

SF3531 - 0 - Third-Party Commercial Drivers' Road Test

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 Committee: **Transportation Finance and Policy**
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 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	440	401	401	
Total	-	-	440	401	401	
Biennial Total			440		802	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	4	4	4
Total	-	-	4	4	4

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/10/2022 3:20:45 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Restrict Misc. Special Revenue	-	-	440	401	401	
Total	-	-	440	401	401	
Biennial Total			440			802
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	-	429	390	390	
Total	-	-	429	390	390	
Biennial Total			429			780
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	(11)	(11)	(11)	
Total	-	-	(11)	(11)	(11)	
Biennial Total			(11)			(22)

Bill Description

This bill authorizes third party entities to conduct the road test for a commercial driver's license (CDL).

Assumptions

Assume Department of Public Safety Driver and Vehicle Services Division (DPS-DVS) has no authority to amend or add new rules to existing Minnesota Rules 7410.6000 to 7410.6540. Assume existing third-party rules remain effective.

Assume entities currently authorized to conduct CDL road tests retain that ability.

Assume that DPS-DVS continues to exclusively conduct testing for individuals with prosthetics, diabetic restrictions, skills requirements, medical and other waivers.

Assume any entity who meets the statutory requirements, applies in the prescribed method, and meets the minimum qualifications will be approved to administer CDL road tests. Assume DPS-DVS creates forms and application process similar to existing process and that these costs can be absorbed.

Assume entities applying to provide CDL road tests may charge a fee in any amount paid directly to the third-party testing entity.

Assume all approved third-party testers and third-party testing programs approved through this provision must comply with all applicable Minnesota Rules and Federal regulations.

Assume third-party testers will provide their own equipment for conducting testing.

Assume third-party testers can provide up to three tests to an individual and if the individual fails the third time, the individual must take the fourth and any subsequent test through DPS-DVS.

Assume in 2021, 818 individuals taking the CDL road test paid the retest fee of \$20 required for individuals who have failed the exam twice and are taking the exam for a third and subsequent time (Minn. Stat. 171.13, subd. 7).

Assume in 2021, 259 individuals failed the test on the third attempt after paying the retest fee.

Assume requiring individuals to take the CDL road exam through DPS-DVS after three failed attempts rather than two results in a loss of revenue of \$11,180 (818 - 259 = 559 less exams x \$20 retake fee = \$11,180)

Assume DPS-DVS can use existing training program to train new third-party testers approved under this statute.

Assume there are currently 58 approved third-party testers at 43 locations under the existing third-party CDL road test program.

Assume that as of February 7, 2022, federal regulations require new CDL applicants to complete Entry-Level Driver Training (ELDT) prior to being able to complete the CDL road test.

Assume there are currently 315 training providers based in Minnesota providing ELDT.

Assume half (158) of these training providers will seek authorization to conduct third-party CDL road tests to individuals completing ELDT.

Assume each of these training providers will have at least one third-party tester for a total of 158 new third-party testers that must be trained and approved.

Assume individuals serving as third-party testers must undergo the same fingerprint-based background check that examiners employed by the state complete.

Assume individuals serving as third-party testers will pay the background check fee of \$33.25 to DPS-DVS who then provides the fee to the Bureau of Criminal Apprehension (BCA) to conduct the background check.

Assume language does not authorize Federal Bureau of Investigation fingerprint background checks and that DPS-DVS will not have authority to conduct background checks on these individuals as they do with state employed examiners.

DPS-DVS currently has one FTE providing training to all third-party testers under the existing third-party CDL road test program.

Assume each new third-party tester receives 64 hours of instruction and training in a classroom setting followed by two to four hours with DPS-DVS staff to review and approve road testing route.

Assume DPS-DVS will need two additional full-time employees (FTE) State Program Administrator Seniors (SPA-S) in the Exam Program Unit to approve applications and conduct training of new third-party testers.

One-time costs per Exam Program Unit SPA-Sr. FTE:

Furniture = \$6,466
Sit to Stand = \$800
Office Chair = \$500
Telephone with headset= \$650
Computer Monitors = \$290
New Space Buildout = \$9,200

Total one-time costs: \$17,906 x 2 SPA-S FTEs = \$35,812

Monthly Costs per Exam Program Unit SPA-Sr. FTE:

Office Space - \$215 x 12 = \$2,580
Laptop Computer - \$77.98 x 12 = \$936
Employee Computing - \$53.89 x 12 = \$647
Telephone-Desk - \$40 x 12 = \$480
Office Supplies - \$8.25 x 12 = \$99

Total Annual Monthly Costs: \$4,742 x 2 SPA-S FTEs = \$9,484

Assume approved third-party testers will contact DPS-DVS 48 hours prior to conducting a road test to confirm the applicant has completed required ELDT.

Assume DPS-DVS staff will ride along with new third-party tester on their first road test to observe test administration and provide feedback to third-party tester.

Assume DPS-DVS staff will be available to answer questions regarding testing procedures via phone or email for third-party testers.

Assume DPS-DVS staff conducts a minimum of two ride-alongs annually, one planned and one unknown to the tester, with each third-party tester to ensure compliance with regulations.

Assume DPS-DVS completes annual recordkeeping report on each third-party tester and provides annual training review to third-party testers as required by federal regulations. Assume these functions are conducted by Exam and Inspection Specialist Senior (E&I-S).

Assume DPS-DVS will need 2 additional FTEs located throughout state exam regions to conduct these auditing functions to ensure third-party testers and third-party testing programs are in compliance with state and federal regulations.

One-time costs per Exam Program Unit E&I-S FTE:

Office Chair = \$500
Cell Phone= \$150
Exam Uniforms = \$728

Total one-time costs per FTE: \$1,378 x 2 E&I-S FTEs = \$2,756

Monthly Costs per Exam Program Unit E&I FTE:

Laptop Computer - \$77.98 x 12 = \$936
Employee Computing - \$53.89 x 12 = \$647
Cell phone - \$90 x 12 = \$1080
Travel Expense - \$500 x 12 = \$6,000
Office Supplies - \$8.25 x 12 = \$99

Total Annual Monthly Costs per FTE: \$8,762 x 2 E&I FTEs = \$17,524

Assume effective date of July 1, 2022.

Assume \$428,900 in FY23 will be appropriated from the special revenue fund to implement this legislation and includes the staff necessary to approve and train third-party testers and audit compliance with regulations. The base for this appropriation is \$391,842 in FY24 and beyond.

Expenditure and/or Revenue Formula

FY23 Expenditures

Restricted Misc. Special Revenue Fund Driver Services Operating Account

559 less retake exams x \$20 retake fee = (\$11,180)

SPA-S (Step 6) annual salary and fringe benefits FTE = \$95,833 x 2 FTE = \$191,666
One-time costs for 2 FTE: \$35,812
Annual Monthly Costs for 2 FTE: \$9,484

Total cost for 2 SPA-S FTE = \$236,932

E&I-S (Step 7) annual salary and fringe benefits FTE = \$85,844 x 2 FTE = \$171,688
One-time costs for 2 FTE: \$2,756
Annual Monthly Costs for 2 FTE: \$17,524

Total cost for 2 E&I-S FTE = \$191,968

Total Expenditures Restricted Misc. Special Revenue Fund - Driver Services Operating Account FY23 = \$428,900

Total Revenue loss Restricted Misc. Special Revenue Fund - Driver Services Operating Account FY23 = (\$11,180)

FY24 and Beyond Expenditures

Restricted Misc. Special Revenue Fund Driver Services Operating Account

SPA-S (Step 6) annual salary and fringe benefits 2 FTE = \$191,666

Annual Monthly Costs 2 FTE SPA-S: \$9,484

Total cost for 2 SPA-S FTE = \$201,150

E&I-S (Step 7) annual salary and fringe benefits 2 FTE = \$171,688

Annual Monthly Costs 2 FTE SPA-S: \$17,524

Total cost for 2 E&I-S FTE = \$189,212

559 less retake exams x \$20 retake fee = (\$11,180)

Total Expenditures Restricted Misc. Special Revenue Fund - Driver Services Operating Account FY24 = \$390,362

Total Revenue loss Restricted Misc. Special Revenue Fund - Driver Services Operating Account FY24 = (\$11,180)

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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