

Business Plan Update General Manager's Report

Fourth Quarter

October 2014 – December 2014

Nebraska.gov
301 S 13th Street, Suite 301
Phone: 402-471-6582
FAX: 402-471-7817
Email: bhoffman@egov.com

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Glossary of Terms

- **Free Service:** An application or website developed, hosted, and maintained by Nebraska Interactive that does not process payments.
- **Self Funded Service:** An application developed, hosted, and maintained by Nebraska Interactive that processes payments. Revenue from the service may or may not cover the cost of service, self fund.
- **Revenue:** Funds collected via a portal fee (user/statutory/partner) before revenue share to NSRB, hosting, merchant fees, marketing, etc.
- **Grant:** New application or enhancement funded by a grant obtained by the partner.
- **Time & Materials:** A new application or enhancement funded by the partner on a time and materials rate.

2014 – Year In Review

Application Enhancements Launched – 32

New Applications Launched– 9

Website Re-designs Launched with Responsive Design – 10

Awards Won:

- Best of the Web Top 10 – Nebraska.gov Portal
- Pioneer Institute Public Policy Research Award – Handicap Permits

Major Adoption Initiatives:

- Driver License Record Monitoring
- Online Motor Vehicle Registration Renewals
- Motor Vehicle Registration Renewals – Proof of Insurance
- Mobile/Responsive Design
- Batch Motor Vehicle Title/Lien/Registration Searches

Nebraska.gov Innovation:

- Image and document submission of required external forms for agency review to complete online applications.

Social Media Stats:

- 2,341 New Twitter Followers / 1,904 Mentions / 626 Retweets
- 3,752 Total Facebook Likes & 196 New Fans

Marketing Exhibitors:

- Nebraska State Bar Association Annual Meeting
- Nebraska Digital Government Summit
- Lincoln Chamber of Commerce B2B Fair

Overview of Portal Financials and Value

| | 2014 | 2013 | 2014 | 2013 |
|---|-----------------|-----------------|------------------|------------------|
| | December | December | YTD | YTD |
| NI Revenue | \$448,117 | \$405,986 | \$5,311,209 | \$4,372,494 |
| 10% NSRB Partner Share** | <u>\$31,507</u> | <u>\$25,051</u> | <u>\$366,439</u> | <u>\$288,218</u> |
| Gross Margin | \$416,610 | \$380,935 | \$4,944,771 | \$4,084,276 |
| Operating Expenses | \$307,577 | \$277,770 | \$3,632,434 | \$3,122,916 |
| Income (Loss) | \$109,033 | \$103,165 | \$1,312,336 | \$961,360 |
| Nebraska Interactive Pre-Tax Income (Loss) | \$109,033 | \$103,165 | \$1,312,336 | \$961,360 |
| Nebraska Interactive Provision for Income Tax Expense (Benefit) | \$43,697 | \$43,784 | \$525,938 | \$387,718 |
| Nebraska Interactive Net After-Tax Income (Loss) | \$65,336 | \$59,381 | \$786,398 | \$573,642 |

**NI Revenue Subject to 10%

\$315,070

Courts, Subscriber and T& M (not included in NSRB 10%)

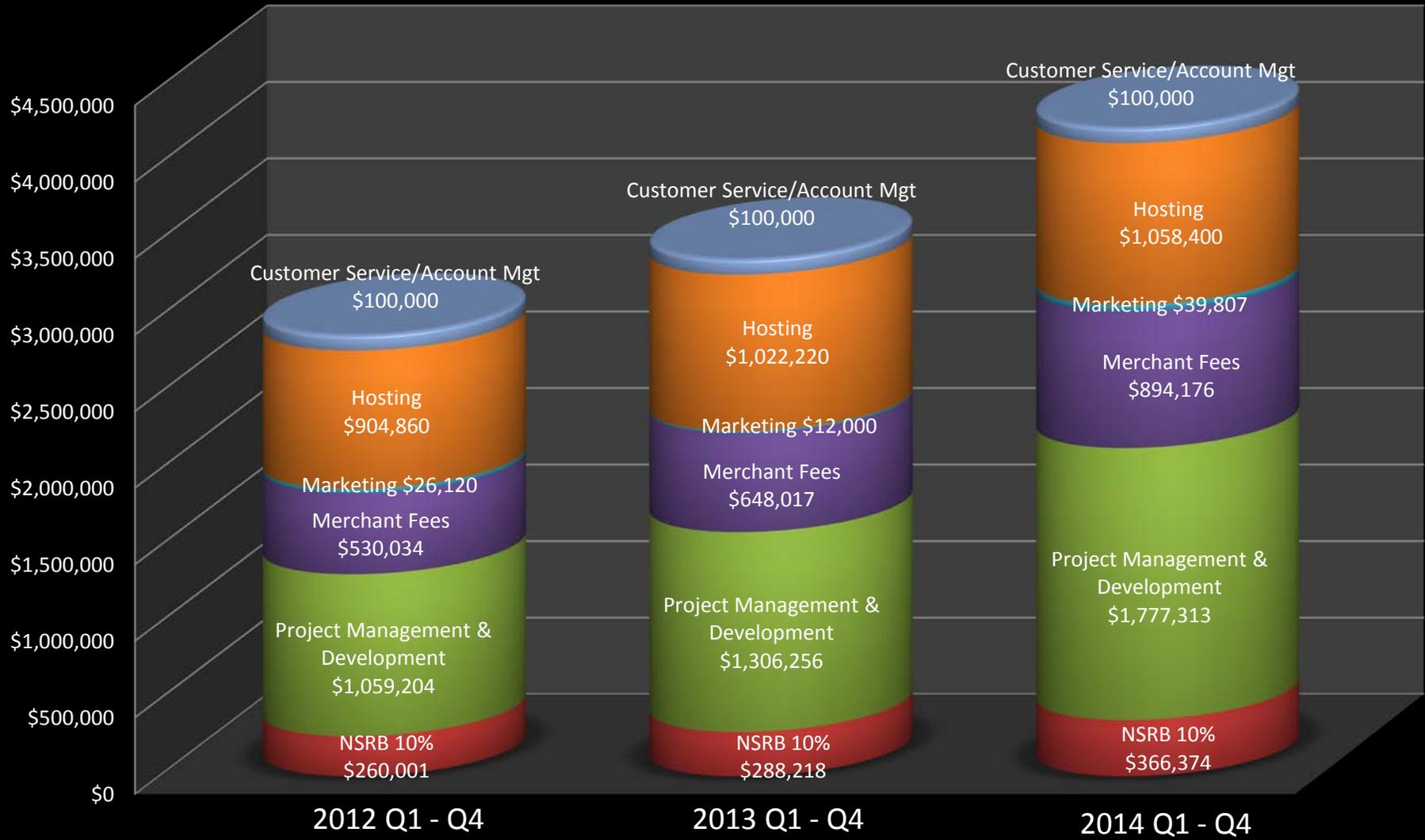
\$133,047

NI Revenue

\$448,117

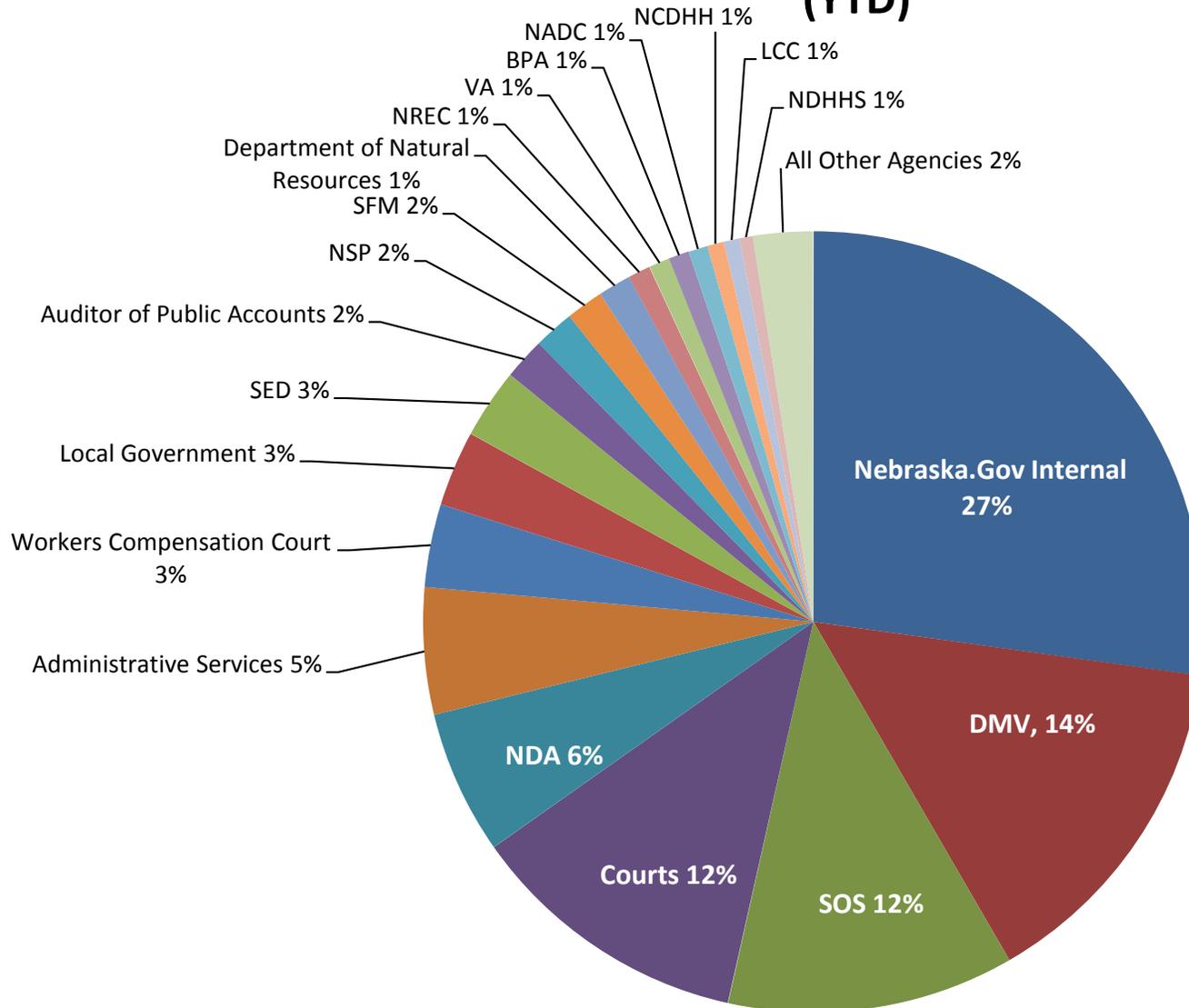
Overview of Portal Financials and Value continued

Value and Expenses

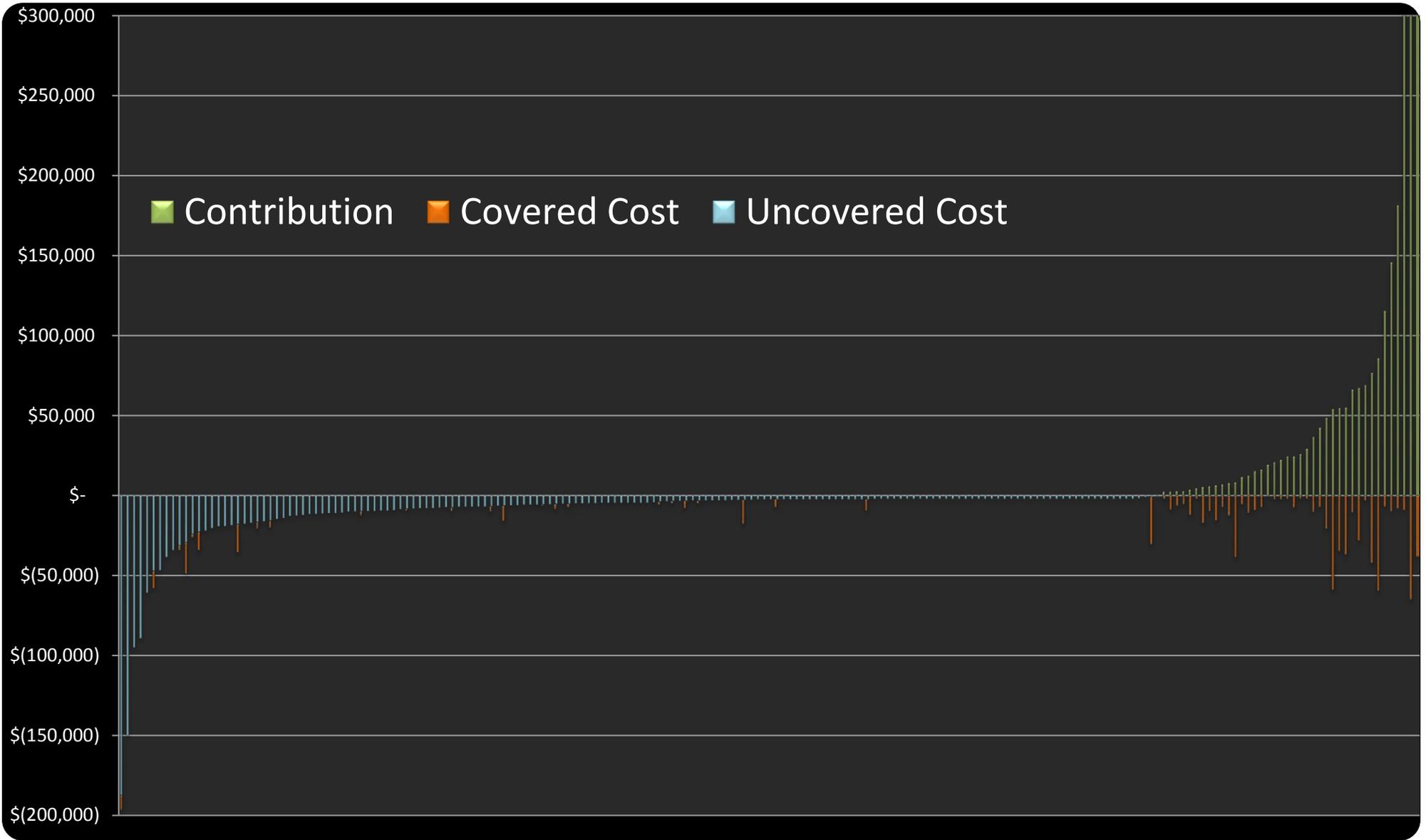


Note: The above graph is not all inclusive. Displayed values are based on the top 6 classifications of value and expenses.

Project Management & Development Cost Avoidance = \$1,777,313 (YTD)



Business Plan Portal Strategies #1: Value Reporting to our Partners



➤ Revenue from 41 unique services supports over 200 unique services. The below listed services positively contributed to the self-funded model in 2014 after project and hosting costs.

- Court Case Search
- Motor Vehicle Registration Renewal
- Driver License Record Search - SUB
- Driver License Record (DLR) Batch
- Court Citation Payments
- Driver License Record (DLR) Monitoring
- Court document eFiling 2.0
- Corporation Occupation Tax Reports
- Title, Lien & Registration Batch
- UCC Records Search
- Title, Lien & Registration (TLR)
- Driver License Services
- Court ePayments
- PayPort (OTC)
- Driver Privilege Services
- Practitioner Lists
- UCC Filings
- County Property Tax Payments
- Prorate & Fuel Permits
- Corporate Records Search - SUB
- Contractor Registration
- Income Tax Withholding (941)
- UCC Records Batch
- Subscription Fee
- IRP Payment System
- Corporate Bi-Monthly Batch Search
- UCC Original Filing System
- Dealer/Pesticide License Reg
- Criminal History Request System
- Specialty/Message License Plate
- EFS Records Search
- Real Estate License Renewals
- Engineer and Architect License Renewals
- Water Well Registration
- County STOP Program Payments
- Electricians License Renewal
- Food Establishment Permit Renewal
- Pesticide Applicator License Renewal
- Driver License Record (DLR) Search - CC
- Lobbyist Registration Payments

➤ 159 (80%) of the 200 unique services represented on page 8, either do not bring in enough revenue to cover their ongoing costs or are they are free services. Examples of services in this category are listed below.

-
- DMV Commercial Driver License System • In 2014, Nebraska.gov invested \$79,781 of project work into this free application for a complete rewrite as well as maintenance and hosting costs. This application has been live and supported by Nebraska.gov since 2004. The total value realized by the agency is covered by the self-funded model.
 - EFS Original Filings • In 2014, this application was enhanced to add a EFS Unique Identifier for statutory compliance, a project value of \$11,218.75. Including the value of hosting provided by Nebraska.gov, SOS realized \$20,878.75 of value they didn't have to pay to a vendor. This is a revenue generating application (\$4,075.65) that did not cover the cost of the service. That's a \$16,803 difference that was covered by the self-funded model.
-

➤ The value demonstrated in this graph does not include the below items that Nebraska.gov provides for all partners.

-
- Merchant Fees
 - Customer Service
 - Network Security
 - Disaster Recovery
 - System Administration
 - Marketing Materials
 - Training
 - PCIDSS Compliance
 - Account Management
 - Google Analytics & AdWords
 - Other overhead costs
-

Business Plan Portal Strategies #2: National Recognition

2014 Nebraska.gov Press Releases

Driver License Record Monitoring for Small Businesses

- DMV (October 2014)

Motor Vehicle Registration – Point of Insurance

- DMV (October 2014)

Appellate Case Search

- Courts (September 2014)

Annual & Biennial Report Filings

- Secretary of State (April 2014)

Real Estate Property Tax

- Dawson County Treasurer (January 2014)

PayPort®

- Scottsbluff County Register of Deeds (February 2014)
- City of Neligh (February 2014)
- City of Lyons (February 2014)
- Douglas County Health Center (March 2014)
- City of Albion (March 2014)
- York County Clerk (March 2014)
- City of Ainsworth (April 2014)
- City of Milford (April 2014)
- City of Franklin (May 2014)
- Village of Stratton (May 2014)
- Village of Adams (June 2014)
- City of Elgin (July 2014)
- City of Arapahoe (August 2014)
- Brown County Treasurer (August 2014)
- City of Fort Calhoun (August 2014)
- City of Pawnee (October 2014)



Business Plan Portal Strategies #3: New Online Services and Major Enhancements

| Secretary of State | Status |
|---|-------------|
| 2014 Annual & Biennial Report Filings | Completed |
| Proof of Publication Fees | Completed |
| Trade Name Filing | Completed |
| Online Certificate of Good Standing | Testing |
| UCC & EFS Searches | Development |
| Corporate Document eDelivery Retemplate | Testing |
| UCC Batch Filing | Development |
| *PDF Correction | Completed |
| *EFS UINs | Completed |
| *Nebraska Benefit Corporation Filing | Testing |
| *Redaction for UCC & EFS Filings | Planning |
| *Licensing Rules & Regulations Workflow | Planning |
| *2015 Annual & Biennial Report Filings | Planning |
| *Tribal Codes | Concept |
| *Online Voter Registration | Concept |

| Department of Motor Vehicles | Status |
|--|-----------|
| Commercial Driver License System Re-write | Completed |
| Veterans Designation on Driver Licenses & Driver Records | Completed |
| Ignition Interlock Installation and Violation Reporting | Completed |
| Point-to-Point FED/MED Changes | Completed |
| Motor Vehicle Registration - Proof of Insurance | Completed |
| Retemplate initiatives for 2014 (6) | Completed |
| *Driver License Services - 2014 Updates for approved bills | Completed |
| *CDL Practice Test | Completed |
| *Commercial License System - Post Launch Enhancements | Completed |
| *Ignition Interlock Application | Completed |
| *DLR Admin - Phase II (Monitoring) | Completed |
| *Driver License Services - Change of Address | Planning |
| *Motor Vehicle Registration - eNotice | Planning |
| *Commercial License System - Federal Regulation Changes | Planning |

*Project added to Portal initiatives after start of the year

| Administrative Office of the Courts | Status |
|---|-------------|
| Appellate and Supreme Court Case eFilings | Concept |
| Appellate and Supreme Court Case Searches | Completed |
| Attorney Portal Re-template | Completed |
| Court Applications and Google Analytics | Completed |
| Attorney Portal (eNotice) | Development |
| Special Requests | Concept |
| Court Case Tracking | Concept |
| *Juror Qualification Form | Completed |
| *eFiling Web Service | Completed |
| *ePublication | Testing |
| *Bulk Garnishment ePayments | Planning |
| *Parenting Act Mediator Retemplate | Testing |
| *Workers' Compensation Court | Development |

| DHHS | Status |
|------------------|-----------|
| Vital Statistics | Discovery |

| Local Government | Status |
|----------------------------|---------|
| Real Estate Property Taxes | Ongoing |
| PayPort | Ongoing |
| Event Registration | Ongoing |

| Additional Services | Status |
|--|------------------|
| Hunting and Fishing Permits (Game and Parks) | Not Started |
| Park reservation payments (game and Parks) | Discovery |
| Lost and find me (Corrections) | Not Started |
| Bus inspections (Dept. of Education) | Not Started |
| Corporate ID Theft Prevention (SOS) | Not Started |
| DHHS /BSDC online store (DHHS) | Not Started |
| Inmate banking (Corrections) | Not Started |
| Crash Reports (Roads) | Not Started |
| Unemployment Insurance (DOL) | Holding meetings |
| MyEvents2Go (enterprise) | Not Started |
| Benefit Overpayments (DOL) | Concept |

Business Plan Portal Strategies #3: New Online Services and Major Enhancements

New Projects Launched Fourth Quarter

| Partner | Application | Revenue Type | Work Scope | Hours Invested | Cost Savings |
|---|---|--------------------------|-------------------------|----------------|----------------------|
| Administrative Services | DAS Nebraska Budget Information Portal | Grant/Time and Materials | New Application | 731.25 | \$ 91,406.25 |
| Department of Motor Vehicles | Motor Vehicle Registration – Proof of Insurance | Self-funded | Application Enhancement | 344.75 | \$ 43,093.75 |
| Department of Motor Vehicles | Voter Registration Search - Retemplate | Non-revenue | Application Enhancement | 4.25 | \$ 531.25 |
| Department of Motor Vehicles | Certified Driver Records - Retemplate | Self-funded | Application Enhancement | 21 | \$ 2,625.00 |
| Department of Motor Vehicles | Driver Record Search (One Time) - Retemplate | Self-funded | Application Enhancement | 39.5 | \$ 4,937.50 |
| Department of Natural Resources | DNR Pump Installation Retemplate | Self-funded | Application Enhancement | 45.75 | \$ 5,718.75 |
| Department of Natural Resources | DNR Water Well Decommissioning ReTemplate | Self-funded | Application Enhancement | 27.75 | \$ 3,468.75 |
| Secretary of State | EFS UINs | Self-funded | Application Enhancement | 5 | \$ 45,000.00 |
| State Court Administrator | Attorney Portal ReDesign | Non-revenue | N/A- Website | | |
| State Court Administrator | Court Efilng Criminal Web Service Enhancement | Self-funded | Application Enhancement | 15.25 | \$ 33,156.25 |
| State Electrical Division | Electrician Exam Applications | Self-funded | New Application | 20.75 | \$ 2,593.75 |
| State Electrical Division | Electricians License Renewal | Self-funded | Application Enhancement | | |
| Nebraska Commission on Problem Gambling | NCPG Website | Grant/Time and Materials | N/A- Website | 34.00 | \$ 4,250.00 |
| Total | | | | 1973 | \$ 246,625.00 |



Application Deployments

| Applications Deployed | Q1 2013 | Q1 2014 | Q2 2013 | Q2 2014 | Q3 2013 | Q3 2014 | Q4 2013 | Q4 2014 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Self-Funded Application | 2 | 2 | 2 | 0 | 1 | 1 | 4 | 1 |
| Non-revenue Application | 2 | 2 | 1 | 2 | 0 | 0 | 1 | 1 |
| Websites deployed | 0 | 0 | 0 | 0 | 1 | 2 | 2 | 2 |
| Self-Funded application enhancements | 3 | 1 | 6 | 6 | 11 | 9 | 3 | 8 |
| Non-revenue application enhancements | 0 | 0 | 3 | 4 | 0 | 3 | 0 | 1 |
| Number of implemented changes* | 109 | 83 | 104 | 90 | 105 | 86 | 74 | 58 |

*Changes include code enhancements as well as bug fixes, security updates, requested text changes, etc.

Time Saved. Money Saved. Resources Saved

--Application Highlight: Nebraska Budget Information Portal--

The Department of Administrative Services State Budget Division launches the Nebraska Budget Information Portal. The portal gives an inside look into Nebraska State Government Revenues, Appropriations, and Expenditures and is designed to educate all levels of users about the state's budget. Its target is both users that are knowledgeable about and unfamiliar with the budget. The portal allows users to dig through six levels of detail using multiple graph types and options and uses the newest plug-in of HighCharts, version 4.0.3. The Nebraska Budget Information Portal has the ability to share the charts using many social media platforms and the data can also be viewed in a table format, that may be exported.



Marketing Plan Objective #1: Strengthen Brand Awareness



CAT = Common Application Template

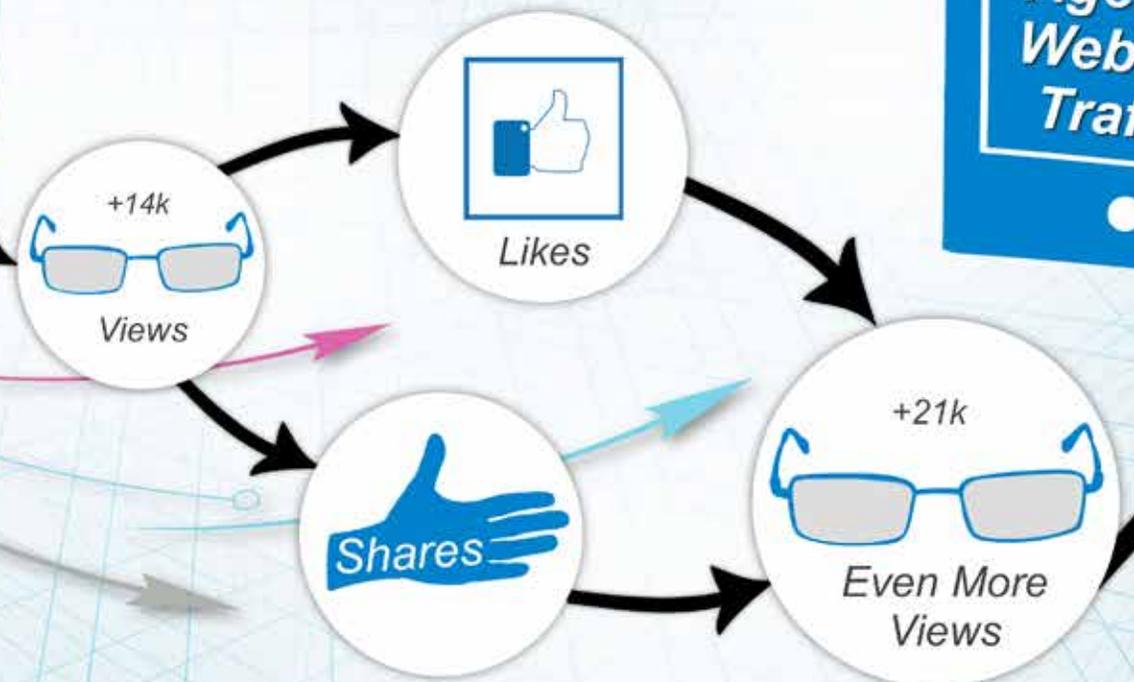


Branding Benefits

- * All Nebraska.gov online websites and applications will have a similar look and feel
- * Each will contain a top header containing the Nebraska.gov logo & "Official Nebraska Government Website"
- * Consistent Branding + Responsive Design = Familiarity amongst Nebraska Users
 - This aids in preventing 3rd party counterfeiters from tricking users into an unfair payment
- * Branding gives all Nebraska.gov apps a unique look and feel while remaining consistent with agency branding standards. I.e. a DMV application remains similar to the website.
- * Responsive design to display appropriately from large monitor viewing, to laptop, to tablet, to mobile
- * All features and colors used are pre-tested for accessibility and 508 compliance

Nebraska.gov Social Media Efforts Benefit All State Agencies

Nebraska.gov social media can reach over ten thousand followers with each post. Those followers share and retweet generating even more visibility to the post. This activity creates awareness, interest, and education of Nebraska state agencies, their programs, news, and websites.

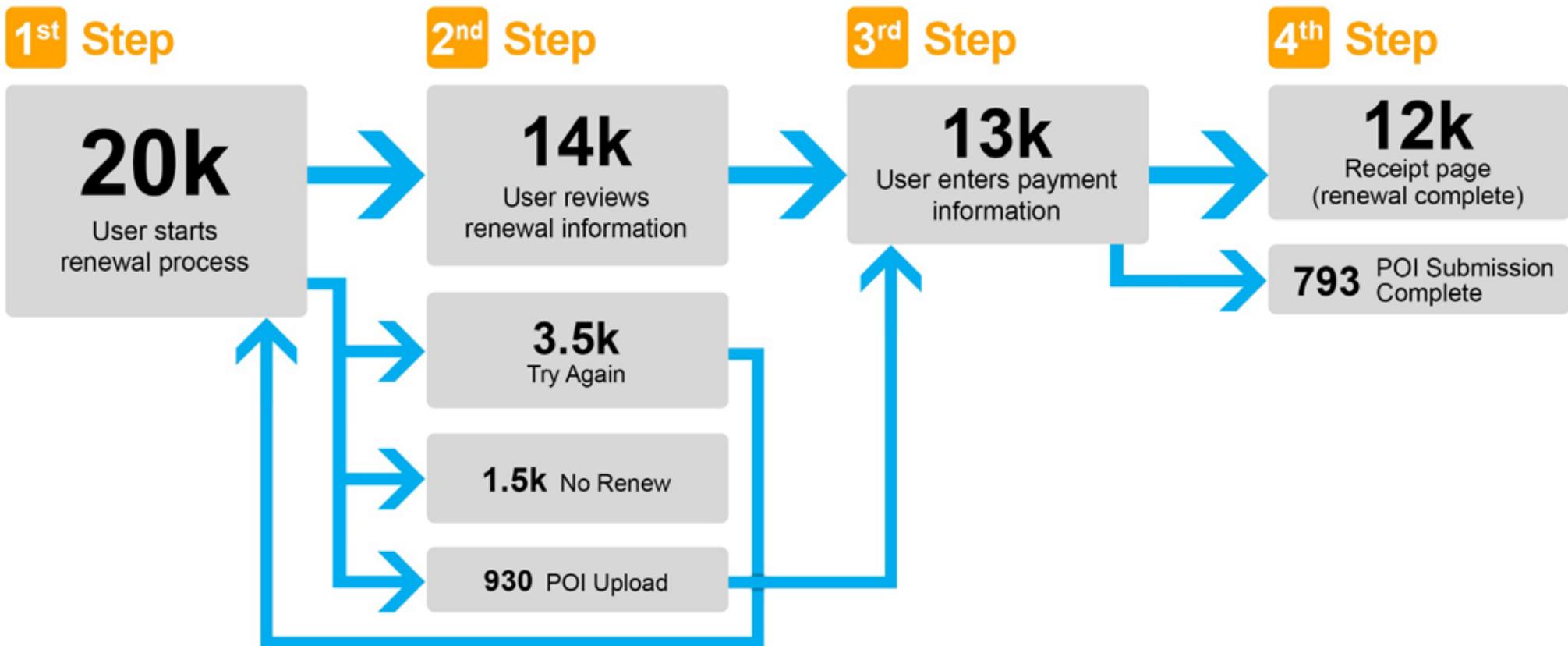


Marketing Plan Objective #3: Utilize Google Analytics and AdWords to Improve Online Usage

Google Analytics is used to help identify improvements to applications that will enhance user **experience**, encourage **adoption**, and measure **success**.

The below is a sample of Google Analytics (GA) data from the Motor Vehicle Registration Renewal application. As the user proceeds through the application, they reach a different page, or “step”. GA shows us the number of users as they progress through the application.

In this example, we are able to see the affect of the latest enhancement to the application allowing users to upload proof of insurance. Previously, the 930 users in step two “POI Upload” would not have been able to continue online. We are now seeing that on average, approximately 85% of those users are taking advantage of the enhancement, increasing adoption.



Network Uptime, Response Time, and Issues Quarterly Reporting

UPTIME REPORT

| OCTOBER | NOVEMBER | DECEMBER |
|---------|----------|----------|
| 100% | 99.88% | 100% |

RESPONSE TIME REPORT

| OCTOBER | NOVEMBER | DECEMBER |
|------------------------------|------------------------------|------------------------------|
| Avg. response time 524 ms | Avg. response time 548 ms | Avg. response time 546 ms |

NETWORK ISSUES DETAIL REPORT

| | Start Time | End Time | Time | Description | Impact |
|------------|------------|----------|------|--|--|
| 11/24/2014 | 6:00 AM | 6:55 AM | :55 | A memory leak was identified in the load balancers used. This caused the load balance to fail and stop directing traffic. A patch was provided by the vendor and applied to the load balances on 11/30/2014 between 1:00 am and 7:00 am. | Nebraska.gov sites and services were down. |