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# Assessment of standing appointments for some driving schools at DVS exam stations

Driver and Vehicle Services  
October 30, 2019

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# Executive summary: MAD

## recommendations and findings

At the request of the state's Driver and Vehicle Services division (DVS), Management Analysis and Development (MAD) used in-depth interviews, data research, and analysis to assess standing appointments for Class D driver's license skills tests at the three DVS exam stations located in the core, Twin Cities metro area. Under this practice, first instituted around the year 2000, DVS allows some commercial driving schools to hold ongoing reservations for test times at those exam stations and simply bring their students in for testing during their designated times, bypassing the regular DVS scheduling process. In total, 24 driving schools have standing appointments, while MAD estimates about 20 other schools in the core metro area don't. The 180 standing appointments make up almost 20 percent of the test times available weekly at the three exam stations.

### Recommendations

MAD strongly recommends that DVS end all standing appointments for Class D driver's license skills tests. The practice fails to positively affect exam station efficiency and capacity. Furthermore, MAD found standing appointments at the three exam stations in the core metro area to be problematic. The practice results in unequal treatment of both commercial driving schools and of individuals seeking the Class D license. It also favors those able to pay the fees that schools charge for instruction and for access to standing appointments. This MAD assessment focuses on standing appointments for the Class D skills test, although many findings from this study likely apply as well to standing appointments for commercial driver's license schools.

MAD recommends that DVS establish transition plans and announce an end to the practice before halting it in order to give driving schools with standing appointments time to adjust. MAD also suggests that DVS monitor the impacts that may result from an end to standing appointments and consider adjustments for its scheduling system to avoid new problems with bookings from driving schools. In addition, DVS may wish to explore deliberate approaches to advancing equity for those who may face barriers related to the skills test because, at present, standing appointments may result in limited equity benefits for individuals who are immigrants or members of other underserved groups.

### Findings

MAD assessed standing appointments based on their impacts on efficiency and capacity, two important operational considerations, and in the context of consistency and fairness, two important criteria for public programs and processes. Findings are summarized here, based on those four factors.

#### Efficiency

Efficiency matters for the three exam stations in the core metro area, which are by far the busiest in the state for driver's license skills tests. MAD found standing appointments reduce efficiency, including as follows:

- DVS spends time on requests for standing appointments from driving schools that have none and requests for more standing appointments from some schools that already have them.
- DVS spends time on requests from driving schools for scheduling changes, even if to reject them.
- DVS spends time updating appointment availability when driving schools cancel standing appointments in advance, as DVS requests they do. DVS makes the cancellations available to the general public.
- The DVS scheduling system cannot provide accurate information about available test times in cases where driving schools fail to contact exam stations in advance to cancel their standing appointments.
- DVS examiners must confirm eligibility information on-site for individuals taking the skills test during standing appointment times because DVS has no information in advance about them. DVS has eligibility information in advance for those who use the DVS scheduling system to book their appointments.
- Because DVS has no information in advance about someone who takes the test during a standing appointment time, it cannot block that individual from booking an additional, backup appointment through the regular scheduling process. This potential for double-booking likely reduces the number of appointment times available for scheduling and makes the DVS scheduling system less efficient.

## Capacity

MAD found that standing appointments have no direct effects—either positive or negative—on capacity, however, an end to standing appointments could increase DVS efficiency and in this way have a positive but limited impact. DVS operates only three of its 93 total exam stations in the core metro area and consequently faces serious capacity challenges as it tries to meet demand for exams. The counties where the three exam stations are located account for 40 percent of the state’s overall population. MAD’s analysis of DVS data shows that the three exam stations in the core metro area have among the lowest levels of test availability and the longest wait times for appointments, and that residents of the metro area are among the state’s residents most likely to travel 50 miles or more to take skills tests.

## Consistency

Consistency in public programs and processes is important for setting expectations, establishing legitimacy, and ensuring impartial treatment of stakeholders and customers. In the case of standing appointments for the Class D driver’s license skills test, decisions about standing appointments were made at the exam stations without established DVS policies or guidelines. MAD found that this left the practice open to both discretion and wide variations regarding which commercial driving schools have standing appointments, how many they have, and at which exam station or stations. MAD found that the number of standing appointments offered to the driving schools was neither related to nor consistent with the number of students enrolled at the schools.

## Fairness: equal treatment

Standing appointments lead to unequal treatment of commercial driving schools and of individuals who need to take the state’s driver’s license skills test, leading to the perception of favoritism. The following are notable ways standing appointments lead to unequal treatment:

## Of individuals

- Residents in the core metro area who pay fees to driving schools with standing appointments have easy access to their skills tests, while residents who work with other driving schools or pursue a license on their own face delays and difficulties.
- Individuals in the core metro area who have access to standing appointments are able to take their skills tests at nearby exam stations, while some without access end up traveling long distances to secure skills tests at exam stations in the broader metropolitan region or in Greater Minnesota.
- Because standing appointments account for as much as 20 percent of all available appointment times at the three exam stations, they reduce scheduling options for metro area residents who lack access to standing appointments and in this way contribute to long waits for many who take the skills test.

## Of driving schools

- Standing appointments result in differential treatment of the driving schools that have them compared with the schools that don't.
- Standing appointments also result in differential treatment among the driving schools—some schools have relatively few of them and others have many compared with their base of students, and some schools have standing appointments at more than one of the three exam stations and others don't.
- Standing appointments provide an unfair competitive advantage for driving schools that have them, making it more difficult for schools without them to compete for business based on quality instruction.
- Individuals who take their skills tests during standing appointment times pay their driving schools additional fees, generating revenues that are out of reach for schools without appointments. MAD found that some schools with standing appointments may treat fees related to their standing appointments as a line of business, separate from formal driver's training.

## Fairness: equity

Evenhanded, equal treatment for all is important. However, in some instances differential treatment may be needed to advance access and opportunity for certain groups or individuals who face barriers to success. MAD noted the following equity considerations for standing appointments:

- Benefits flow to those able to pay for driving instruction and for access to the standing appointments, so the practice fails to address equity considerations for Minnesotans unable to pay.
- In some instances, standing appointments benefit individuals who face barriers related to the skills test—immigrants for whom English is a second language, for example, or unemployed adults who may need to quickly obtain driver's licenses in order to secure jobs and support their families.

## Broader concerns about efficiency and capacity

MAD recommends that DVS end standing appointments, but the agency also needs to act on broader challenges related to the skills test. DVS recently began a major initiative to improve efficiency and expand capacity at the three exam stations in the core metro area and beyond. DVS efficiency and capacity efforts will be critical and likely will yield results more consequential and beneficial than the end to standing appointments alone.

# MAD's assessment approach

The State of Minnesota's Driver and Vehicle Services division (DVS) asked Management Analysis and Development (MAD) to assess its practice of allowing some commercial driving schools to have standing appointments for Class D driver's license skills tests at the three exam stations in Arden Hills, Eagan, and Plymouth, all of which serve the core Twin Cities metro area. The 24 driving schools with standing appointments have reserved times at one or more of those exam stations and can simply bring their students in for testing during their designated times. First formally instituted around the year 2000, this practice recently came under scrutiny both within DVS and outside the agency.

MAD used in-depth interviews and DVS data to understand how standing appointments work and to assess the impacts of the practice on efficiency and capacity for Class D driver's license skills tests at the three exam stations. MAD also examined the standing appointments based on the consistency and fairness of this approach. DVS allows standing appointments for the noncommercial, Class D skills test as well as for the commercial driver's license (CDL) skills test for truck driving. This MAD assessment study focuses on standing appointments for the Class D skills test, although many findings from this study likely apply as well to standing appointments for private-sector CDL schools and their students.

## MAD's recommendation: end standing appointments

MAD strongly recommends that DVS end all standing appointments for Class D driver's license skills tests at the three exam stations in the core metro area. Through its in-depth interviews, data research, and analysis of the situation, MAD finds that standing appointments used by some of the commercial driving schools fail to positively affect efficiency and capacity for skills tests at those facilities or for test scheduling. Furthermore, MAD finds a lack of consistency in the implementation of standing appointments, which leaves the practice open to both discretion and wide variations and leads to the perception of favoritism.

Standing appointments result in unequal treatment of both metro area residents who seek the skills tests at the three exam stations and of the commercial driving schools. Some schools have standing appointments, and some don't. In addition, some schools have far fewer standing appointments than they have students, while other schools have far more appointments than they have students who complete or enroll in behind-the-wheel instruction, as indicated by DVS data on annual student counts. The practice raises equity concerns: it allows preferential treatment for those willing and able to pay the fees commercial driving schools charge, compared with those whose financial circumstances make such fees a barrier. In some limited cases, the standing appointments for driving schools that work with underserved groups may help individuals overcome barriers tied to their circumstances—adult immigrants who may have a hard time navigating the DVS scheduling system,

for example, or financially strapped adults who need to quickly obtain driver's licenses in order to land jobs and support their families. DVS may wish to explore deliberate, broader approaches to address equity concerns instead of depending upon unplanned and limited equity benefits from continued use of standing appointments.

Assuming DVS ends standing appointments, MAD also recommends that the agency establish transition plans and announce the change before the exam stations cease the practice. These steps will give driving schools with standing appointments time to adjust to the shift and DVS time to examine and address implications.

MAD also suggests that DVS monitor the impacts that may result from an end to standing appointments and consider adjustments and limitations for its scheduling system to avoid new problems with bookings from driving schools. As one example, DVS has allowed bookings for Class D skills tests up to two months out through its online and automated phone system, but the agency has allowed bookings six months out if someone calls in and talks to a DVS scheduler. Under those circumstances, driving schools that lose standing appointments and were aware of the different scheduling options could have used permit numbers from their students to call DVS schedulers and book up appointments at the three exam stations beyond the two-month mark. DVS now plans to allow bookings six months out through its online and automated phone system, as well as through phone calls to DVS schedulers—a move that should limit problems going forward.

Finally, MAD suggests that DVS review the drawbacks and challenges explored in this assessment study of standing appointments for the Class D driver's license skills tests and determine whether they also apply to standing appointments for CDL tests at the three exam stations in the core metro area. Based on that review, DVS may wish to end standing appointments for CDL tests as well.

## History of standing appointments

DVS sources told MAD that officials at the three exam stations first set up formal standing appointments around the year 2000. Several DVS officials and driving school owners noted that standing appointments began prior to online scheduling for the driver's license skills test, which first became available in 2004. Before the online system, driving schools that booked appointments for their students called DVS or did so at the exam stations. Consequently, DVS staff spent considerable time booking appointments for schools that regularly brought students in for testing. The owner of one driving school remembered how he would call DVS three or four times a day to book 10 to 12 tests because he was only allowed to schedule up to three tests in a single phone call. DVS officials said someone at an exam station offered formal standing appointments to a school, likely as a convenient way to increase efficiency and lessen the hassle for both DVS staff and the driving schools.

The owners of several driving schools said there were informal arrangements with exam stations even prior to the formal standing appointments—arrangements whereby the stations fit their students into the schedule for the day. One owner said his informal arrangements with an exam station simply became set time slots at some point. Staff at the exam stations didn't inform all the driving schools that DVS was allowing schools to book standing appointments, but they extended appointments beyond the initial schools as other schools learned about them and asked to be part of the practice.

MAD learned that standing appointments were adopted at the three metro exam stations without policy direction from DVS officials in St. Paul. Past supervisors at the exam stations both adopted and expanded the



practice. Current supervisors oppose standing appointments. Standing appointments were offered at the exam stations during the administrations of three governors from three political parties and have been continued under the current administration of a fourth. The agency began its review of standing appointments in 2018 and realized the extent to which they were being used after gathering exam station data on the practice in April 2019.

It is worth noting that driver's license agencies in other states also use standing appointments. Five of the 28 states that responded to a MAD survey about driver's license skills tests in metro areas reported that they offer standing appointments for driving schools,<sup>1</sup> although their policies and approaches are varied and differ from Minnesota's. Through other research for this study, MAD is aware of a sixth state that also offers standing appointments for commercial driving schools.

## Current status of DVS standing appointments

DVS only recently compiled data about standing appointments for commercial driving schools at the driver's license exam stations in Arden Hills, Eagan, and Plymouth. Because decisions about standing appointments had been decentralized among the exam stations since the practice began around the year 2000, DVS hadn't reviewed the number of standing appointments at the stations or the schools that held them. DVS data from April 2018 shows that exam stations allow standing appointments for 24 commercial driving schools that offer instruction for the Class D driver's test. MAD estimates that about 45 such schools operate within the service region for the three exam stations in the core metro area, so more than half hold standing appointments. Two of the state's four licensed training schools for truck drivers also have standing appointments at the three area exam stations, but this assessment study focuses on schools offering instruction for Class D licenses.

As of August 2019, DVS exam stations reserved 180 appointments each week for commercial driving schools to bring in students for the Class D driver's license skills tests at the three exam stations. DVS reports that those exam stations together have approximately 960 test times available each week, so the 180 weekly standing appointments account for as much as 20 percent of the exam times, depending upon cancellations by the schools. If driving schools cancel standing appointments or fail to show up with their students, the time slot becomes available for general use.

Based on DVS data from April 2019, MAD found that the 24 schools average more than seven standing appointments per week. DVS allows five of the 24 commercial driving schools to have up to one standing appointment per week, grants between six and 10 appointments per week to another 14 schools, and holds open between 11 and 21 appointments per week for another five schools. Of the 24 driving schools with standing appointments, 12 have them at more than one of the three exam stations.

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<sup>1</sup> For the survey, released in September 2019, MAD worked with DVS to design survey questions, which DVS then asked the American Association of Motor Vehicle Administrators to share with its member states and provinces in North America. As of late October 2019, 28 of the 50 states had responded.

# MAD findings

MAD began work on this assessment in July 2019, first compiling data and performing background research on standing appointments. MAD conducted in-depth, semistructured interviews with 14 DVS officials and owners of commercial driving schools in September and October 2019 and held shorter conversations during that period with several additional driving school owners and DVS officials. This section of the assessment study presents findings from MAD’s research and analysis.

## Efficiency

Efficiency matters to DVS and is critical for the three exam stations in the core metro area, which are by far the busiest in the state for driver’s license skills tests. Given limited staff, space, and resources, the three exam stations should operate as efficiently as possible in order to reduce the time and effort required to schedule and conduct tests. Improved efficiency offers DVS a way to boost the number of people able to test at the exam stations at a time when DVS faces high demand for those tests and limited capacity to meet the demand.

DVS sources said standing appointments might have been adopted to increase efficiency at a time before online scheduling was available. Now, however, DVS officials report no benefits from the standing appointments. “It’s all headaches,” said a supervisor at one of the exam stations.

MAD found standing appointments reduce efficiency in the following ways:

**DVS time spent on requests for more standing appointments:** Exam station supervisors spend time fielding requests for standing appointments from schools that have none and also fielding requests for more standing appointments from some schools that already have them. This challenge has gotten worse as more schools have become aware of the appointments.

**DVS time spent on requests for scheduling changes:** At times, driving schools will seek changes in scheduled times for standing appointments. Even in denying these requests, exam station officials must take time with representatives of the driving schools to sort out these situations. In some cases, a driving school instructor will arrive early or late for a standing appointment, or with two students instead of one, forcing exam station staff and officials to address such unexpected problems on-site and immediately.

**DVS time spent updating appointment availability:** Driving schools are expected to inform the exam stations in advance when they won’t be using a standing appointment, and DVS staff then make that appointment available for scheduling by the general public. Advance notice of these cancellations frees up appointments for others to use, but the process requires time and effort on the part of busy exam station staff.

**Open times unavailable when schools fail to cancel standing appointments in advance:** Not all schools inform the exam stations in advance when they won’t be using a standing appointment. Consequently, DVS holds back standing appointments in some cases until the time at which a school fails to show up and only then is the appointment made available for individuals who arrive at exam stations without an appointment. In these cases, the times could have been made available through the online and phone scheduling system had the schools canceled in advance. In this way, standing appointments make the DVS online scheduling system less efficient.

**Inability to confirm skills test eligibility in advance:** DVS has no information in advance for Minnesotans who arrive at exam stations for standing appointments and therefore must confirm on-site that these individuals are eligible for the test. By contrast, Minnesotans who schedule skills tests online or by phone must provide information that confirms their eligibility. For example, the permit number allows DVS to confirm that the person scheduling an appointment has held the permit long enough to meet required minimum times for practice driving with a licensed adult. This lack of information in advance for those with standing appointments can lead to inefficiencies. However, this same problem exists when individuals arrive at the exam stations without appointments and wait in line hoping to secure a testing time if other individuals with appointments fail to show up.

**Potential double-bookings within the DVS scheduling system:** Because DVS lacks information in advance about individuals who use standing appointments for their Class D skills tests, these individuals are able to book back-up appointments online to use later if they fail their tests the first time. The DVS system allows Minnesotans to use their permit number to schedule only one appointment at a time online, but because DVS lacks the permit numbers in advance for those using the standing appointments, the scheduling system is open to this problem of double-booking. These potential bookings reduce the number of appointment times available online and over the phone, making the DVS scheduling system less efficient, although the extent of this problem is unknown and might or might not be significant.

## Capacity

MAD found that standing appointments at the three exam stations in the core metro area have no direct effect on capacity. Given the high demand, all exam times are filled, so the regular appointments for the driving schools have no positive impacts on capacity at the stations. When driving schools with standing appointments fail to show up with their students for the skills tests, those open slots are immediately taken by individuals who arrive at stations without appointments and wait in line for openings. Consequently, the standing appointments have no direct negative effect on capacity, either.

As noted in the previous section, however, MAD found that standing appointments reduce efficiency at the three exam stations. Consequently, MAD expects that an end to standing appointments will have a positive effect on efficiency and in this way may have a positive but limited impact on capacity at the stations.

As part of this assessment study, MAD gathered data that highlights capacity challenges for DVS, especially for Class D skills tests offered at the three exam stations located in Arden Hills, Eagan, and Plymouth. According to DVS data, these three stations offer appointments for about 960 skills tests a week, or one-third of DVS's estimated weekly average of 2,860 appointments statewide. These three stations in the core metro area have closed-road facilities that allow those taking the skills test to go through the testing process without driving on open streets in the surrounding area.

The three exam stations are located in counties that account for 40 percent of Minnesota's overall population of 5.63 million. The Plymouth station is in Hennepin County (population 1.26 million, or more than 22 percent of the state total), the Arden Hills station is in Ramsey County (population 552,000, or almost 10 percent), and the

Eagan station is in Dakota County (429,000, or close to 8 percent).<sup>2</sup> These three counties are part of a broader, seven-county metropolitan region that accounts for 55.1 percent of the state’s population.<sup>3</sup> In the seven-county region, DVS also offers Class D skills tests at stations in Anoka, Chaska, Hastings, and Stillwater. The Hastings station is also located in Dakota County. The Stillwater station, in Washington County, offers skills tests only on Wednesdays and Thursdays.

With only three of its 93 total exam stations located in the core metro area and only seven serving a broader metropolitan region with more than half the state’s population, DVS faces serious capacity challenges as it tries to meet demand for exams. MAD’s analysis of DVS data shows that metro area exam stations have among the lowest levels of test availability and the longest wait times for appointments, and that residents of the metro area are among the state residents most likely to travel 50 miles or more to take skills tests. Interviews and DVS data both suggest exam stations in other counties within the broader metropolitan region—as well many of those farther out—have in turn been flooded by residents from the core metro area, reducing exam availability across the state.

## Consistency

Consistency in public programs and processes is important for setting expectations, establishing legitimacy, and ensuring impartial treatment of stakeholders and customers. Consistency helps the public sector serve and respond to a wide range of parties with different and sometimes competing interests. In the case of standing appointments for the Class D driver’s license skills test, MAD found a lack of consistency in the implementation of this practice at the three exam stations in the core metro area and a lack of coordination among them.

Decisions about standing appointments were made at the exam stations without established DVS policies or guidelines. MAD found that this left the practice open to both discretion and wide variations with regard to the following considerations:

- Which commercial driving schools should be allowed to have standing appointments?
- How many standing appointments any school should have?
- At which exam station or stations should driving schools be allowed to have standing appointments?

As noted earlier, MAD estimates that there are 24 commercial driving schools with standing appointments that operate within the service region for the three exam stations, but another 21 schools operating in that service region have no appointments. Some schools have appointments at all three exam stations, others have them at two of the three stations, and others still have them only at one. Driving schools weren’t uniformly informed of the practice but could secure standing appointments if they learned of them and requested them from exam

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<sup>2</sup> Population data is from the Minnesota State Demographic Center and is based on census estimates for 2018. MAD rounded the data. For more, see <https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/>. MAD rounded the totals.

<sup>3</sup> The seven counties in the core metropolitan area, as defined by the Metropolitan Council, are Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The Census Bureau estimates the 2018 population for these seven counties together was 3.10 million.

station supervisors. One owner of a driving school was unaware of the practice until MAD interviewed him in September for this assessment study.

Using DVS data on the 24 commercial driving schools with standing appointments, MAD found that the number of standing appointments offered to those schools was neither related to nor consistent with the number of students at each of those schools. For this analysis, MAD used DVS data on the 24 schools with standing appointments to approximate the number of their students likely to be eligible for the driver's license skills test and compared this with the number of standing appointments each school has.<sup>4</sup> DVS reports that its annual counts of students from the schools should reflect all students who contracted for service from the schools. These calculations for eligible students compared with standing appointments are necessarily imprecise because they use annual DVS data on behind-the-wheel enrollments and completions from 2018 and weekly data on standing appointments from April 2019. Nonetheless, after adjusting weekly appointment numbers upward for annual totals, MAD found no relation for schools with standing appointments between the number of appointments held at the exam stations and the number of their students assumed likely to be eligible for a skills test.

Comparing the estimated annual numbers of standing appointments and students assumed to be ready for the test, MAD found that three of the schools had enough standing appointments to cover less than one in five of their students—1 percent of the students in one case, 17 percent in another, and 18 percent in a third. By contrast, some other schools had far more standing appointments than 2018 students eligible for the test, based on MAD's assumptions, with the standouts having as many as 5, 10, and 14 times more appointments than students. Most schools with standing appointments had between 1.2 and 2.5 times more appointments than eligible students, again as estimated by MAD.

## **Fairness: equal treatment and equity**

To consider the important concept of fairness, MAD looked at equal treatment for all in the processes that lead toward an outcome and looked also at equitable treatment that advances access and opportunity for all to succeed even if their circumstances and needs differ. MAD used these lenses to assess standing appointments for commercial driving schools at the three exam stations. MAD found standing appointments to be unfair in

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<sup>4</sup> To estimate counts for students likely to be eligible for skills tests, MAD used DVS annual 2018 data for two groups: 1) the number of youth who completed behind-the-wheel instruction at each school, because Minnesotans ages 16–17 must complete six hours of such instruction before they are eligible for the skills test, and 2) the number of adults who enrolled in behind-the-wheel instruction, because adults aren't required to complete such instruction before taking the test unless they have previously taken the test and repeatedly failed, so enrollment provides a count for each school's adult students engaged in behind-the-wheel instruction, all of whom are eligible for the test. In order to avoid double counting adult students from the schools, MAD did not count separately the adults who enrolled in or completed classroom training. Not all schools with standing appointments as of April 2019 were included in the 2018 tallies of students. Additionally, for calculations of each school's standing appointments, MAD multiplied the weekly number of standing appointments for each commercial driving school as of April 2019 by the 52 weeks in a year to estimate an annual count and then reduced this total by about 4 percent to account for State of Minnesota holidays, when the exam stations are closed; MAD didn't factor in the disproportionate share of holidays that fall on Monday.

terms of equal treatment for both Minnesotans who seek the Class D skills test and for the driving schools serving the core metro area. MAD also found standing appointments likely to be unfair in terms of equity for individuals with low incomes, although at the same time several driving schools report that standing appointments boost equity for some individuals who may face barriers, including some immigrants.

## Equal treatment

Standing appointments lead to unequal treatment of commercial driving schools and of individuals who need to take the state's driver's license skills test. That unequal treatment leads to the perception of favoritism: the practice is seen by the public as granting favor to the driving schools, and among driving schools, the practice is seen as granting favor to some driving schools over others.

### Unequal treatment for individuals

With standing appointments, individuals in need of the skills test are treated differently, in the following ways:

**Standing appointments for youth who choose certain driving schools:** If youth under age 18 receive behind-the-wheel training from commercial driving schools with standing appointments, they can secure testing times at the three exam stations in the core metro area generally without delay. By contrast, youth who receive the required instruction from other schools face delays and difficulties when they schedule appointments on their own or go to the exam stations without appointments and wait in line, hoping to fill unexpectedly open time slots. MAD heard reports of teens without standing appointments spending the night in their cars to get in line and wait for open testing times the next day.

**Standing appointments for adults who pay for training from certain schools:** Similarly, adults who receive instruction from driving schools with standing appointments have easy access to skills tests, while adults who work with other driving schools or pursue a license on their own don't. Unlike youth, adults aren't required to engage in behind-the-wheel instruction, except under certain circumstances. The fee-for-service approach that driving schools use for their standing appointments puts them out of reach for adults who cannot pay or choose not to pay for training before they take the test.

**Long trips to exam stations for some metro-area residents without standing appointments:** A significant number of both youth and adults in the core metro area who have no access to standing appointments travel long distances to secure skills tests at exam stations in the broader metropolitan region or in Greater Minnesota. Individuals with access to standing appointments through their driving schools avoid the inconvenience and costs of these long trips. MAD analyzed DVS data and found concentrations of Minnesotans from ZIP code areas in the metropolitan region and in central Minnesota traveling 50 miles or more to take skills tests during the months of July through August 2019.

**Reduced scheduling opportunities and long waits for metro-area residents without standing appointments:** Standing appointments account for almost one in five of the available testing times at the three exam stations in the core metro area, which significantly reduces the times available for scheduling by those who do so on their own through the DVS online system or by phone. Lack of available exam times leads to long wait times for individuals without access to standing appointments. MAD analyzed DVS data for two dates in September and October to track the time lags between when individuals engage with the DVS system to schedule exams and

the dates they choose when scheduling them, using the gap as an imprecise but useful indicator of appointment availability. MAD identified concentrations both in the seven-county metropolitan region and nearby of lag times averaging more than 100 days, with the long waits outside the core metro area likely related to bookings made at outlying exam locations by individuals from the core.

## **Unequal treatment of driving schools**

MAD found that standing appointments result in unequal treatment of commercial driving schools, which plays out in the following ways:

**Unequal treatment of driving schools without standing appointment:** As a result of the decentralized and discretionary approach to standing appointments, 24 commercial driving schools have them and another 21 schools that MAD identified as operating in the core metro area don't. Many driving schools were unaware of the practice, as noted in the previous section about consistency. Several DVS officials said the exam stations couldn't possibly treat all the schools the same and offer them all standing appointments without creating more and greater problems for individuals trying to schedule appointments on their own.

**Unequal treatment of driving schools that have standing appointments:** Standing appointments vary by school, as also noted in the previous section on consistency. Some driving schools have more standing appointments than they have students who enrolled with them for behind-the-wheel instruction in 2018, while others had thousands more students than they have standing appointments. Some of the schools with standing appointments have them at more than one exam station, and others don't.

**Standing appointments as a competitive advantage for driving schools:** Schools that have standing appointments can use them to attract business that otherwise might have gone to schools without standing appointments. In this way, standing appointments create an unfair competitive advantage in the marketplace. DVS officials at the exam stations said driving schools without standing appointments—or without enough of them—cite this problem as a serious disadvantage for their businesses. MAD heard reports, too, of driving schools with standing appointments using them to try to draw customers and contracts away from other schools without them. A recent example: one of the state's larger driving schools was unaware of the practice until recently when a competing driving school shared information about its standing appointments as part of its sales presentation to a school district. That district ultimately chose to end its contract with the large driving school and contract instead with the one that has standing appointments.<sup>5</sup>

**Revenues from standing appointment for schools that have them:** MAD found that in many if not all cases, individuals who take their skills tests during standing appointment times pay their driving schools additional fees. The schools that MAD interviewed reported charging students \$60–\$100 for the services that they packaged around the standing appointments, generally to cover time spent by instructors on short lessons beforehand and down-time at the exam stations during the tests. This generates revenues for schools with standing appointments—revenues out of reach for schools without them.

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<sup>5</sup> MAD confirmed this story, originally shared by DVS officials, with owners of the driving school that lost the contract.

Beyond this, standing appointments may distort the business model for some schools with standing appointments, away from the focus on quality training—at least in part—and toward packaging their standing appointments in ways that draw in students and generate revenue. “It’s a competitive advantage for the school and, in my mind, it’s guaranteed revenue,” said the owner of one driving school. “It’s like picking money off the ground.” Many schools with standing appointments take driver’s training seriously, of course, and all should be expected to charge for instructors’ time when they take individuals in for the skills test. But MAD found that some schools may treat fees related to their standing appointments as a line of business, a possibility perhaps in particular for schools that have far more standing appointments than they have students enrolled in their official behind-the-wheel courses. Officials at one exam station cited instances of driving schools bringing in customers who paid the school only for a single lesson and a ride to the skills test, presumably as a way to secure a testing time. In an October 2019 newscast, KSTP TV documented a number of driving schools offering “reserved spots” for a fee to the mother of a Monticello teen who was expecting to soon take the test.<sup>6</sup>

## Equity

Evenhanded, equal treatment for all is important. However, in some instances differential treatment may be needed to advance access and opportunity for certain groups or individuals who face different barriers and challenges than most. Public programs and processes often factor in this equity consideration when striving to increase the likelihood of successful outcomes for all. In the case of standing appointments, however, MAD found that the differential treatment of adults likely favors those with the ability to pay for training. MAD found further that while standing appointments may result in limited equity gains for some who face barriers to success, that result is an unplanned byproduct of the practice. If equity is a goal, DVS should consider initiatives intentionally designed to address equity issues for the broader population of Minnesotans who face barriers to success. A deliberate approach, explicitly aimed at equity issues, will likely yield greater impact than the limited equity benefits resulting from standing appointments for a few commercial driving schools working with underserved groups.

MAD noted the following equity considerations for standing appointments:

**Benefits for those able to pay for access to standing appointments:** The individuals who gain from standing appointments are those who can afford behind-the-wheel instruction and can afford the fees that driving schools charge for additional or free-standing sessions that include those appointments. This being the case, standing appointments not only fail to address equity considerations for Minnesotans with low incomes but reward those with stable incomes and the ability to pay. The state requires Minnesotans ages 17 and younger who want a driver’s license to first receive classroom and behind-the-wheel instruction, and many youth enroll in and pay for the driver’s education from commercial driving schools. But some young people wait because the state allows adults 18 and older to take the skills test without formal driver’s training, an affordable approach for those with limited incomes. Among adults in general, many pursue driver’s licenses on their own rather than pay for instruction, perhaps because of financial constraints for some.

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<sup>6</sup> Jessica Miles, “State Gave Coveted Driving Tests to Schools Trying to Cash in on the Backlog,” KSTP TV, October 3, 2019. (Available at <https://kstp.com/news/state-gave-coveted-driving-tests-to-schools-trying-to-cash-in-on-backlog-october-3-2019-/5513856/>.)



These income-related equity concerns have implications beyond income alone: median household income for Minnesotans who are Black or African American, American Indian, or Hispanic or Latino lags that of whites, and the poverty rates for Minnesotans in these racial and ethnic groups are three to four times higher than it is for whites.<sup>7</sup>

**Possible benefits for some who may face barriers:** In its research for this assessment study, MAD identified a few cases in which standing appointments may help some individuals who face barriers and therefore may benefit from differential treatment regarding the skills test. Some of the schools that have standing appointments work primarily with adults from immigrant communities, some of whom face language barriers and other difficulties that might hinder their efforts to schedule skills tests through the DVS online and phone systems. Several people raised this point during their interviews with MAD, including two who oppose standing appointments. In addition, the owner of one driving school noted that unemployed adults may quickly need to obtain driver's licenses in order to land jobs and support their families. This may be particularly important for adult immigrants and low-income adults living paycheck to paycheck.<sup>8</sup>

In discontinuing its practice of standing appointments, DVS should be aware of these equity concerns and explore ways to address them, including perhaps by expanding its phone and online scheduling options to cover languages other than English—and expanding, as well, driver's training materials to cover languages other than English and Spanish. DVS could even consider partnering with Minnesota's Department of Employment and Economic Development on ways to provide easier access to skills tests for residents in the core metro area who need driver's licenses quickly for jobs they have found through the state's CareerForce Centers.

## An end to standing appointments

As noted earlier in this assessment study, MAD strongly recommends that DVS end its practice of allowing commercial driving schools to reserve standing appointments for the Class D driver's license skills test at the three exam stations in the core Twin Cities metro area. As part of its research for this study, MAD asked DVS officials and driving school owners about the possible impacts they expect from an end to standing appointments. This section presents those findings.

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<sup>7</sup> Median household income is from the Census Bureau's American Community Survey, five-year data for 2013–17. Data on poverty is from the Minnesota State Demographic Center, also from the five-year American Community Survey data, and found on the website for "Income and Poverty: Key Findings," <https://mn.gov/admin/demography/data-by-topic/income-poverty/>.

<sup>8</sup> A driving school owner also said standing appointments may be important for individuals who don't own cars but need to drive. With standing appointments, they can use cars from the driving school to take their skills tests. However, MAD found that some driving schools without standing appointments also offer students the opportunity to use school vehicles for the test, making this less of an issue, at least for those who pay for driver's training from the schools.

## Possible impacts on driving schools

Those interviewed for this study said an end to standing appointments will have a positive impact on the commercial driving schools without standing appointments because it will level the playing field and allow schools to compete on the quality of their training rather than access to skills tests. Negative impacts from this change will fall to schools with standing appointments, who benefit from the competitive advantage they provide. For some of these schools with standing appointments, an end to the practice will result in a minor decrease in revenues. For others, the loss may be significant and may threaten the financial viability of their schools. One owner of a driving school with standing appointments said an end to the practice “would be devastating.” Several of those interviewed said DVS should announce an end to standing appointments before halting the practice in order to give driving schools some time to adjust to the change.

If DVS halts standing appointments at the three exam stations, the driving schools most negatively affected may include those that work with “traditionally underserved populations,” including immigrants and Minnesotans of color, according to one driving school owner. This owner expressed concern about this potential impact but still called for an end to standing appointments. Both a DVS official and the owner of another driving school said that the adjustment may be difficult for schools with standing appointments but that those schools should be in business to train students, not generate revenues from their access to test times.

## Possible impacts on those taking the skills test

The end of standing appointments will have a positive impact on individuals scheduling and taking skills tests, according to most of those MAD interviewed. Without standing appointments, more times will be available through the regular DVS scheduling process at the three exam stations in the core metro area, so the broader population of metro area residents who need skills tests will have more scheduling dates and times to choose from. The change won’t affect the number of people seeking a test, however, so scheduling will remain a challenge and the waits will remain long at least in the short term while DVS explores and institutes changes designed to improve efficiency and expand capacity for the tests. MAD expects the outcome will be somewhat easier scheduling and shorter waits for the general public but more scheduling problems and longer waits for individuals who otherwise would have had access to standing appointments.

As noted earlier, a number of the people interviewed for this study cited equity concerns, noting possible problems when the practice ends for immigrants and for adults who need to quickly obtain licenses in order to secure employment and support their families. MAD recommends that DVS consider these equity concerns and explore deliberate and broad approaches to address them.

## Possible impacts on DVS and exam scheduling

Discontinuation of standing appointments for driving schools will have little impact on DVS, aside from an end to the distractions and inefficiencies that the practice now creates, said the DVS officials who talked with MAD about possible impacts on the agency. One DVS official expected “pushback” from the driving schools that lose their appointments. Similarly, one driving school owner said DVS should expect “blowback” from driving schools

that will complain they could go out of business if the agency ends standing appointments at the three exam stations in the core metro area.

The owner of one driving school with standing appointments warned that an end to the practice will lead to more problems for the DVS scheduling system, not fewer. He said the schools that lose their standing appointments will continue to schedule students for tests, presumably using students' permit numbers, but won't limit themselves to the number of appointments they had when standing appointments were in effect. DVS has allowed bookings for Class D skills tests up to two months out through its online and automated phone system but also has allowed bookings six months out if someone called in to talk to a DVS scheduler. If DVS ends standing appointments, the owner said, his driving school and others will tie up the DVS operators who field scheduling calls, and they will book a great many of the available testing times at the three exam stations on a regular basis. DVS should consider ways to monitor and avoid potential problems with bookings from driving schools after it ends standing appointments. Already, DVS plans to allow bookings six months out through its online and automated phone system, as well as through phone calls to DVS schedulers—a move that should help limit problems going forward.

## **Broader concerns about efficiency and capacity**

The owner of one driving school with standing appointments said scheduling hassles and limited exam station testing times makes it very difficult for people to get driver's licenses. This, he worried, means more people are driving without licenses and consequently without insurance, as well. The owner made these comments when asked about possible impacts from an end to standing appointments, but the concerns point to broader challenges for DVS and its customer base. The agency recently began a concerted effort to improve efficiency and expand capacity for Class D skills tests at exam stations, starting with the three in the core metro area. DVS efficiency and capacity initiatives will be critical and likely will yield results more consequential and beneficial than the end to standing appointments alone.