

STATE OF NEBRASKA

DEPARTMENT OF MOTOR VEHICLES
Edward D. Wimes
Director

June 24, 1999

Scott Moore
Chairman
State Records Board
State Capitol, Suite 2300
HAND DELIVERED



Mike Johanns
Governor

RE: REQUEST FOR APPROVAL TO PROVIDE A NEBRASKA DRIVER RECORD MONITORING SERVICE THROUGH NEBRASK@ ONLINE

Dear Chairman Moore:

This letter is to request approval of the State Records Board to provide a driver record monitoring service, as provided for in Neb.Rev.Stat. 60-483(4), through Nebrask@ Online, and to establish a fee for such. This request is being made pursuant to Neb.Rev.Stat. 84-1205.02 that authorizes the Board to establish reasonable fees for electronic access and pursuant to Neb.Rev.Stat. 84-1205.03 that requires any state agency to provide electronic access to records for a fee to make a written request to the Board.

Currently, the Department of Motor Vehicles provides the driver record monitoring service, through Nebrask@ Online. It is our desire to have this service approved by the Board, with a set fee, and to allow Nebrask@ Online to market it to other interested parties.

In accordance with the requirements outlined in 'Guidelines for Submission of Requests for Fee Based Electronic Access', dated December 12, 1997, I am including the following information:


1. *A copy of the contract under consideration if the electronic access is to be provided through a contractual arrangement.* See Attachment A. Previously approved Interagency Agreement between the Department and the State Records Board, providing access to our electronic data files through Nebrask@ Online. See Attachment B for proposed Addendum Two for the monitoring service and the proposed fees.
2. *A description of the public records which are the subject of the contract or proposed electronic access fee.* The records at issue are records of motor vehicle operators as maintained on the Traffic Safety Information System database.
3. *The anticipated or actual timeline for implementation.* This process has been in place since August 1, 1997, on a contractual basis. We would like to see the responsibility moved to Nebrask@ Online by August 1, 1999, and a fee structure set.

4. *Any security provisions for the protection of confidential or sensitive records.* All necessary provisions are currently being met.
5. *The fee and distribution of the fee for electronic access.* The fees will be collected by Nebrask@ Online and remitted to the Department, as per our Interagency Agreement with the State Records Board. The Department will distribute the fees collected as provided for in Neb.Rev.Stat. 60-483(1) [copy attached -- Attachment C].
6. *Some explanation or justification of the need for electronic access.* The Department does not have the resources to effectively deal with this type of service. Nebrask@ Online, as demonstrated by the past fulfillment, has the resources and the programming to successfully and painlessly accomplish this process.
7. *How fees and splits contained in the proposal were determined.* The current statutory required fee of \$3 for a certified driver abstract was used as a baseline for developing the following two ways of purchasing the Driver's Record Monitoring Service: 1) A contract for a fee of \$3 per driver per year for one year of monthly updates of the individuals driving record. OR 2) Batch updates on an annual basis at a rate of \$3.00 per drivers record monitored, provided monthly and billable at a pro-rated monthly rate.
8. *Any pertinent statutory provisions including any statutes establishing a fee for the records in other forms.* See Attachment C [Neb.Rev.Stat. 60-483(1)].
9. *The cost of providing electronic access and how that cost is computed.* The costs are the same as those associated with driver license records that have a price of \$3.00 set in statute. This service is priced based upon the search fee for a DLR. The only additional costs associated with providing this service is that personnel have to run the jobs on a weekend because of the volume of the files being monitored.
10. *Projected volume of activity and revenue.* See Attachment D. Projections have been made based on the activity experienced under a previous contract.

We assume if the Board approves this request, that they will determine what legislative action is needed and will pursue such an objective.

Thank you for your consideration of this request. If you desire additional information, please contact Betty Johnson of my staff at 471-3888.

Sincerely,


Edward D. Wimes
Director

Attachments

INTERAGENCY AGREEMENT
between the
NEBRASKA DEPARTMENT OF MOTOR VEHICLES
and the
NEBRASKA STATE RECORDS BOARD

This Interagency Agreement is made by and between the Nebraska Department of Motor Vehicle (hereinafter "Nebraska Department of Motor Vehicle" or "DMV"), and the Nebraska State Records Board (hereinafter "Nebraska State Records Board" or "NSRB"), to provide access to the Nebraska Department of Motor Vehicle's electronic data files on Nebrask@ Online, an electronic data service operated by the Nebraska State Records Board for the State of Nebraska through a contractual arrangement with a private network manager.

WHEREAS, DMV maintains certain electronic data in computer databases, which data is available to the general public under certain circumstances; and

WHEREAS, DMV currently has data residing on the state mainframe computer and/or on its internal Local Area Network which is public and of interest to the public; and

WHEREAS, NSRB desires to have access to the DMV's data records at both locations, if data records are available at both locations, for the purpose of providing such access to Nebraska citizens and businesses who subscribe to Nebrask@ Online; and

WHEREAS, it is also contemplated by the parties that provision of electronic access through Nebrask@ Online will provide a material benefit to the DMV, to Nebraska citizens and businesses, will improve access to information and will decrease the need for DMV personnel to be involved in giving out this information by telephone or in person;

NOW THEREFORE, in consideration of the mutual conditions, covenants and promises contained in this Agreement, the parties agree as follows:

SECTION 1: Statement of Purpose.

The purpose of this Agreement is to define circumstances, responsibilities, and compensation relating to providing Nebrask@ Online with on-line computer access to certain data records at the DMV's discretion, maintained in electronic form by the DMV.

SECTION 2: Term of Agreement.

This Agreement shall be in full force and effect for a period of one year after the date it is fully signed. Thereafter, this Agreement shall continue for successive monthly periods upon the same terms, provisions and conditions as provided herein excepting that at either party's option, this Agreement may be terminated at any time after the original term of this Agreement, upon thirty (30) days advance written notice to the other party.

SECTION 3: Definition of Terms.

1. Data records- facts maintained in electronic form for communication or processing.
2. Nebrask@ Online subscribers- individuals or organizations who use Nebrask@ Online for computer assisted research.
3. Client department- a DMV section or unit serviced by DMV's internal computer section, and whose data files are available to external agencies.
4. Public Record Data- Data records which are considered public records under state or federal law.

SECTION 4: DMV Responsibilities.

1. Client departments will:
 - a. When requested, help in interpreting the meaning of data, provide input on display screen designs when consulted, and cooperate with Nebrask@ Online in placing data records onto Nebrask@ Online as permitted by DMV, but only if desired by Nebrask@ Online subscribers.
 - b. In the absence of a central DMV data or computer department or service, perform those duties and responsibilities outlined in subparagraph 2 of SECTION 4.
2. The central DMV data or computer department or service will:
 - a. When requested, help in interpreting the meaning of data, provide advice on display screen designs when consulted, and cooperate with Nebrask@ Online in placing data records onto Nebrask@ Online as permitted by the DMV, but only if desired by Nebrask@ Online subscribers.
 - b. Provide computer access to DMV data records as permitted by the DMV, subject to interruption of service pursuant to SECTION 10.
 - c. Provide acceptable response time within limitations of budget constraints.
 - d. Provide reasonable levels of problem determination support to help isolate problems when requested, and if the problem resides on the DMV's end of the system, provide reasonable fixes or repairs.
 - e. Have final control and responsibility for security authorization of Nebrask@ Online (in cooperation with any Client departments) in granting access to its data.

3. DMV will:

- a. Oversee the timely and effective performance of this Agreement from the DMV's perspective, and assist Nebrask@ Online in resolving constructively any problems thereunder and any new issues that arise in connection therewith.
- b. Provide reasonable levels of support to any central DMV data or computer department or service; and to any Client department, in placing DMV data records on-line with Nebrask@ Online, to the extent permitted by Nebraska Department of Motor Vehicle, but only if desired by subscribers to Nebrask@ Online.

SECTION 5: NSRB Responsibilities.

1. NSRB agrees:

- a. To recognize that authorized on-line access provides no right to possession or ownership of data records at any time.
- b. To take all reasonable precautions to protect against unauthorized access to DMV's data records.
- c. To provide reasonable programming, software, hardware, and supplies necessary to establish electronic access to DMV data records.
- d. To abide by Nebraska Department of Motor Vehicle's regulations which may now be in force or effect or which may in the future become effective.
- e. To recognize there is no express or implied ownership of DMV's equipment by the payment of any fee or charge to the DMV.
- f. To provide reasonable reporting that accurately reflects usage associated with access to DMV data records by Nebrask@ Online Subscribers.
- g. To keep such records as are required to document usage associated with providing access to DMV's electronic database and to provide DMV access to these records at reasonable times for auditing purposes if so requested by DMV.
- h. To cooperate with DMV and Client departments in placing data records onto Nebrask@ Online as permitted by DMV but only if desired by Nebrask@ Online subscribers, including securing proper access from the appropriate authority for, and providing necessary security to, each type of data records desired.

SECTION 6: Billing, Payment and Rates for Services.

NSRB shall cause the network manager to remit fees for DMV data records accessed through Nebrask@ Online as set forth in an addendum to this Agreement. Reimbursement to DMV for specific items of information in the DMV database shall be equal to statutory fees for such information where applicable. Payment shall be made to DMV by the last working day of the month following the month in which access was electronically requested by Nebrask@ Online Subscribers. A summary page detailing fee generating transactions per month and the amount of payment by Nebrask@ Online to DMV will accompany payment.

Rates for services shall be set by DMV, NSRB and the Nebrask@ Online Network Manager and may be adjusted from time to time to cover the entire cost of providing service to Nebrask@ Online. Rates set shall continue in effect until modified by mutual Agreement of DMV, NSRB and the Nebrask@ Online Network Manager.

SECTION 7: Illegal Provisions.

If any provision of this Agreement shall be declared to be illegal, void or unenforceable by a court of competent jurisdiction, the other provisions shall not be affected but shall remain in full force and effect.

SECTION 8: Termination.

At DMV's option, this Agreement may be terminated immediately upon the occurrence of any of the following:

1. NSRB's failure to indemnify DMV pursuant to SECTION 9 of this Agreement.
2. NSRB's non-payment in violation of SECTION 6 of this Agreement.
3. NSRB's allowance of unauthorized access prohibited by this Agreement.
4. NSRB's material breach of any term, provision or condition of this Agreement.
5. DMV's determination that resources devoted to providing access to Nebrask@ Online are required by DMV for its internal operation.

At either party's option, this Agreement may be terminated at any time after the original term of this Agreement upon thirty (30) days written notice to the other party.

SECTION 9: Indemnification and Hold Harmless Provisions.

NSRB hereby relieves, releases, indemnifies and holds harmless DMV, its officers, agents, employees, and departments, from liability for any and all damages resulting from incorrect or misinterpretation of data which occurs in transmission or as a result of any interface or coding performed by Nebrask@ Online (but not from any liability which would otherwise accrue against DMV by reason of inaccuracies or misinterpretations residing on DMV's own data records) and for any other liability asserted against DMV arising from Nebrask@ Online's operations.

SECTION 10: Interruption of Service.

DMV shall use its best efforts to provide adequate and uninterrupted service under the terms of this Agreement. However, DMV shall not be liable for interruption of service when the same shall be due to circumstances beyond the control of DMV, its agents, servants, or employees, including but not limited to unanticipated equipment malfunction or periodic maintenance or update of the computer system or systems upon which such data records reside.

SECTION 11: Assignment.

This Agreement may not be assigned by NSRB without the prior written consent of DMV and any such assignment of this Agreement without such permission shall be null and void.

SECTION 12: Notices.

All notices shall be in writing and shall be directed to the parties to this Agreement as shown below:

To NSRB: Mr. Samuel R. D. Somerhalder
 Network Manager
 Nebrask@ Online
 1221 "N" St., Suite 303
 Lincoln, NE 68508

To Nebraska Department of Motor Vehicle:

Mr. Alvin Abramson, Director
Nebraska Department of Motor Vehicle
301 Centennial Mall South
Lincoln, NE 68509

SECTION 13: Data Records To Be Accessed.

The data records to be accessed shall be set forth by separate addendum to this Agreement.

SECTION 14: Construction.

This Agreement shall be construed in accordance with the laws of the State of Nebraska.

SECTION 15: Paragraph Headings.

The paragraph headings are inserted in this Agreement for convenience only and shall not be used in interpreting this Agreement.

SECTION 16: Total Agreement.

This Agreement constitutes the complete and exclusive statement of the Agreement between the parties hereto. No amendment, waiver or alteration of this Agreement shall be effective unless signed by an authorized officer of each of the parties to this Agreement. Neither DMV nor NSRB shall be bound by any oral Agreement or representation.

IN WITNESS TO THEIR Agreement TO ALL THE ABOVE AND FOREGOING, the parties hereto have executed this Agreement the day and year below written.

"DMV"

Nebraska Department of Motor Vehicle

by Gloria W. W. W.
Authorized Officer

Date 1/27/98

"NSRB"

Nebraska State Records Board

by [Signature]
Authorized Officer

Date 1-29-98

**Addendum One
to the
Interagency Agreement Between
Nebraska Department of Motor Vehicles
and
Nebraska State Records Board**

This Addendum One to the Interagency Agreement between Nebraska Department of Motor Vehicles and the Nebraska State Records Board sets forth certain services provided by Nebrask@ Online (operated under the auspices and authority of the Nebraska State Records Board), the prices (P) to be charged for such Nebrask@ Online services, how the revenue from such Nebrask@ Online services is to be divided between Nebraska Department of Motor Vehicles (R/DMV) and Nebrask@ Online (R/NOL). All revenue received pursuant to this addenda shall be deposited by the Network manager in the State Records Board Cash Fund pursuant to the provisions of the contract between the Nebraska State Records Board and Nebrask@ Interactive, Inc and any addenda thereto and distributed back to NOL and the agency as provided below.

This Addendum One covers services described below. It is contemplated that additional future addenda will cover other services which are currently provided by the Nebraska Department of Motor Vehicles.

Data Records to be Accessed:

Type of Data	P	R/DMV	R/NOL
Drivers License Record Search (Interactive or batch, per record)	\$3.00	\$2.00	\$1.00
Title Registration and Lien Search:			
Interactive	\$1.00	\$0.40	\$0.60
Special Request			
Initial Set-up/programming	\$55-500	N/A	\$55-500
First Run	\$24.00	\$9.60	\$14.40
Successive Runs/no set-up	\$24.00	\$9.60	\$14.40
Minimum(up to 2000 records)			
Over 2000 records	\$12/1000	\$4.80/1000	\$7.20/1000

Subscription, Transaction and Connect Time Charges for Nebraska Department of Motor Vehicles:

The NSRB shall also require that the network manager for Nebrask@ Online provide not more than five user Ids for Nebraska Department of Motor Vehicles allowing direct access to Nebraska Department of Motor Vehicles data records as displayed on Nebrask@ Online for the purpose of assisting subscribers with inquiries requiring interpretation of records, laws, rules and regulations, or policies and procedures pertaining to the records.

Subscription Charges:

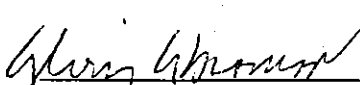
Nebrask@ Online shall waive the \$50.00 annual subscription fee for Nebraska Department of Motor Vehicles access.

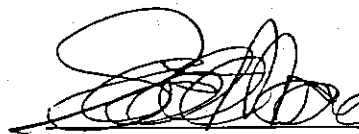
Transaction Charges:

Nebrask@ Online shall waive transaction fees for Nebraska Department of Motor Vehicles access to their services as they are needed. All other transaction charges apply.

Connect Time Charges:

Nebrask@ Online shall waive all connect time charges for Nebraska Department of Motor Vehicles.

 Date 1-17-98
Authorized Officer
Nebraska Department of Motor Vehicles

 Date 1-29-98
Authorized Officer
Nebraska State Records Board

**Addendum Two
to the
Interagency Agreement Between
Nebraska Department of Motor Vehicles
and
Nebraska State Records Board**

This Addendum Two to the Interagency Agreement between Nebraska Department of Motor Vehicles and the Nebraska State Records Board sets forth an additional service provided by Nebrask@ Online (operated under the auspices and authority of the Nebraska State Records Board), the prices (P) to be charged for such Nebrask@ Online service, how the revenue from such Nebrask@ Online service is to be divided between Nebraska Department of Motor Vehicles (R/DMV) and Nebrask@ Online (R/NOL). All revenue received pursuant to this addenda shall be deposited by the Network manager in the State Records Board Cash Fund pursuant to the provisions of the contract between the Nebraska State Records Board and Nebrask@ Interactive, Inc. and any addenda thereto and distributed back to NOL and the agency as provided below.

This Addendum Two covers the service described below.

Data Records to be Accessed:

Type of Data	P	R/DMV	R/NOL
Driver's Record Monitoring Service (per driver, per year for one year of monthly updates - payable upfront or pro-rated monthly)	\$3.00	\$2.00	\$1.00

Authorized Officer
Nebraska Department of Motor Vehicles

Date _____

Authorized Officer
Nebraska State Records Board

Date _____

§ 60-483. Operator's license; numbering; records; abstracts of operating records; fees; information to United States Selective Service System; when.

(1) The director shall assign a distinguishing number to each operator's license issued and shall keep a record of the same which shall be open to public inspection by any person requesting inspection of such record who qualifies under section 60-2906 or 60-2907. Any person requesting such driver record information shall furnish to the Department of Motor Vehicles (a) verification of identity and purpose that the requester is entitled under section 60-2906 or 60-2907 to disclosure of the personal information in the record, (b) the name of the person whose record is being requested, and (c) when the name alone is insufficient to identify the correct record, the department may request additional identifying information. The department shall, upon request of any requester, furnish a certified abstract of the operating record of any person and shall charge the requester a fee of three dollars per abstract. The department shall remit any revenue generated under this section to the State Treasurer, and the State Treasurer shall credit eight and one-third percent to the Department of Motor Vehicles Cash Fund, fifty-eight and one-third percent to the General Fund, and thirty-three and

one-third percent to the Records Management Cash Fund.

(2) The director shall, upon receiving a request and an agreement from the United States Selective Service System to comply with requirements of this section, furnish driver record information to the United States Selective Service System to include the name, post office address, date of birth, sex, and social security number of licensees. The United States Selective Service System shall pay all costs incurred by the department in providing the information but shall not be required to pay any other fee required by law for information. No driver record information shall be furnished to the United States Selective Service System regarding any female, nor regarding any male other than those between the ages of seventeen years and twenty-six years. The information shall only be used in the fulfillment of the required duties of the United States Selective Service System and shall not be furnished to any other person.

(3) The director shall keep a record of all applications for operators' licenses that are disapproved with a brief statement of the reason for disapproval of the application.

(4) The director may enter into an agreement with any person to provide the person information regarding adjudicated traffic citations or administrative actions from the records produced for or developed by the department for purposes related to maintenance of the driver record information data base. The agreement may determine the periodic basis, cost, and media on which the information will be provided.

Source: Laws 1929, c. 149, § 9, p. 516; C.S. 1929, § 60-409, Laws 1937, c. 141, § 19, p. 516; Laws 1941, c. 176, § 2, p. 688; C.S. Supp., 1941, § 60-409; R.S. 1943, § 60-412; Laws 1961, c. 315, § 9, p. 1005; Laws 1961, c. 316, § 9, p. 1014; Laws 1963, c. 360, § 1, p. 1154; Laws 1965, c. 384, § 1, p. 1238; Laws 1973, LB 319, § 1; Laws 1974, LB 974, § 1; Laws 1978, LB 502, § 1; Laws 1983, LB 326, § 1; Laws 1984, LB 694, § 2; Laws 1984, LB 711, § 1; Laws 1987, LB 300, § 2; Laws 1987, LB 767, § 1; R.S. 1943, (1988), § 60-412; Laws 1989, LB 285, § 33; Laws 1993, LB 491, § 10; Laws 1995, LB 467, § 9; Laws 1997, LB 590, § 2; Laws 1997, LB 635, § 19; Laws 1997, LB 720, § 17.

**Projected
Volume of Activity and Revenue**

Month	Year	# Records Monitored	Fees Collected
August	1999	194,362	\$ 48,590.50
September	1999	181,506	\$ 45,376.50
October	1999	185,408	\$ 46,352.00
November	1999	194,629	\$ 48,657.25
December	1999	195,404	\$ 48,851.00
January	2000	215,066	\$ 53,766.50
February	2000	194,435	\$ 48,608.75
March	2000	193,398	\$ 48,349.50
April	2000	194,042	\$ 48,510.50
May	2000	195,367	\$ 48,841.75
June	2000	194,362	\$ 48,590.50
July	2000	194,362	\$ 48,590.50
Yearly Total			\$ 583,085.25

SCOTT MOORE
SECRETARY OF STATE

SUITE 2300 CAPITOL BUILDING
LINCOLN NEBRASKA 68509-4608
PHONE (402) 471-2554
FAX (402) 471-3237
sosadmin@sos.state.ne.us

Bill



STATE OF NEBRASKA

TO: State Records Board Members
FROM: Scott Moore, Secretary of State
DATE: July 12, 1999
SUBJECT: Explore Information

Attached you will find a communication from Explore Corporations. As you will recall our hearing this upcoming Friday is on the request from Department of Motor Vehicles to set the rate for this service at what was recommended by our subcommittee of the State Records Board. I believe the Explore document speaks for itself and I wanted you to have it in advance of our meeting on Friday.

dk

Enclosure



July 8, 1999

Mr. Scott Moore
Secretary of State
State of Nebraska
State Capitol, Suite 2300
P.O. Box 94608
Lincoln, Nebraska 68509-4608

Dear Scott:

We appreciate the opportunity to supply information to the Nebraska Records Board to assist in your analysis of the driver record monitoring service. We believe it is important for the Board to consider how the data will be used, what other states are charging for similar data and the impact this service will have on existing state MVR revenue.

Data Usage

Explore will only utilize the data to assist insurance companies in reunderwriting their existing insureds. This usage is in compliance with the Federal Fair Credit Reporting and The Driver's Privacy Protection Acts. The Nebraska Records Boards recognizes the benefits associated with a motor vehicle violation monitoring service in the areas of public safety and possible lower insurance premiums for good drivers.

Other State Programs

We currently receive violation data in several different forms. The following actual data acquisition agreements are primarily with Midwestern States:

- (1) The majority of states, (14), provide Explore with a monthly listing of all violations. The following is a representative sample of the state's charges to Explore for the data:

- ◇ State #1---per record charge, totaling less than \$5,000 per month.
- ◇ State #2---fixed charge per month of \$10,000.
- ◇ State #3---fixed charge totaling less than \$5,000 per month.
- ◇ State #4---charge based on the following formula: # of drivers monitored x .29 x statutory MVR Fee / 12 x 1.015= monthly charge.

(2) Six states, including Nebraska, scan records of drivers supplied by Explore and return a complete MVR or specific violations occurring over the previous one or six month period (Length of period is specified by Explore.).

- ◇ State #1---monthly charge based on the following formula: # of drivers monitored x .2113 x statutory MVR fee = monthly charge.
- ◇ State #2---\$600 per 1 million licensed drivers searched, plus the statutory MVR fee for each driver searched with violation activity.
- ◇ State #3---\$500 per run, plus the statutory MVR fee for each driver searched having violation activity.
- ◇ State #4---statutory MVR fee for each driver searched with violation activity.
- ◇ State #5---\$.74 for each driver with violation activity over the previous one or six month period.
- ◇ State #6---Nebraska

In summary, Nebraska's current cost formula produces a cost significantly higher than all other states selling this information to Explore.

Impact on State Revenue

Explore's use of the data is to assist insurance companies in reunderwriting their existing insureds. The vast majority of MVR's are requested by insurance companies to qualify prospective insureds and by employers to screen applicants. Explore's service may impact a very small percentage of current MVR volume. The average insurance company reunderwrites their existing business approximately once every four years. The largest insurance company in the country, State Farm does not currently have an MVR reunderwriting program. Therefore, Explore's service does not compete directly with the bulk of MVR's ordered by DAC or ChoicePoint who provide MVR services to the Nation's largest insurers.

Conversely, there are a few smaller insurance companies, (i.e. Farmers Mutual of Nebraska) who frequently order MVR's for reunderwriting. However, these companies are in the minority. The industry average of MVR ordering for reunderwriting is once every four years. Currently, Explore's customers frequency of reunderwriting (prior to implementing EARS) averages once every three years. In summary, a violation monitoring service assisting insurance companies in reunderwriting their **existing business** will have little or no impact on Nebraska's MVR revenue.

Recommendation

The current Nebraska formula, which is sensitive to previous Insurance Company MVR ordering frequency, protects the States MVR revenue, includes the current statutory MVR fee and generates additional revenue for the State. However, the process is complex and difficult to verify insurance companies' previous MVR ordering practices.

A fixed fee approach based, on the MVR fee and the "standard" MVR reunderwriting practices would yield an annual fee of approximately \$.75 per year per driver searched. This fee assumes an average MVR reunderwriting practice is one MVR every four years. This amount does not reflect the new MVR generated by a monthly violation-monitoring program. Explore's Nebraska consumer research proves that 50% of Nebraska citizens would "shop" for new insurance if their insurance rates increased. One of the benefits of a violation monitoring service is that bad drivers would be penalized. Therefore, 50% of the penalized bad drivers will shop for new insurance, thus generating new MVR revenue for the State of Nebraska. Assuming a 15% conviction rate, a violation-monitoring service would generate \$.53 per year in new state MVR revenue per driver monitored.

A charge of \$.75 per year per driver monitored is easy to calculate, protects the current MVR revenue and will generate new MVR revenue for the State of Nebraska.

If the Board would prefer to keep the current formula approach, a viable option may be to require a statement from each insurance company customer as evidence to their pre-monitoring service MVR ordering frequency.

Explore recommends the \$.75 charge per driver monitored, because of its simplicity. In addition, the \$.75 charge protects the current MVR revenue and it can be easily argued that state revenues will increase. If the Board implements the proposed \$3.00 charge per year per driver monitored, the service will not be economically feasible for the insurance industry. Therefore, we will be forced to acquire the Nebraska data through other means.

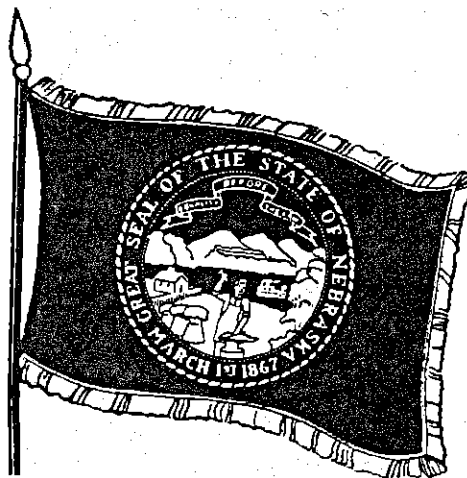
We appreciate this opportunity to provide this information for the Board's decision making process.

Sincerely,



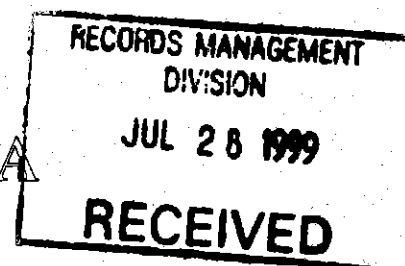
J. Philip Casey
General Manager

SCOTT MOORE
SECRETARY OF STATE



SUITE 2300 CAPITOL BUILDING
LINCOLN NEBRASKA 68509-4608
PHONE (402) 471-2554
FAX (402) 471-3237
sosadmin@sos.state.ne.us

STATE OF NEBRASKA



TO: State Records Board Members

FROM: Scott Moore, Secretary of State *SDM*

DATE: July 28, 1999

SUBJECT: Explore Information

For your information attached is a letter from Explore Information Services regarding the Boards decision at the last meeting.

dk

Enclosure



July 21, 1999

Mr. Scott Moore
Secretary of State
State of Nebraska
State Capital, Suite 2300
P.O. Box 94608
Lincoln, Nebraska 68509-4608

Dear Scott:

We have advised our Nebraska Motor Vehicle Violation Monitoring customers of the service fee price increase effective August 1, 1999. As I anticipated, our customers cannot justify the service at the new cost. Therefore, Explore will discontinue our subscription to the Nebraska Violation Monitoring Service effective July 31, 1999.

This is an unfortunate situation that we hope can be rectified at a future date. We understand and respect the Boards position to protect existing state MVR revenues. The \$3.00 pricing structure is excessive in that it represents a 300% to 400% increase in costs to our clients as compared to standard reunderwriting practices. The Records Board and the Insurance Industry recognizes the value of a violation monitoring service in that it helps penalize bad drivers sooner and therefore will help reduce the rates for good drivers.

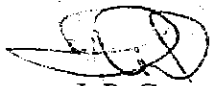
After Explore testified before the board there were several erroneous statements made that possibly impacted the Boards final decision. The following is my attempt to set the record straight:

- ◇ According to our information the current Nebraska MVR provides a 5 year history of moving violations / suspensions and lifetime information on DWI offences versus the monitoring service which would provide 1 year of violation activity. Someone made mention in the Records Board meeting that the MVR may only display 1 year of violation activity. This would only be the case if the individual held an operating license for one year—which represents a very small group of operators.

- ◇ It was stated that a bordering state's violation program with Explore resulted in a charge higher than the Nebraska fees. The statement in my July 8, 1999 letter is correct, "Nebraska's current formula produces a cost significantly higher than all other states selling this information to Explore." Specific mention was made that the Kansas fee for this service was higher than Nebraska's charges. The current Kansas fee is formula based and is approximately 20% less than the current Nebraska fee and will be significantly less than the fee effective August 1st.

We have enjoyed our relationship with the State of Nebraska and are hopeful that we will work together again in the near future. We would be pleased to provide whatever information is necessary to help in the Board's review of this situation. Thank you.

Sincerely,



J. P. Casey
General Manager



SCOTT MOORE
SECRETARY OF STATE



SUITE 2300 CAPITOL BUILDING
LINCOLN NEBRASKA 68509-4608
PHONE (402) 471-2554
FAX (402) 471-3237
sosadmin@sos.state.ne.us

STATE OF NEBRASKA

TO: State Records Board Members

FROM: Scott Moore, Secretary of State *S.D.M.*

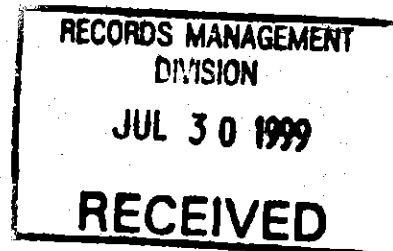
DATE: July 30, 1999

SUBJECT: Explore Information

For your information attached are further letters received regarding the Explore Information Services contract.

dk

Enclosure





NORTH STAR COMPANIES

NORTH STAR MUTUAL INSURANCE COMPANY
NORTH STAR GENERAL INSURANCE COMPANY
BOX 48 COTTONWOOD, MINNESOTA 56229-0048
507-423-6262 FAX 507-423-6323

July 26, 1999

MR SCOTT MOORE
SECRETARY OF STATE
STATE OF NEBRASKA
PO BOX 94608
LINCOLN NE 68509-4608

Dear Mr. Moore:

Recently I was informed of the Nebraska Records Board's decision to increase the cost of moving violation data to Explore Information Services. As insurance underwriters and a customer of Explore's EARS service in the State of Nebraska, I feel compelled to express my disappointment that EARS will no longer be an affordable tool for monitoring unsafe drivers.

Beginning August 1, 1999, North Star Insurance Companies will no longer utilize the EARS service and will begin a reunderwriting policy of reviewing MVRs using our company's renewal MVR ordering criteria which is considerably less frequent than using the current Explore EARS program.

This is an unfortunate turn of events for the insurance community and for the citizens of Nebraska. It is our belief that Explore's EARS service is a valuable tool in the fight to improve public safety and reduce insurance premiums for good drivers. By setting data costs at a level equivalent to a state MVR, Nebraska has eliminated the EARS service as a cost effective method of tracking unlawful driver activity. Indeed, why would an insurance company choose to utilize EARS when for all practical purposes an MVR is less expensive and contains more information. In the long run, this price change is a disadvantage to the good drivers in Nebraska.

It is my hope that the Nebraska Records Board will reconsider its decision and allow Explore access to these public records at a price that is not cost prohibitive.

Sincerely,


D. R. Dorsett, CPCU

Vice President of Underwriting

DRD:rs



CGU | Hawkeye-Security WEST DES MOINES
4200 University Avenue
West Des Moines, IA 50266
Mailing Address: P.O. Box 1848
Des Moines, IA 50306-1848

Tel: (800) 747-7833
Fax:
Claims: (515) 222-4251
C/L Und: (800) 539-4203
P/L Und: (800) 834-0279

July 26, 1999

Mr. Scott Moore
Secretary of State
State of Nebraska
State Capitol, Suite 2300
P.O. Box 94608
Lincoln NE 68509-4608

Dear Mr. Moore:

Recently, I was informed of the Nebraska Records Board's decision to increase the cost of moving violation data to Explore Information Services. As an insurance underwriter and a customer of Explore's EARS service in the State of Nebraska, I feel compelled to express my disappointment that EARS will no longer be an affordable tool for monitoring unsafe drivers.

Beginning August 1, 1999, CGU Hawkeye-Security will no longer utilize the EARS service and will begin a re-underwriting policy of reviewing MVR's only when we feel necessary.

This is an unfortunate turn of events for the insurance community and for the citizens of Nebraska. It is our belief that Explore's EARS service is a valuable tool in the fight to improve public safety and reduce insurance premiums for good drivers. By setting data costs at a level equivalent to a state MVR, Nebraska has eliminated the EARS service as a cost-effective method of tracking unlawful driver activity. Indeed, why would an insurance company choose to utilize EARS when for all practical purposes an MVR is less expensive and contains more information.

It is my hope that the Nebraska Records Board will reconsider their decision and allow Explore access to these public records at a price that is not cost prohibitive.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gary Arneson", written over the typed name.

Gary Arneson
Vice President - Personal Lines Underwriting

GA/jh



EMC Insurance Companies

John R. Smith, CPCU, CIC
Resident Vice President — Omaha Branch

P.O. Box 2070 • Omaha, NE 68103-2070
Tel. (402) 493-6990 • WATS (800) 338-9735
FAX (402) 493-1915 • Claim's FAX (402) 963-9662

July 27, 1999

Mr. Scott Moore
Secretary of State
State of Nebraska
State Capitol, Suite 2300
PO Box 94608
Lincoln, NE 68509-4608

Dear Mr. Moore:

Recently, I was informed of the Nebraska Records Board's decision to increase the cost of moving violation data to Explore Information Services. As an insurance underwriter and a customer of Explore's EARS service in the State of Nebraska, I feel compelled to express my disappointment that EARS will no longer be an affordable tool for monitoring unsafe drivers.

Beginning August 1, 1999, EMC Insurance Companies will no longer utilize the EARS service and will begin a reunderwriting policy of reviewing MVR's every one to three years.

This is an unfortunate turn of events for the insurance community and for the citizens of Nebraska. It is our belief that Explore's EARS service is a valuable tool in the fight to improve public safety and reduce insurance premiums for good drivers. By setting data costs at a level equivalent to a state MVR, Nebraska has eliminated the EARS service as a cost effective method of tracking unlawful driver activity. Indeed, why would an insurance company choose to utilize EARS when for all practical purposes an MVR is less expensive and contains more information?

It is my hope that the Nebraska Records Board will reconsider their decision and allow Explore access to these public records at a price that is not cost prohibitive.

Sincerely,

EMC INSURANCE COMPANIES

John R. Smith, CPCU CIC
Resident Vice President



Motor Club Insurance Association

910 North 96th Street
P.O. Box 3985
Omaha, NE 68103-0985
(402) 390-1000
Fax: (402) 390-9861

July 29, 1999

Mr. Scott Moore
Secretary of State
State of Nebraska
State Capitol
PO Box 94608
Lincoln, NE 68509-4608

Dear Mr. Moore:

I have recently been informed of the Nebraska Records Board's decision to increase the cost of moving violation data to Explore Information Services. As the Underwriting Manager and a customer of Explore's EARS service in the State of Nebraska, I am extremely disappointed that EARS will no longer be an affordable tool for monitoring unsafe drivers.

Beginning August 1, 1999, Motor Club Insurance Association will no longer utilize the EARS service and will begin a reunderwriting policy of reviewing MVR's annually rather than each month.

This is an unfortunate turn of events to the insurance community and to the citizens of Nebraska. It is our belief that Explore's EARS service is a valuable tool in the fight to improve public safety and reduce insurance premiums for good drivers. By setting data costs at a level equivalent to a state MVR, Nebraska has eliminated the EARS service as a cost-effective method of tracking unlawful driver activity. An MVR now becomes less expensive than the EARS service and contains more information. The mandated EARS service price increase has caused us to reprogram our computer system and we are temporarily losing the benefit of automation. Resulting increases in these expenses will eventually cause insurance premiums to increase.

We sincerely hope that the Nebraska Records Board will reconsider their decision and allow Explore access to these public records at a price that is not cost prohibitive.

Sincerely,

A handwritten signature in cursive script that reads 'Doug Christ'.

Doug Christ, CPCU
Underwriting Manager
Motor Club Insurance Association

**REQUEST FOR APPROVAL TO ESTABLISH
ELECTRONIC ACCESS FEES
FOR SECRETARY OF STATE UNIFORM
COMMERCIAL CODE RECORDS
ACCESSED BY LOCATION**

Pursuant to Neb. Rev. Stat. §84-1205.03 and the *Nebraska State Records Board Guidelines for Submission of Requests for Fee Based Electronic Access*, the following information is submitted regarding the Secretary of State's request to the Board for fee based electronic filing for Uniform Commercial Code filings.

1. A copy of the contract under consideration.

A copy of the proposed contract and addendum is enclosed.

2. A description of the Public Records which are the subject of the proposed electronic access fee and the proposed fees and splits (combines #2 & 5 of State Records Board Guidelines).

This request is for Board approval for a contract between the State records Board and the Secretary of State's Office for electronic access with the Uniform Commercial Code Division. The public records filed would be Uniform Commercial Code, Effective Finance Statements, Statutory lien and tax lien original filings, and amendments, continuations, and terminations of those filings.

The liens and notices of liens referred to above are placed on the state's central lien index system to establish lien priority and provide lenders and potential lenders with information regarding existing liens and priority of those liens against the collateral listed therein.

Fee: \$15.00 per thousand records returned (split on all fees: 50% Secretary of State, 50% Nebrask@ Interactive).

3. The anticipated timeline for implementation

This service will be made available immediately upon approval of the contract.

4. Security Provisions

All information to be accessed electronically is public record so there are no specific security or sensitivity concerns. Filers will have to establish accounts with Nebraska Interactive and the Secretary of State and a complete audit record of electronic records access.

5. The fee and distribution of the fee for electronic access.

See #2 above.

6. Explanation/Justification of the need for Electronic Access

In 1998 the legislature passed LB1321 which centralized the filing of UCC liens in the Secretary of State's Office effective July 1, 1999 (formerly some liens were filed with the Secretary of State and some with the county clerks). Certain businesses, notably credit bureaus or credit reporting agencies, want information on new liens filed in a particular region or county.

Prior to the passage of LB1321, the credit bureaus went to the county clerk to access this information for a particular county. Because the filings are no longer done at the county clerks office this service is needed to continue to provide the information these entities need to conduct their business.

7. How fees and splits were determined

Proposed fees and splits are modeled after current fees approved by the Records Board for corporate batch searches.

Splits were determined by allocating money according to the resources required of Nebrask@ Interactive to make the electronic information available and the work required by the Secretary of State to store, maintain and integrate data electronically accessed.

8. Any pertinent statutory provisions

This fee is not established in statute, if approved the Secretary of State will request legislation be introduced to establish this statute in law within eighteen months as required by the Records Management Act.

9. The Cost of Providing Electronic Access and How that Cost is Computed

Nebraska Online already has much of the infrastructure in place to provide this service. Because of the nature of services offered by the network (most of which are provided to agencies and the public free of charge), it is difficult to allocate exact operating expenses to this particular function.

Fee splits were arrived at by agreement between the Secretary of State and Nebrask@ Online. The electronic filing functionality will almost entirely relieve the Secretary of State's office of much of the work related to processing these documents.

10. Projected Volume of Activity and Revenue

Projected volume is difficult to project with any certainty because this is a new service. However, an estimate based on batch title information searched through Nebrask@ online would put this figure at 10-15 searches of this type a month for revenue of \$150 to \$225 per month to be split evenly between Nebrask@ Interactive, Inc. and the Secretary of State.

**Addendum Three
to the
Interagency Agreement Between
Nebraska Secretary of State's Office
and
Nebraska State Records Board**

This Addendum Three to the Interagency Agreement between The Secretary of State and the Nebraska State Records Board sets forth certain services provided by Nebrask@ Online (operated under the auspices and authority of the Nebraska State Records Board), the prices (P) to be charged for such Nebrask@ Online services, how the revenue from such Nebrask@ Online services is to be divided between SOS (R/SOS) and Nebrask@ Online (R/NOL).

This Addendum Two covers services described below. It is contemplated that additional future addenda will cover other services which are currently provided by the Secretary of State.

DATA RECORDS TO BE ACCESSED

Type of Data	P	R/SOS	R/NOL
UCC, EFS and Statutory Lien Searches by Debtor Residence Location, Costs are per 1000 records or portion of 1000 records returned	\$15.00/1000	50%	50%

Disbursement of Fees:

All revenue received pursuant to this addenda shall be deposited by the Network manager in the State Records Board Cash Fund pursuant to the provisions of the contract between the Nebraska State Records Board and Nebrask@ Interactive, Inc. and any addenda thereto and distributed back to SOS and NOL as provided above.

Date _____
Authorized Officer
Secretary of State

Date _____
Authorized Officer
Nebraska State Records Board

Proposal to the Nebraska State Records Board

To Utilize the Nebraska State Records Board Cash Fund to Enhance the Delivery of State Agency Services via Nebrask@ Online

July 16, 1999

By: Craig A. Schroeder, State Records Board Member

As the administrator of the Records Management Act and manager of Nebrask@ Online, the State Records Board is responsible for providing electronic access to state government information. The Nebraska State Records Board has built a cash reserve through revenues collected from fees for public access to State records as authorized by the Nebraska Legislature. It is proposed that the Nebraska State Records Board utilize this reserve to establish a grant process that funds innovative and effective applications to improve the electronic access to government information by state agencies via Nebrask@ Online.

Projects requesting funding must meet criteria #1 (in addition, criteria #2-5 will be considered when reviewing funding requests):

- 1) Enhance the delivery of state agency services and improve access to those services.
- 2) Improve the efficiency of agency operations.
- 3) Facilitate collaboration among State agencies.
- 4) Facilitate collaboration between State agencies and other public institutions.
- 5) Support public/private partnerships in the delivery of public services.

Proposals should document the anticipated impact upon the agency in terms of operation and budget. Proposals should also address why Cash Reserve funding is needed for the project and how the service will be sustained once the funds are expended. Proposals related to fee-based services should describe what impact, if any, the fee may have upon rebuilding the State Records Cash Fund, and follow the hearing procedure for establishing fee based services established in the Records Management Act. Proposals should document if legislative approval is required for the project.

The grant process should be conducted in accordance with any relevant policies and procedures established by the Nebraska Information Technology Commission, Government Council. The Board may also utilize the State Records Board Technical Advisory Panel and may also request the NITC Technology Review Panel to evaluate the technical feasibility of proposed projects.

The State Records Board should develop procedures and guidelines for state agencies to follow in applying for grants. The Board should accept applications on a continual basis and fund projects based upon merit and available funding on a one time or ongoing basis.

SCOTT MOORE
SECRETARY OF STATE



SUITE 2300 CAPITOL BUILDING
LINCOLN NEBRASKA 68509-4608
PHONE (402) 471-2554
FAX (402) 471-3237
sosadmin@sos.state.ne.us

STATE OF NEBRASKA

TO: State Records Board Members
FROM: Scott Moore, Secretary of State
DATE: July 7, 1999
SUBJECT: Next Meeting

Our next Records Board Meeting is scheduled for Friday, July 16th at 1:00pm in the State Capitol Building in Room 1507. Enclosed is a copy of the application from the Department of Motor Vehicle to provide a Nebraska Driver Record Monitoring Services through Nebrask@ Online.

The agenda and any other related material for the next meeting will be sent via email.

dk

Enclosure