Driver Examination Stations

2021
EVALUATION REPORT

Program Evaluation Division

OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

Program Evaluation Division

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OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA • James Nobles, Legislative Auditor

March 2021

Members of the Legislative Audit Commission:

The Department of Public Safety's Driver and Vehicle Services Division (DVS) operates driver examination stations across the state. Our review focused on the extent to which exam stations are adequately staffed and available to drivers who need to take knowledge or road tests on their way to obtaining a Class D license (Minnesota's standard driver's license). We also analyzed the effects of strategies that DVS has implemented to address its road-test backlog.

While DVS successfully eliminated a large road-test backlog by late 2020, we found that the division has not consistently satisfied a statutory requirement to ensure that customers may obtain road tests within 14 days of requesting one. We recommend that the Legislature clarify this requirement, as well as another related to whether customers should be allowed to take the Class D knowledge test online from their own homes. We also present arguments for and against four different policy proposals that would affect driver testing and require legislative action.

Our evaluation was conducted by Sarah Delacueva (project manager), Jody Hauer, and Scott Fusco. The Department of Public Safety cooperated fully with our evaluation, and we thank them for their assistance.

Sincerely,

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Summary
Driver Examination Stations

Key Facts and Findings:

- The Department of Public Safety's Driver and Vehicle Services Division (DVS) operates Minnesota's driver examination (exam) stations. (p. 3)
- In 2019, DVS administered more than 282,000 knowledge tests and 136,000 road tests for the Class D license—Minnesota's standard driver's license. (p. 11)
- To address COVID-19 safety concerns, DVS consolidated from 93 to 15 exam stations in May 2020. This saved staff travel time and increased the daily number of road tests. (pp. 37-38)
- Following the station consolidation in May 2020, the location of DVS exam stations no longer fully satisfied a legal requirement to make Class D exams available either in, or adjacent to, each Minnesota county. (p. 18)
- DVS has been unable to consistently satisfy a requirement in law that establishes a maximum wait time of 14 days for Class D road tests. One aspect of the requirement, however, is unclear. (pp. 21-22)
- DVS lacks a systematic approach to forecasting demand for Class D road tests. (p. 25)
- DVS has experienced persistent staff shortages at exam stations and has struggled to fill key exam-station positions in a timely manner. (pp. 29, 32)
- DVS relied on extensive staff overtime to help reduce the 2020 backlog, which is not sustainable long term. (p. 35)
- Over the past two years, DVS has improved its exam-scheduling process for Class D road tests. (p. 41)
- Though it lacks the explicit legal authority to do so, DVS has allowed people to take the online Class D knowledge test in their homes. (p. 50)
- Additional changes could improve road-test administration or road safety, but they also pose challenges. (p. 57)

DVS eliminated its 2020 backlog of Class D road tests but has not consistently met a legal requirement for timely road-test appointments.

Key Recommendations:

- The Legislature should clarify the requirement that an applicant receives a Class D road-test appointment within 14 days of request. (p. 22)
- The Legislature should clarify whether individuals should be allowed to take the online Class D knowledge test at home. (p. 53)
- DVS should (1) continue to strive to meet the statutory 14-day goal on road-test appointments and (2) measure "next available appointment" at the time a customer schedules an exam. (p. 23)
- DVS should develop a robust method to regularly forecast demand for Class D road tests. (p. 27)
- DVS should identify alternatives to relying on extensive, long-term staff overtime to increase its capacity to conduct road tests. (p. 36)
- DVS should reopen exam stations strategically at the end of the temporary consolidation that began in 2020. (p. 38)

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MARCH 2021

Report Summary

Minnesota drivers can obtain several types of driver's licenses, including the Class D license, which is the standard driver's license required to drive on Minnesota's public roadways. To obtain a Class D license, drivers must complete some combination of education, instruction, practice, and examinations, depending on the age of the license seeker.

The Department of Public Safety's Driver and Vehicle Services Division (DVS) oversees licensing, including administering the requisite exams at its driver examination (exam) stations. Knowledge tests come in written or computerized formats and test a person's knowledge of Minnesota traffic laws. Road tests take place behind the wheel of a vehicle and test a person's ability to control and maneuver that vehicle. Some individuals must take the exams more than one time before they achieve a passing score. In 2019, DVS conducted more than 136,000 Class D road tests and more than 282,000 Class D knowledge tests.

Citizens and legislators have expressed concern about a backlog of Class D road tests and the resulting wait times to take the test. DVS had also received criticism for reserving road-test appointments to which only certain driver education programs could bring their students. DVS discontinued the practice, known as "standing appointments," in early 2020.

Nearly two-thirds of Class D road-test appointments from October 2018 through July 2020 were scheduled to occur after the required 14-day threshold.

DVS has had mixed success meeting statutory requirements on exam availability.

Minnesota law establishes two standards for customer access to Class D driver exams. The first requires DVS to provide Class D knowledge tests and road tests either in or adjacent to each Minnesota county.[1] Prior to the exam-station closures precipitated by the COVID-19 pandemic in March 2020, DVS exam stations were located in 80 counties. The remaining seven counties were served by one or more exam stations in neighboring counties, satisfying the legal requirement.

When DVS reopened driver exam stations in May 2020, the division temporarily consolidated to 15 stations, no longer meeting the location requirement established in law. While DVS has since reopened 10 additional stations, the division has indicated that it does not plan to reopen all of its original 93 exam stations. We recommend that DVS reopen exam stations strategically to ensure that it meets the statutory requirement to provide adequate coverage across the state.

A second legal standard requires DVS to provide a road-test appointment within 14 days of a request by an eligible applicant.[2] The statute is unclear because it does not specify whether the 14-day requirement applies to an appointment made anywhere in the state or closer to an applicant's home. We recommend that the Legislature clarify this statute.

The broadest interpretation of the requirement is that an appointment must be available *somewhere in the state* within 14 days. DVS's appointment data from October 2018 through July 2020 show that only 34 percent of Class D road-test appointments were scheduled to occur within 14 days. However, DVS does not collect systematic data on the "next available appointment" at the time a customer schedules a test. This means that DVS does not know the percentage of road tests that *could have* occurred within 14 days, but were scheduled further into the future due to customer preferences. We recommend that DVS systematically track data on the "next available appointment" and continue to strive to meet the 14-day statutory requirement.

DVS does not systematically estimate demand for Class D road tests. Regularly forecasting demand would allow DVS to make informed decisions on staffing to meet the 14-day requirement in state law. A DVS manager told us that they have estimated the demand for road tests only on an ad hoc basis. We recommend that DVS develop a robust method of forecasting demand on an ongoing basis.

[1] *Minnesota Statutes* 2020, 171.13, subd. 1(c).

[2] *Minnesota Statutes* 2020, 171.13, subd. 1(d).

Further, DVS's estimates should be based on factors, such as the expected number of retests, most likely to affect demand.

DVS has struggled to maintain adequate staffing at exam stations.

DVS has experienced persistent staff shortages at exam stations. Exam stations rely on three main groups of staff: regional supervisors and assistant regional supervisors, examiners (who conduct road tests), and counter staff. As of late May 2020, DVS had a total of 214 supervisor, examiner, and counter staff positions, only 184 of which were filled; 14 percent were vacant. From 2016 through 2019, DVS averaged vacancy rates of 23 percent for examiners and 36 percent for counter staff.

DVS's late May 2020 complement of exam-station staff is smaller than DVS has estimated it needs to consistently meet the demand for Class D road tests. For example, DVS estimated in early 2020 that it needed 195 examiners to staff its original 93 exam stations, which was nearly twice as many as DVS employed in May 2020. At that time, DVS had 118 examiner positions, only 100 of which were filled.

DVS has struggled to fill its exam-station vacancies in a timely manner. Since 2016, the length of the hiring process has increased for most exam-station positions. For example, from 2013 to 2016, it took an average of less than three months to hire new examiners; since then, the hiring time has increased, reaching an average of more than six months for positions posted in 2020.

In 2020, the COVID-19 pandemic made it even more difficult to adequately staff exam stations. Between late March and the end of June 2020, "paid COVID-19 leave" accounted for 21 percent of all exam-station employees' work hours. This further reduced the number of hours that exam-station staff were available to deliver services, such as road tests.

To address a backlog of road tests after pandemic-related exam-station closures, DVS consolidated the number of exam stations and used significant overtime.

The two-month exam-station closures in spring of 2020 resulted in the cancellation of more than 19,000 Class D road tests. Exam-station consolidation, staff overtime, and other exam-station changes allowed DVS to successfully meet its goal of conducting nearly 81,500 Class D road tests from June through October 2020. This accounted for the backlog as well as the regular summer demand for road tests.

To increase its road-test capacity, DVS consolidated more than 90 exam stations to 15 locations (14 of which administered road tests). DVS's reduced number of exam stations resulted in greater station efficiency. One reason was that it eliminated the time that exam-station staff spent traveling to smaller, more distant exam stations.

Despite staffing challenges, DVS met its goal of eliminating the backlog of Class D road tests by October 2020.

DVS used significant staff overtime to extend the hours at open stations. From mid-May through June 2020, exam-station staff worked about 1,800 overtime hours. Relative to all hours worked, this was more than twice as high as the proportion of overtime hours worked during 2019.

While significant overtime helped eliminate the backlog of Class D road tests, its use is not sustainable in the long term. In response to an OLA survey conducted in August and September 2020, one-fifth of DVS supervisors and assistant supervisors commented specifically on the toll that the additional hours had taken on staff. We recommend that DVS identify alternatives to relying on extensive, long-term staff overtime to increase its road-test capacity.

Since late 2018, DVS has improved the process customers use to schedule Class D road tests.

DVS improvements started with the rollout of a new online scheduling system in October 2018. The new system featured improved

search capability and allowed customers to search for a new road-test appointment without losing a previously scheduled one.

DVS also expanded—from six weeks to six months—the window for which it made appointments available, giving customers more appointment options when scheduling online. Further, DVS discontinued the practice of reserving appointment slots for use by customers of only certain driver education programs, making the process more equitable.

DVS made additional scheduling changes upon reopening exam stations in late May 2020. One was to require appointments—and discontinue walk-in service—for both Class D road tests and knowledge tests. This allowed DVS to control the number of customers in waiting areas and helped manage customer expectations.

DVS has allowed customers to take the Class D knowledge test at home, but it is unclear whether the division has the legal authority to do so.

It is unclear whether DVS has legal authority to allow customers to take online knowledge tests at home.

In 2020, the Legislature directed DVS to allow driver education programs and other authorized entities to administer Class D knowledge tests online.[3] In October 2020, DVS began allowing customers to take the knowledge test online from third-party administrators or in their own homes with a qualified adult serving as a proctor. The statute authorizing online knowledge testing states that an "entity" must apply to the Department of Public Safety to administer the test. DVS has determined that licensed individuals age 21 or older can be considered "entities" for proctoring tests. OLA questions whether the law intended "entities" to include individual proctors and whether the knowledge test can legally be taken from home. We recommend that the Legislature clarify this law.

Some changes with the potential to improve test administration or road safety would require legislative action.

Possible changes introduced by legislators and others include (1) the use of third-party testers for Class D road tests, (2) the expansion of third-party testing for commercial driver's licenses, (3) no-show fees, and (4) an increase in the age for which driver education is required.

While OLA does not offer recommendations on whether the Legislature should adopt these changes, Chapter 4 presents arguments for and against each. For example, charging fees when customers fail to show up for scheduled road tests could prevent wasted appointment slots. At the same time, such fees could be a burden for some applicants, and the extent to which they would reduce no-shows is unknown.

[3] *Laws of Minnesota* 2020, Second Special Session, chapter 2, sec. 2, codified as *Minnesota Statutes* 2020, 171.13, subd. 9.

Summary of Agency Response

In a letter dated March 12, 2021, Department of Public Safety Commissioner John Harrington said that "DVS appreciates all of the analysis OLA put into" its recommendations. He said that he is proud of the improvements DVS has made in scheduling and providing road tests and that DVS would continue to strive towards a service model focused on "customer access, experience, and convenience." He added that DVS would "measure and track data to better anticipate demand and maximize operational efficiencies statewide while always prioritizing our focus on safe drivers." Commissioner Harrington also addressed the four potential policy changes presented in Chapter 4. He said that he "appreciates the OLA's efforts to provide the pros and cons" of allowing third parties to administer Class D road tests. He said that such a change would be concerning because of its impact on public safety. However, he indicated support for the other potential changes: the expansion of third-party testing for commercial driver's licenses, no-show fees, and requiring "driver education earlier in the testing process."

The full evaluation report, *Driver Examination Stations*, is available at 651-296-4708 or:
www.auditor.leg.state.mn.us/ped/2021/driverexams.htm

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Introduction

A Class D driver's license (Minnesota's standard license) grants the holder permission to drive on Minnesota's public roadways. The Department of Public Safety's Driver and Vehicle Service Division (DVS) oversees licensing, including administering the requisite knowledge tests and road tests at its driver examination (exam) stations. In 2019, DVS made news due to the growing backlog of Class D road tests and the now-defunct practice of reserving road-test appointments to which only certain driver education programs could bring their students; both issues concerned citizens and legislators alike.

In April 2020, the Legislative Audit Commission directed the Office of the Legislative Auditor (OLA) to evaluate driver exam stations. In our evaluation, we address the following questions:

- **To what extent are driver exam stations adequately staffed and available to drivers across the state?**
- **How has the Department of Public Safety spent the appropriations it received to improve the scheduling of Class D road tests, and how efficient and accessible is DVS's current system for scheduling Class D road tests?**
- **What have been the effects of strategies DVS has implemented to address the testing backlog?**

To conduct this evaluation, we reviewed Minnesota statutes and rules related to driver licensing and driver exam stations. We conducted numerous interviews with DVS staff, as well as other stakeholders, such as deputy registrars and a representative of driver education programs. We also interviewed driver exam program managers from six other states: Iowa, Michigan, North Dakota, Utah, Washington, and Wisconsin.

We traveled to five exam stations around the state and conducted in-person surveys with 45 parents (or other licensed adults accompanying road-test takers) regarding their experiences scheduling a road test. In addition, we surveyed the DVS regional supervisors and assistant regional supervisors who manage exam-station operations.[1] Finally, we analyzed several datasets provided by DVS and related to exam-station operations. These included financial data; multiple types of personnel data; and data related to appointments scheduled, exams conducted, and licenses held in Minnesota.

Due in part to the evolving demands of the COVID-19 pandemic, DVS made changes in the way it delivered exam-station services throughout the course of our evaluation. To the extent possible, we present information that is current as of early March 2021. The various datasets we analyzed spanned different time periods; whenever we present data analysis in our report, we include the specific dates analyzed.

We focused our evaluation primarily on examinations for Class D driver's licenses rather than those associated with commercial driver's licenses (CDLs). Further, we did

[1] We received responses from 100 percent of the supervisors and assistant supervisors surveyed.

not evaluate the DVS practice of reserving road-test appointments for certain driver education programs. While some legislators and driver education programs had been critical of these "standing appointments," DVS discontinued the practice in early 2020. We address it only for the purpose of providing background information.

This report is organized into four chapters. Chapter 1 provides overviews of driver licensing in Minnesota and driver exam stations. In Chapter 2, we discuss two legal standards that apply to exam delivery, and we examine the staffing issues that have made it difficult for DVS to satisfy them. We also discuss staffing-related strategies that DVS has recently employed to address its road-test backlog. Chapter 3 explains additional changes (unrelated to staffing) DVS has made to enhance exam-station operations. Chapter 4 looks to the future, examining the pros and cons associated with four potential changes that would require legislative approval.

Chapter 1: Background

Before individuals are able to legally drive on Minnesota's public roads, they must obtain a valid driver's license. Licenses enable Minnesotans who rely on motor vehicles to get to work, school, and other activities. A license indicates that the driver has shown an adequate understanding of the rules of the road, how to operate a motor vehicle, and how to follow safe driving practices. License seekers demonstrate this understanding by passing a written or computerized knowledge test as well as a behind-the-wheel road test (also called a skills test). In Minnesota, the Department of Public Safety's Driver and Vehicle Services Division (DVS) administers knowledge and road tests at driver examination (exam), the subject of this report.

In this chapter, we explain the process for acquiring a driver's license, including the examination requirements. We then provide an overview of driver exam stations and explain their funding.

Key Findings in This Chapter

- The process and length of time needed to acquire a Class D driver's license varies depending on the driver's age.
- In 2019, DVS administered more than 136,000 road tests—more than in previous years.
- In Fiscal Year 2020, exam-station expenditures made up less than 10 percent of all DVS expenditures.

Overview of Minnesota Driver's Licenses

Safety on Minnesota's roads depends in part on drivers satisfactorily completing various requirements to obtain a driver's license. In this section, we explain the different types of Minnesota driver's licenses. We then focus on one of those licenses (the standard Class D license) and explain the process individuals go through before they become licensed to drive.

Types of Licenses

Minnesota offers various types of driver's licenses. In 2020, there were more than 4.1 million valid Minnesota driver's licenses, each of which falls into one of four license classes: A, B, C, or D, as described in the sections that follow.[1] In addition, Minnesota drivers added approximately 791,000 "endorsements" to their driver's licenses to expand their driving privileges. The types of licenses and endorsements an individual has determine what types of vehicles that driver can legally operate and what those vehicles can transport.[2] DVS issues all Minnesota driver's licenses and endorsements.

In 2020, there were more than

4.1 million

valid Minnesota driver's licenses.

[1] The 4.1 million licenses do not include instruction permits. We discuss instruction permits for Class D licenses in a subsequent section.

[2] In addition to driver's licenses, DVS issues state identification cards for individuals who do not already have and choose not to acquire a driver's license or instruction permit. As of July 2020, more than 472,000 Minnesotans held state identification cards.

Class D License

The most common type of driver's license is a Class D license. As of July 2020, 3.9 million individuals held a Class D license, which accounted for 95 percent of driver's licenses in Minnesota. At a minimum, drivers must hold a Class D license to operate a motor vehicle on Minnesota public roads.[3] Class D licenses allow drivers to operate all single-unit vehicles (vehicles with a single frame—such as cars, pickups, and small trucks—rather than a tractor and a trailer) that weigh 26,000 pounds or less, as shown in the box at right. In 2019, DVS issued roughly 2.8 million Class D licenses.[4]

Class D license holders may operate:

- Single-unit vehicles (cars, pickups, and small trucks) that are 26,000 pounds or less, carry 15 passengers or less, and do not carry hazardous materials
- Farm trucks carrying agricultural products, farm machinery, or farm supplies, including hazardous materials, within 150 miles of the farm
- Authorized emergency vehicles
- Recreational vehicles for personal use
- Vehicles that tow a trailer or other vehicle if the gross vehicle weight is 10,000 pounds or less, or if the combined gross vehicle weight of the vehicle and trailer is 26,000 pounds or less

— *Minnesota Statutes* 2020, 171.02, subd. 2(c)

Drivers who hold a standard Class D license may also acquire an additional endorsement allowing them to drive a motorcycle. To acquire a motorcycle endorsement, a driver must pass an additional knowledge test and road test. As of July 2020, more than 540,000 Minnesotans held valid motorcycle endorsements; DVS issued about 279,000 motorcycle endorsements in 2019.

Commercial Driver's Licenses

The remaining three classes of Minnesota's driver's licenses are commonly referred to as commercial driver's licenses (CDLs). To drive vehicles other than those allowed by the Class D license alone, an individual needs to possess a CDL. In 2019, DVS issued approximately 165,000 CDLs. CDLs can be Class A, B, or C licenses, depending on which vehicle type they allow an individual to operate. For example, Class A licenses, which are the most comprehensive and common CDL, allow drivers to operate any vehicle or trailer combination, including the largest semi-trucks. The box on the next page shows examples of the types of vehicles allowed under each CDL.

In 2020, more than

218,000

Minnesotans held valid commercial driver's licenses.

[3] A handful of exceptions exist. For example, nonresidents who are at least 15 years of age and possess a valid driver's license from another state do not need a Minnesota license. Additionally, individuals who operate a farm tractor can drive temporarily on public roads without a license.

[4] Licenses "issued" includes licenses that DVS issued for the first time, renewed, corrected, or otherwise changed.

Similar to the Class D motorcycle endorsement, CDL holders can add endorsements to their licenses to expand the types of vehicles they are authorized to drive and what they are allowed to transport.[5] State law prohibits a driver from driving a bus, school bus, tank vehicle, double- or triple-trailer combination vehicle, or vehicle transporting hazardous materials without the proper endorsement on their license.[6] In 2019, DVS issued approximately 156,000 CDL-related endorsements.

Minnesota Commercial Driver's Licenses

Class C (About 2,400 valid as of July 2020)	Class B (About 59,000 valid as of July 2020)	Class A (About 157,000 valid as of July 2020)
License holders may operate: • All vehicles allowed by a Class D license • Vehicles allowed by a Class D license that transport hazardous materials, with the necessary endorsement • Buses with a passenger endorsement • School buses with a passenger endorsement and a school bus endorsement **— *Minnesota Statutes* 2020, 171.02, subd. 2(d)**	License holders may operate: • All vehicles allowed by a Class C or Class D license • All other single-unit motor vehicles, including buses with an endorsement • Vehicles that are towed with a weight of 10,000 pounds or less **— *Minnesota Statutes* 2020, 171.02, subd. 2(e)**	License holders may operate: • Any vehicle or combination of vehicles, with the proper endorsements **— *Minnesota Statutes* 2020, 171.02, subd. 2(f)**

Licensing Process

DVS oversees the requirements to apply for and obtain a driver's license. The division issues driver's licenses after drivers complete some combination of education, instruction, practice, and examinations.

The process and length of time needed to acquire a Class D license varies depending on the driver's age.

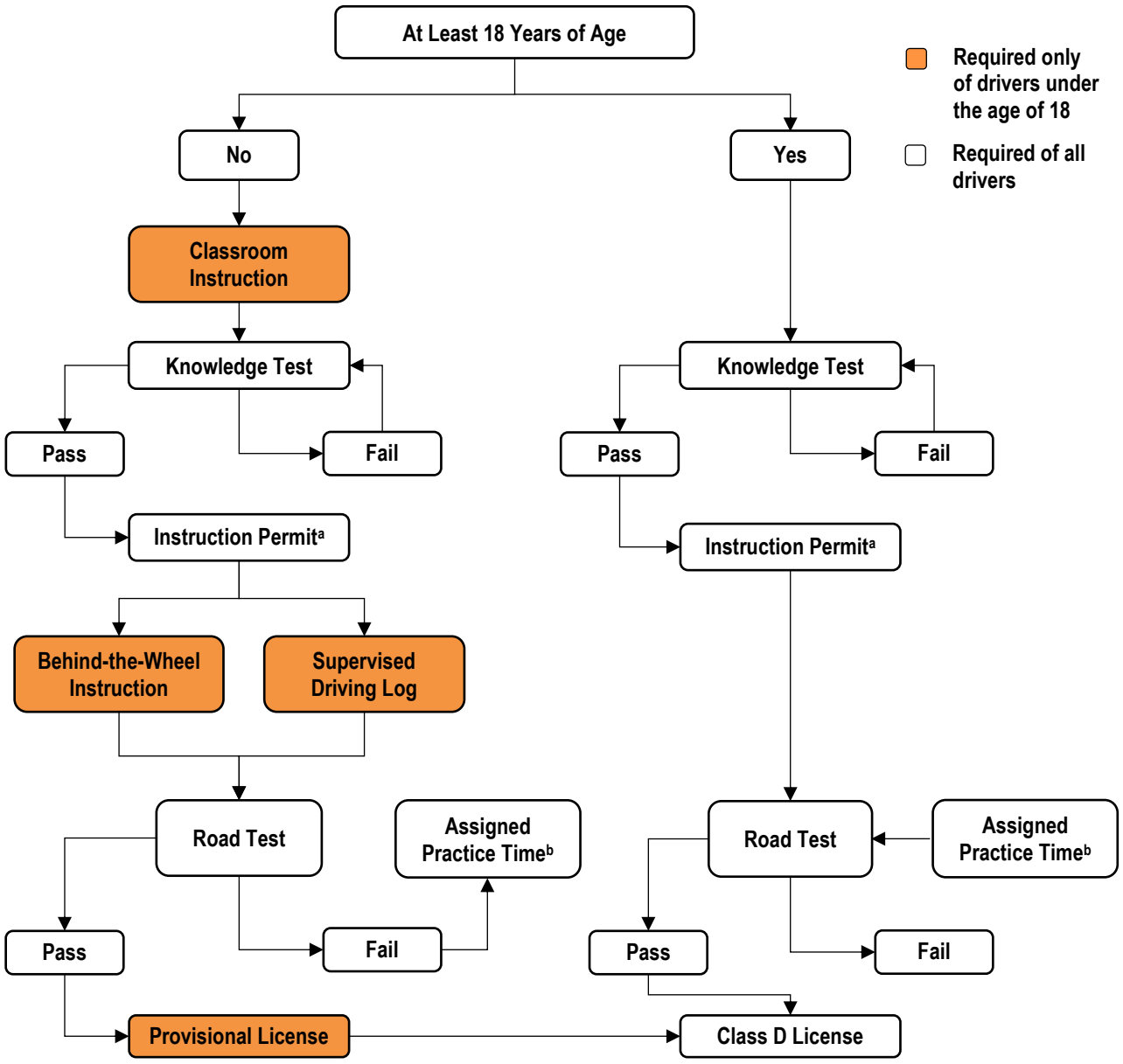
Younger drivers (under 18 years of age) acquire a driver's license by following multiple steps, while the process for older drivers (18 years and older) is more straightforward. Minnesota utilizes a multi-tiered graduated driver licensing program to ease young drivers' transitions to driving.[7] Fewer requirements exist for older license seekers. Most notably, individuals age 18 and older are not required to take driver's education (either in the classroom or behind-the-wheel). Exhibit 1.1 shows the process for obtaining a Class D driver's license and how it varies for individuals of different ages.

[5] As of July 2020, Minnesotans held more than 250,000 valid CDL-specific endorsements, which is greater than the total number of commercial license holders. This suggests that a large percentage of CDL holders have endorsements and that some of them carry more than one endorsement.

[6] *Minnesota Statutes* 2020, 171.02, subd. 2(b).

[7] Every state uses a graduated driver licensing program; however, the driving and age requirements in each phase of the licensing process may vary by state.

Exhibit 1.1: Requirements for obtaining a Class D driver's license vary for individuals of different ages.



[a] Permit seekers may take the Class D knowledge test as many times as they need to pass. License seekers who are 18 years of age or younger must hold their instruction permit for at least six months before applying for a license. However, license seekers who are 19 years of age or older must hold their instruction permit for at least three months before applying for a license.

[b] Drivers who fail a Class D road test are assigned practice time that is prescribed in Minnesota rules before they take another road test. Drivers who fail a road test are assigned one week of practice time after their first failed attempt; drivers who fail their second, third, and fourth attempt are assigned two weeks of practice time. Drivers who fail the road test four times must also complete at least six hours of additional behind-the-wheel training with a licensed instructor before taking another road test. See *Minnesota Rules*, 7410.5360, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020.

SOURCES: *Minnesota Statutes* 2020, 171.05, subds. 1(a), 1a, 2(a), and 2a; 171.055, subds. 1(a) and 2(b); and 171.13, subd. 1(a)(4). *Minnesota Rules*, 7410.4780 and 7410.5360, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020; and *Minnesota Rules*, 7411.0100, subp. 19; 7411.0520, subp. 4; and 7411.0555 (A)(2), https://www.revisor.mn.gov/rules/7411/, accessed April 21, 2020.

Requirements for Younger Drivers

Drivers who seek their license before they turn 18 must complete all phases of the graduated driver licensing program. The program aims to reduce the crash risk of young drivers by allowing them to drive under low-risk conditions. Drivers under age 18 gain increasing driving privileges over three phases: (1) instruction permit, (2) provisional license, and (3) Class D license without restrictions.

Instruction Permit

The first step in the graduated driver licensing program is to acquire an instruction permit. As of July 2020, nearly 135,000 Minnesotans held an instruction permit for a Class D license. Instruction permits enable first-time drivers to operate a vehicle on Minnesota public roads, following certain driving restrictions, as shown in the box at right. For example, a permit holder may drive only under the supervision of a licensed driver at least 21 years old.

Instruction Permit

Restrictions:

- Must not drive a vehicle without a parent, guardian, driving instructor, or licensed driver at least 21 years old
- Must not use cellular or wireless devices while vehicle is in motion
- Must not operate a vehicle after being convicted of a moving violation

— *Minnesota Statutes* 2020, 171.05, subd. 2b

Eligibility Requirements:

- Must be at least 15 years of age
- Must have completed classroom driver education
- Must have enrolled in behind-the-wheel driver education
- Must have passed knowledge test
- Must have passed vision test
- Must have completed an application (with approval of parent or guardian) and paid a fee

— *Minnesota Statutes* 2020, 171.05, subd. 2

Prior to acquiring an instruction permit, a permit seeker must meet a number of eligibility requirements, as shown in the box at right. For example, permit seekers must have completed 30 hours of classroom-based driver education from a certified program. In addition, the permit seeker must have passed a knowledge test before applying for an instruction permit. The permit is valid for two years but can be renewed if needed.

Provisional Class D Driver's License

After receiving an instruction permit, the next step for a young driver is to acquire a provisional license. A provisional license allows the license holder to drive independently on Minnesota public roads, following certain restrictions. For example, a driver with a provisional license may not transport more than one nonfamily passenger under the age of 20 for the first six months, as listed in the box on the next page. As of July 2020, nearly 98,000 of the 3.9 million valid Class D licenses were provisional licenses.

To be eligible, a provisional license seeker must meet certain eligibility requirements, (also shown in the box below). For example, the license seeker must have completed behind-the-wheel instruction. The license seeker must have recorded in a log at least 50 hours of driving under the supervision of a licensed driver who is at least 21 years old or older.[8] A young driver must have held an instruction permit for at least six months and must have passed a road test before applying for a provisional license. The license is valid for two years.

Provisional License:

Restrictions:

- For the first six months, no more than one nonfamily passenger under the age of 20 (unless accompanied by parent or guardian)
- For the next six months, no more than three nonfamily passengers
- For the first six months, must not drive between midnight and 5:00 a.m., unless certain conditions apply
- Must not use cellular or wireless devices while vehicle is in motion
- Being convicted of certain violations results in delayed issuance of unrestricted Class D driver's license

— *Minnesota Statutes* 2020, 171.055, subd. 2

Eligibility Requirements:

- Must be at least 16 years of age
- Must have completed classroom and behind-the-wheel driver education
- Must have completed supervised driving log
- Must have held instruction permit for six months without certain convictions
- Must have passed a road test
- Must have completed an application (with approval of parent or guardian) and paid a fee

— *Minnesota Statutes* 2020, 171.055, subd. 1; and 171.13, subd. 1(a)(4)

Class D Driver's License

The final step of the graduated driver licensing program is to acquire an unrestricted Class D license. Drivers may apply for a Class D license if they are at least 18 years old or have held a provisional license for at least one year with no crash-related violations or controlled-substance convictions, and not more than one moving violation, as shown in the box at right. Drivers must renew the standard Class D license every four years. As of July 2020, the vast majority of Class D licenses (more than 3.8 million) were unrestricted Class D licenses, as opposed to provisional licenses.

Class D License

Restrictions

- None

Eligibility Requirements:

- Must be at least 18 years of age or have held a provisional license for at least 12 consecutive months without a crash-related violation or controlled-substance conviction, and not more than one moving violation
- Must have completed an application and paid a fee

— *Minnesota Statutes* 2020, 171.055, subd. 2(b)

[8] If a parent or legal guardian completes a supplemental curriculum before the license seeker received their instruction permit, the driver needs to complete only 40 hours of supervised driving. The optional supplemental parental curriculum provides information to primary driving supervisors concerning graduated driver licensing, safety risks, and influences of adults on driving behavior. Whether or not the parent completes the supplemental curriculum, 15 of the supervised driving hours must occur at night.

Different Requirements for Drivers Age 18 and Older

Individuals who begin the licensing process at age 18 or older go through a much shorter process. Regardless of age, all first-time license seekers must take the knowledge test and the road test. However, an 18-year-old does not need to complete classroom-based driver education before taking the knowledge test, as demonstrated in Exhibit 1.1 and Exhibit 1.2. An 18-year-old must still hold an instruction permit for at least six months; however, once passing the road test, the driver receives a Class D license without restrictions and does not first need a provisional license.

Permit-holders who are at least 19 years old can complete the process even faster; drivers at that age are required to hold the instruction permit for only three months before applying for a Class D license. Exhibit 1.2 shows the required licensing steps by age of license seeker.

Exhibit 1.2: The process to acquire a Class D license without restrictions varies by age of license seeker.

	Under 18 Years of Age	18 Years of Age	19 Years of Age or Older
Driver education (classroom)	✓	×	×
Knowledge test	✓	✓	✓
Instruction permit	Hold for 6 months	Hold for 6 months	Hold for 3 months
Behind-the-wheel instruction	✓	×	×
Supervised driving log	✓	×	×
Supplemental parental curriculum[a]	✓	×	×
No relevant convictions during permit period[b]	✓	×	×
Road test	✓	✓	✓
Provisional license	✓	×	×
Class D license without restrictions once other requirements are met	✓	✓	✓

NOTE: A check mark (✓) represents a requirement that must be met; an "X" represents a requirement that does not need to be met.

[a] The supplemental parental curriculum is optional.

[b] A conviction includes a crash-related moving or alcohol/controlled-substance violation. License seekers also cannot have more than one noncrash-related moving violation. Incurring an excess of convictions results in the license seeker not receiving a Class D license for 12 consecutive months after the date of the conviction or until the person reaches age 18, whichever comes first.

SOURCES: *Minnesota Statutes* 2020, 171.05, subds. 1(a), 1a, 2(a), and 2a; 171.055, subds. 1(a) and 2(b); 171.13, subd. 1(a)(4); 169A.20; and 169A.33. *Minnesota Rules*, 7411.0100, subp. 19; 7411.0520, subp. 4(a); and 7411.0555 (A)(2), https://www.revisor.mn.gov/rules/7411/, accessed April 21, 2020.

Overview of Exam Stations

DVS oversees the state's driver services and motor vehicle services. In this section, we provide an overview of DVS's organizational structure, services offered at exam stations, and the organization of exam stations across the state.

DVS's Organizational Structure

DVS is made up of four main program areas: (1) Driver Services, (2) Vehicle Services, (3) Support Services, and (4) Administration. We discuss each in the section below.

Driver Services. Many of DVS's customer-facing services are in the Driver Services program area. Driver Services is responsible for testing and evaluating drivers.[9] Driver Services develops the Minnesota driver's license manuals for cars, commercial vehicles, school buses, and motorcycles. The program also accepts applications for driver's licenses, instruction permits, and identification cards.

Further, the Driver Services program oversees driver education through the approval or licensure of driver education programs, instructors, and curricula. Public school districts (high school or community education programs); private high schools; and private, commercial companies offer driver education programs for Class D licenses.[10] While Driver Services does not prescribe the specific curricula that driver education programs must use, Minnesota rules list topics that must be included; programs submit their curricula for DVS review and approval.[11] Driver Services also approves courses on accident prevention and clinics on preventing driving while intoxicated.

Vehicle Services. The Vehicle Services program is responsible for vehicle registration, titles, and inspections. The program also provides training and support services to deputy registrars (discussed later in this chapter) that offer motor vehicle services.

Support Services and Administration. The Support Services program includes the Public Information Center, which provides information on vehicle registrations, titles, and driver's licenses, among other things, to the public, auto dealers, and members of the law enforcement community. It also schedules driver exams upon request. Support Services also provides general operational support for DVS. Lastly, staff in the Administration area work on DVS's budgets and fiscal notes, personnel and payroll, training, and purchasing.

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[9] DVS evaluates drivers when questions of driving competency arise, such as after a license was withdrawn from a driver or expired. An evaluation may include a road test.

[10] Commercial truck driving training programs offer programs specifically for Class A, B, and C commercial driver's licenses.

[11] *Minnesota Rules*, 7411.0515, https://www.revisor.mn.gov/rules/7411/, accessed December 22, 2020.

Exam-Station Services

Many functions of the Driver Services program take place at driver exam stations throughout the state. This section describes the services offered at exam stations, including knowledge tests and road tests.

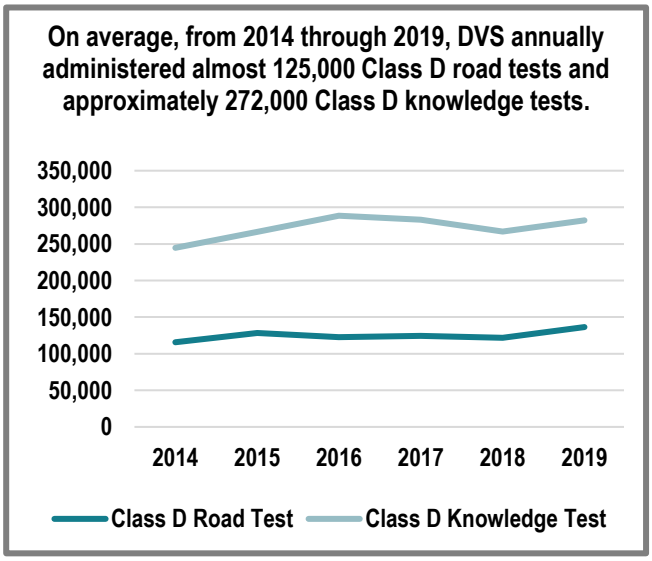
Knowledge and Road Tests

A key service provided at exam stations is the administration of knowledge and road tests for Class D licenses, CDLs, and endorsements. As stated previously, all license seekers need to pass both a knowledge test and a road test before receiving a Class D license. Currently, all Class D exam-station appointments must be scheduled in advance, either through DVS's online scheduling system or by calling DVS's Public Information Center.[12]

In 2019, DVS administered more Class D road tests than in previous years.

From 2014 through 2019, DVS administered an average of almost 125,000 Class D road tests each year. In 2019, DVS administered more than 136,000 Class D road tests.[13]

With respect to knowledge tests, DVS administered more Class D knowledge tests in 2019 than in most, but not all, recent years. From 2014 through 2019, DVS administered an average of approximately 272,000 Class D knowledge tests each year. The chart at right shows the number of Class D road tests and knowledge tests for each year from 2014 through 2019.



A knowledge test is a written or computerized test of the driver's knowledge of Minnesota traffic laws.

Knowledge Tests. Knowledge tests determine a license seeker's understanding of traffic laws and operation of a vehicle. Knowledge tests consist of 40 questions from the *Minnesota Driver's Manual*.[14] Permit seekers must pass with a proficiency of at least 80 percent to be eligible for an instruction permit. Permit seekers may take the test as many times as needed. The first two attempts are free; however, DVS charges a $10 fee for the third subsequent attempts. Until recently, DVS exam stations

[12] Prior to mid-July 2020, DVS conducted all knowledge tests on a walk-in basis. Customers could take road tests either by walking in or scheduling appointments in advance.

[13] These numbers represent attempted exams rather than individual drivers. Some individuals require multiple attempts to pass a driving exam.

[14] Minnesota Department of Public Safety, Driver and Vehicle Services Division, *Minnesota Driver's Manual* (St. Paul, 2020).

administered all knowledge tests; as of October 2020, however, permit seekers could also choose to take a knowledge test online either with a certified third-party proctor or at home on their own computer with a parent or other licensed adult serving as a proctor.[15]

Road Tests. All road tests for Class D licenses occur at exam stations. While the first two road tests a driver takes are free, a license seeker must pay a $20 fee for the third and subsequent attempts.

A road test is a test of an individual's ability to drive a motor vehicle safely under normal traffic conditions.

Road tests involve different components. These include equipment demonstrations, a driving component, and pre- and post-test conferences between the examiner and the driver. DVS schedules road tests to last approximately 20 minutes. DVS preapproves testing routes on which all road tests must be conducted. Examiners determine which testing route a driver must take during their test at the exam station.

Road tests evaluate a driver's ability to:

- Control the vehicle
- Parallel park
- Park on a hill
- Respond to traffic and road conditions, traffic signs, and signals
- Signal and perform proper turns
- Use both marked and unmarked traffic lanes
- Observe and consider pedestrians and other drivers
- Back up the vehicle

— *Minnesota Rules*, 7410.4820

Examiners score drivers based on their ability to perform required driving maneuvers, as shown in the box at left, each of which is assigned a certain number of points.[16] Drivers fail the test if they lose more than 20 points or if they commit any "automatic fail" infractions, such as dangerous or reckless driving maneuvers or disobeying a traffic law. Examiners assign drivers who fail the test a specific amount of additional practice time, prescribed in Minnesota rules, before they can retake the test.[17] Examiners must assign a one-week practice period for drivers who fail their first road test and a two-week practice period for drivers who fail their second, third, or fourth road test.[18] Additionally, drivers who fail the road test four or more times must complete six hours of behind-the-wheel instruction from a driver education program.[19]

Additional Services

Driver exam stations offer services beyond administering exams. They include processing license and permit applications and renewals, as well as dealer licensing inspections, among other things. Specific services offered vary by exam station.

Some services offered by DVS exam stations are also offered by deputy registrar offices. Deputy registrars typically process motor vehicle registrations, titles, and license plates. Some deputy registrar offices also process first-time or renewal applications for driver's licenses and permits.[20] Deputy registrars are appointed by the

[15] We discuss online knowledge testing further in Chapter 3.

[16] *Minnesota Rules*, 7410.4820, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020.

[17] *Minnesota Rules*, 7410.5360, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020.

[18] *Ibid.*

[19] *Ibid.*

[20] Deputy registrars do not offer road tests and may offer knowledge tests only with DVS approval.

commissioner of the Department of Public Safety.[21] Deputy registrars may be either a private business or a local government, such as a county. In 2020, more than 170 deputy registrars operated in Minnesota.

Organization of Exam Stations

DVS divides the state into ten regions. As of March 2020, when DVS closed exam stations due to COVID-19, DVS had operated 93 exam stations across the state.[22] Each of the ten exam regions contained from one to three hubs, as well as several smaller "satellite" stations operated by the staff working out of those hubs.[23] For example, Brainerd is a hub in central Minnesota's Region 8, and staff there also operate satellite stations in Little Falls and Aitkin. Exhibit 1.3 shows all hub and satellite stations that existed before the March 2020 exam-station closures, as well as the stations that DVS has reopened since then.

Before March 2020, most hubs operated five days per week; other stations were open fewer days, with teams of counter staff and examiners traveling together to "satellite" stations. Some satellite stations were open only one day per week or per month, and some were not open for a full day. Additionally, not all exam stations offered both knowledge and road tests; a small number of stations offered one type of test, but not the other.

Among DVS exam stations, the three busiest are: Arden Hills, Eagan, and Plymouth. In 2019, 45 percent of road tests occurred at one of these three Twin Cities metropolitan-area stations. The Arden Hills, Eagan, and Plymouth stations feature closed courses for road tests; a closed course consists of a series of connected nonpublic roads used to administer road tests without the traffic conditions or pedestrians typically found on city streets. Other stations, both in the metropolitan area and elsewhere in the state, administer road tests using approved routes on city streets.

DVS reorganized exam stations in early May 2020, upon reopening exam stations after the COVID-19 exam-station closures. At that time, DVS initially reopened only 15 exam stations (between one and three in each region).[24] As we discuss further in Chapter 2, DVS decided to consolidate exam stations to more effectively use staff time in addressing the demand for Class D road tests. From November 2020 through early March 2021, the division reopened ten additional exam stations.

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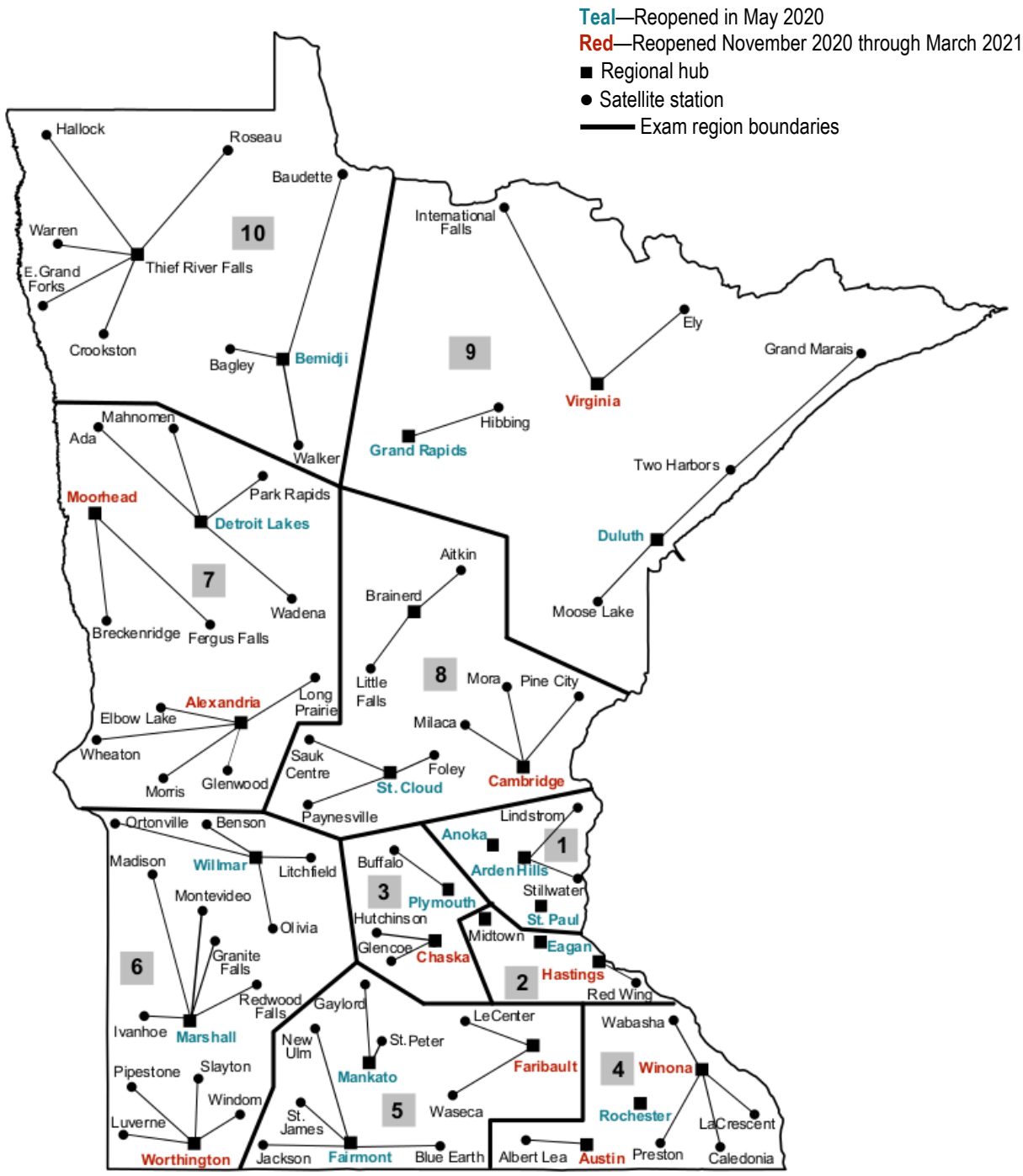
[21] *Minnesota Statutes* 2020, 168.33, subd. 2.

[22] DVS first canceled road tests, but kept other services available after Governor Walz issued State of Minnesota Executive Order 20-04, "Providing for Temporary Closure of Bars, Restaurants, and Other Places of Public Accommodation," on March 16, 2020. DVS closed most stations when Governor Walz issued State of Minnesota Executive Order 20-20, "Directing Minnesotans to Stay at Home," on March 25, 2020.

[23] We discuss staffing further in Chapter 2.

[24] All but 2 of the 15 exam stations that were reopened in May 2020 offered both knowledge tests and road tests; one (the Town Square Station in St. Paul) offered only knowledge tests and another (Fairmont) offered only road tests. All 15 stations operated Monday through Friday. From July 2020 through October 2020, three metropolitan-area stations also offered road tests every Saturday, while outstate stations offered road tests one Saturday per month.

Exhibit 1.3: As of March 2020, DVS operated 93 exam stations across ten regions.



NOTES: In March 2020, DVS closed exam stations due to the COVID-19 pandemic. DVS reopened some exam stations in May 2020. Starting in November 2020, DVS began to reopen additional exam stations. Different exam stations offer different services; prior to the COVID-19 pandemic, all of the stations on the map above offered knowledge tests and all but two (St. Paul and Midtown) offered road tests.

SOURCE: Office of the Legislative Auditor.

Financial Overview of Exam Stations

Exam-Station Funding

DVS receives funding from legislative appropriations.[25] The Driver Services program and Vehicle Services program received a combined average of almost $56 million per fiscal year between fiscal years 2014 and 2020.[26] In Fiscal Year 2020, the two DVS programs received a combined total of $63 million, nearly $37 million of which was directed toward Driver Services.

While DVS as a division receives appropriations each biennium, it does not frequently receive appropriations specifically for exam stations. From Fiscal Year 2014 through Fiscal Year 2020, *exam stations* received only *one* special appropriation: the 2014 Legislature authorized $816,000 for 12 new positions to improve driver exam scheduling.[27]

DVS generates revenue for the state of Minnesota, in part through the collection of fees for motor vehicle services, licenses, records, and license reinstatements. The Legislature sets the amount of fees for driver services and the other revenue DVS collects. For example, the license application fee for a standard Class D license is set in statute at $21.[28]

DVS deposits most of the money it collects (regardless of location or method) into the State Treasury's Restricted Miscellaneous Special Revenue Fund.[29] Fees go into one of two specific operating accounts, one for driver services (which includes exam stations) and the other for vehicle services. The Legislature appropriates revenue from each account to DVS. During Fiscal Year 2020, DVS collected more than $63 million in fees from customers, which included approximately $34 million in license application fees, $1 million in exam fees, $12 million in filing fees, and $14 million in license reinstatement fees, among others.[30]

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[25] DVS does not receive federal dollars for exam-station operations.

[26] Figures are adjusted for inflation and presented in 2020 dollars. This average excludes funding for the Minnesota Licensing and Registration System (MNLARS) and the Minnesota Vehicle Title and Registration System (VTRS).

[27] *Laws of Minnesota* 2014, chapter 312, art. 9, sec. 12. The Legislature also authorized $156,000 for each of fiscal years 2018 and 2019 to maintain the automated knowledge test system. *Laws of Minnesota* 2017, chapter 3, art. 1, sec. 4.

[28] *Minnesota Statutes* 2020, 171.06, subd. 2(a); and 171.061, subd. 4. An application for any driver's license, permit, or identification card may also include a filing fee of $8.

[29] The Restricted Miscellaneous Special Revenue fund includes numerous smaller accounts whose revenues are restricted or committed to a variety of specific purposes. Most of the money in the fund is generated by charging for services, such as license fees. In addition to fees collected at exam stations, deputy registrar offices collect a share of licensing and registration fees that go into this fund.

[30] Filing fees include those collected by deputy registrars (nearly $10 million) as well as DVS (approximately $2 million).

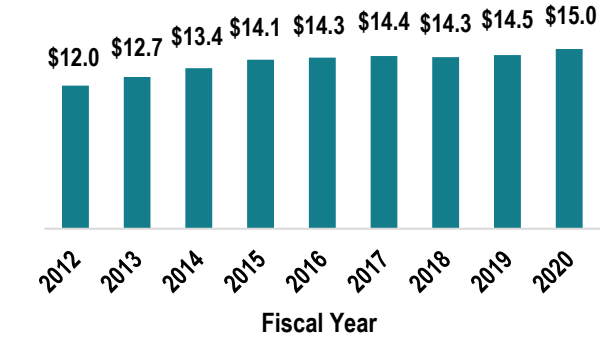
Exam-Station Expenditures

In Fiscal Year 2020, exam-station expenditures made up less than 10 percent of all DVS expenditures.

In Fiscal Year 2020, DVS spent a total of $156 million on all activities, including the operation of driver exam stations (which accounted for approximately $15 million).[31] DVS generally pays all exam-station expenditures using funds appropriated from the driver services operating account in the Restricted Miscellaneous Special Revenue Fund.

In Fiscal Year 2020, DVS spent approximately $15 million on exam-station expenses, about $13 million of which (nearly 90 percent) went to salaries and benefits. DVS spent almost $2 million on other operational costs. These costs included car rental and mileage reimbursement for travel, both for teams of examiners that travelled from regional hubs to satellite stations, and for work travel required of regional supervisors and assistant regional supervisors. Nonsalary expenses also included space rental, advertising, exam-station supplies, staff training, and staff uniforms, among other things. As shown above, inflation-adjusted expenditures have risen since Fiscal Year 2012 and were between $14.5 million and $15 million during recent years.

DVS expenditures for driver exam stations increased between fiscal years 2012 and 2020.



NOTES: The table includes only expenditures related to driver exam stations. Figures are adjusted for inflation and presented in 2020 dollars.

[31] This total includes funding for the Minnesota Licensing and Registration System (MNLARS).

Chapter 2: Examination-Station Capacity

Minnesota's driver examination (exam) stations play a crucial role in the process that citizens must follow to obtain their Class D driver's licenses. They are the only locations where license applicants can take the required road test. As such, it is important that exam stations meet public demand for their services.

In this chapter, we address our evaluation questions on the extent to which driver exam stations are adequately staffed and available to drivers across the state and how the Department of Public Safety's Driver and Vehicle Services Division (DVS) spent appropriations to improve test scheduling. We first describe the legal requirements that apply to the processes for both road and knowledge tests. We then examine how DVS estimates demand for Class D road tests. Next, we analyze factors, including DVS staff vacancies and hiring challenges, that affect the capacity of exam stations to meet demand. Finally, we evaluate DVS strategies for managing its exam-station capacity and its response to a backlog of road tests exacerbated when exam stations closed starting in March 2020 due to the COVID-19 pandemic.[1]

Key Findings in This Chapter

- DVS has been unable to consistently meet the statutory requirement that it provide Class D road tests within 14 days of a request.
- DVS has experienced persistent staff shortages at exam stations.
- Significant overtime use has helped DVS reduce its road-test backlog, but the practice is not sustainable long term.
- The mid-2020 consolidation of exam stations produced greater efficiency for DVS.

Legal Standards for Exam Services

The Legislature has established two statutory requirements for providing driver exams, both related to customer convenience. In this section, we first discuss where exam stations must be located across the state, followed by a discussion of the maximum amount of time a customer should have to wait to take the Class D road test.

[1] DVS first canceled road tests but kept other services available after Governor Walz issued State of Minnesota Executive Order 20-04, "Providing for Temporary Closure of Bars, Restaurants, and Other Places of Public Accommodation," March 16, 2020. DVS closed most station operations when Governor Walz issued State of Minnesota Executive Order 20-20, "Directing Minnesotans to Stay at Home," March 25, 2020.

Exam-Station Locations

The first legal standard we examined requires DVS to give road and knowledge tests "either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant."[2]

As of March 2020, prior to the beginning of the COVID-19 station closures, DVS operated 93 driver exam stations across the state. The vast majority of Minnesota counties (80) had at least one exam station located within their borders in 2019. The seven remaining counties had exam stations located in at least one adjacent county.

Following the COVID-19 exam-station closures in March 2020, the location of exam stations no longer fully satisfied a legal requirement to make Class D exams available either in, or adjacent to, each Minnesota county.

When reopening exam stations after the COVID-19 closures, DVS temporarily consolidated exam stations from 93 to 15 (14 of which offered road tests). When select stations reopened in May 2020, 21 counties (24 percent) neither contained an exam station nor were adjacent to a county with an exam station. The reopening of ten additional stations from November 2, 2020, through March 1, 2021, reduced the number of counties without sufficient exam-station access from 21 to 9, resulting in 10 percent of counties being underserved. We further discuss the exam-station consolidation and make a related recommendation later in this chapter.

The distance customers traveled to take their Class D road tests varied among exam regions, with a small proportion of customers travelling more than 60 miles.

From October 2018 through mid-July 2020, most customers traveled an estimated 61 miles or fewer to take a driver's exam.

	Median	90th Percentile
Road Test	14 miles	61 miles
Knowledge Test	7 miles	26 miles

NOTE: The distance traveled is an estimate, based on the distance "as the crow flies" between the test taker's home zip code and the exam-station zip code.

Most people drove fairly reasonable distances to take Class D road or knowledge tests from late 2018 to mid-2020. As shown in the table at left, the estimated distance traveled by 90 percent of road-test takers was 61 miles or fewer.[3] Half of DVS customers traveled 14 miles or less, regardless of whether they were taking the road test or the knowledge test. While some customers traveled hundreds of miles (up to 363 miles before mid-March 2020 and 390 miles between May and July of that year), those cases were outliers.[4]

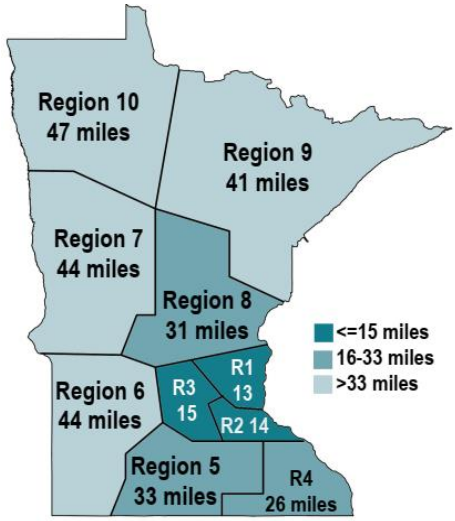
[2] *Minnesota Statutes* 2020, 171.13, subd. 1(c). For the analysis presented in this section, we evaluated whether each county (1) had an exam station within its boundaries or (2) was adjacent to a county with an exam station. Whether a location is "reasonably convenient to the applicant" is a subjective measure and is not defined in statutes. As such, we did not analyze it.

[3] The distances we present in this section are estimates, based on the distance "as the crow flies" between the test taker's home zip code and the exam-station zip code.

[4] Fewer than 600 individuals (0.3 percent of all road-test takers) traveled more than 200 miles to take their road tests from October 2018 through July 2020. Just over 8,000 individuals (4 percent) traveled between 100 miles and 200 miles.

Travel distances to exam stations in the Twin Cities metropolitan area were generally lower than elsewhere in the state. During the nearly 18-month period from October 2018 through March 2020 (prior to station closures during the COVID-19 pandemic), the average estimated distance customers traveled to metropolitan-area exam stations (regions 1, 2, and 3) for Class D road tests was 15 miles or fewer.[5] For the exam stations located in some of the central and southeastern regions of the state (regions 4, 5, and 8), the average was somewhat higher, but still below 35 miles, as shown in the box at right. For exam stations located in western and northern Minnesota (regions 6, 7, 9, and 10), average estimated travel distance to take a road test was between 41 and 47 miles.

The average estimated travel distance for Class D road tests prior to mid-March 2020 varied among exam regions.



Looking specifically at the period after stations reopened in May 2020 shows a different result for half of the exam regions. After exam stations reopened, the average estimated travel distance to Twin Cities-area stations increased by just a couple of miles. However, as shown in Exhibit 2.1, the exam stations in the northern and southwestern parts of the state had the longest estimated travel distances—both before and after the COVID-19 station closures. The most notable change occurred in Region 10 (encompassing northwestern Minnesota), in which the estimated average distance traveled to reach the Bemidji station (the only open exam station in the region) increased 45 miles for a total distance of 92 miles. The box at left illustrates one of the most extreme examples of increased driving distance.

Customers residing in Hallock had to drive much farther after the mid-2020 exam-station consolidation.

Prior to mid-March 2020: A customer residing in Hallock, (one of the most remote populated areas in the northwest corner of Minnesota) could visit the nearby Hallock exam station, open on the second Tuesday of every month.

As of May 2020: A customer residing in Hallock would have to drive about 156 miles to reach the nearest open exam station in Bemidji, open daily during the work week.

It is important to note that a customer driving hundreds of miles to take an exam does not necessarily indicate that there was no exam station available closer to that customer's home. Some customers elected to drive long distances to take advantage of earlier appointments available in different parts of the state.[6] For example, one Chaska resident we spoke with during our evaluation stated that the family drove more than two hours to Marshall because the exam stations in the Twin Cities were booked.

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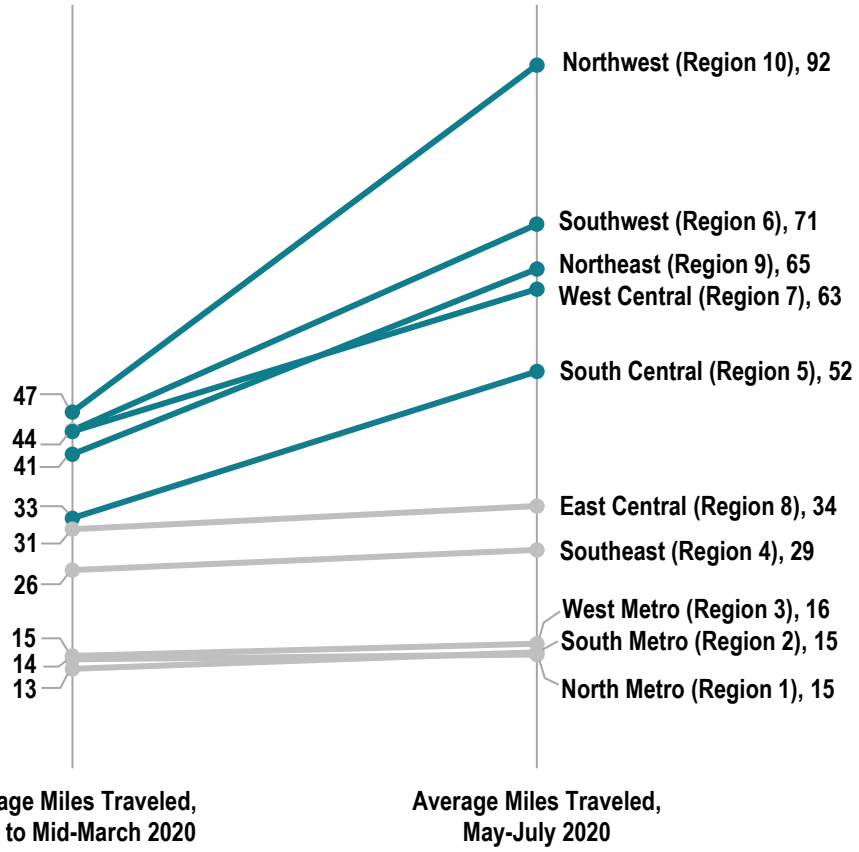
[5] We focus on Class D road tests here because customers traveled greater estimated distances (on average 13 miles farther) to take road tests than knowledge tests. This may be attributable to the fact that, prior to July 2020, knowledge tests were not offered by appointment, so customers most likely visited the station closest to their home. Road-test customers, on the other hand, may have driven longer distances to access earlier appointments when the stations near their homes were heavily booked.

[6] Media reporting in 2019 told the stories of customers who selected distant exam stations to secure an earlier appointment. See, for example, *Associated Press*, "Young drivers facing long waits, long trips for road tests," *St. Paul Pioneer Press*, July 1, 2019, sec. A, p. 2; and John Reinan, "A very long road to get a license," *Star Tribune*, July 14, 2019.

Exhibit 2.1: For one-half of Minnesota exam regions, the average distance individuals traveled to take the Class D road test increased substantially after May 2020.



NOTE: "Substantial increase" refers to the regions for which customers experienced travel increases of at least 40 percent, indicated with teal-colored lines.

SOURCE: Office of the Legislative Auditor, analysis of Department of Public Safety driver services data, 2018-2020.

Most respondents in a small sample of surveyed customers thought their travel distance to the exam station was at least "somewhat reasonable."

While increased driving distances raise concerns about whether access to driver exam stations is equitable across the state, the parents of test takers who responded to our survey generally thought the distances they drove were reasonable. During August and September of 2020, we visited five exam stations around the state and conducted in-person surveys with the adults (mostly parents) accompanying 45 customers

scheduled to take their Class D road tests.[7] Only four of those parents (9 percent) characterized their drive time as either "somewhat *un*reasonable" or "*un*reasonable." Those four respondents reported traveling approximately 45, 54, 80, and 200 miles, respectively, to reach the exam station on the day of the scheduled Class D road test.

As the box at right shows, 10 of the 45 parents we spoke with had traveled more than 60 miles to reach the exam station; their teenagers were all tested at stations outside of the Twin Cities metropolitan area. Eight of those ten parents thought the distance traveled was at least "somewhat reasonable," including four respondents who each traveled more than 100 miles.

Most of the 45 parents we surveyed thought the distance they traveled to the exam station was reasonable.

Estimated Miles Traveled*	N	Reasonable or Somewhat Reasonable	Unreasonable or Somewhat Unreasonable
15 or fewer	12	100%	0%
16-25	12	100	0
26-60	11	82	18
61 or greater	10	80	20

* Some respondents reported the time they drove rather than the distance in miles. In those cases we estimated the distance based on the time and the distance between their reported city of residence and the exam station.

Wait Time

The second legal requirement on customer convenience relates to wait times for Class D road tests. In 2014, the Legislature required DVS to ensure that a customer can "obtain an appointment for a…[road test] within 14 days of the applicant's request if…the applicant is eligible to take the examination."[8]

The statute establishing a 14-day maximum wait time for Class D road tests is unclear.

The section of law requiring appointments to be granted within 14 days of request does not refer to geographic location. It does not specify whether the customer should be able to schedule a Class D road test within 14 days at the exam station of their choice, within the exam region of their choice, or simply at an exam station somewhere within the state. Since the law is currently silent on geographic location, the latter seems most plausible. However, having an appointment available within 14 days may be little comfort to a customer if it means driving several hours.

An additional complicating factor is that—prior to the COVID-19 exam-station closures in March 2020—nearly one-quarter of exam stations were open only one day per month. If one of these exam stations is the preferred station for a particular customer, scheduling an appointment at that station within 14 days could occur only about half of the time.

[7] We visited exam stations in Arden Hills, Bemidji, Eagan, Marshall, and Rochester. Since road-test takers are not yet licensed and must provide their own vehicle for the test, they generally must be accompanied by a licensed driver (often a parent, guardian, other relative, or friend). We asked this adult to respond to our survey. In one case, the actual test taker completed the survey online the day after the station visit. Going forward, we refer to the survey respondents as "parents," which accurately describes the vast majority of people who responded to our questions.

[8] *Laws of Minnesota* 2014, chapter 312, art. 11, sec. 21, codified as *Minnesota Statutes* 2020, 171.13, subd. 1(d).

RECOMMENDATION

The Legislature should clarify the requirement that an applicant receives a Class D road-test appointment within 14 days of request.

The Legislature should revise *Minnesota Statutes* 2020, 171.13, subd. 1(d), to explicitly address the geographic locations of exam stations with respect to the 14-day requirement. It should make clear whether an appointment available anywhere in the state meets this requirement, or whether an appointment should be available closer to the customer, for example, within the exam region in which the customer resides.

DVS has been unable to consistently meet the statutory requirement that it provide Class D road tests within 14 days of a request.

While we believe the 14-day standard requires clarification, we nonetheless analyzed DVS appointment data to determine how many appointments occurred within 14 days. Using the broadest interpretation, we analyzed whether the appointment took place anywhere within the state within 14 calendar days.[9] DVS appointment data show that since October 2018, approximately one-third of potential test takers age 16 or older selected a Class D road-test appointment date that occurred within 14 calendar days of the scheduling date.[10] This is true of appointments scheduled both before and after the March 2020 COVID-19 closures of exam stations.

Since October 2018,

34%

of Class D road tests were scheduled to occur within 14 days of being requested.

DVS's performance with respect to the 14-day standard varied by exam region. Two of the three regions covering the Twin Cities metropolitan area (regions 1 and 3), along with Region 9 (in northeast Minnesota), had the lowest percentages of road-test appointments meeting the 14-day standard, between 23 and 27 percent each. However, the remaining metropolitan region (Region 2 in the south Metro, including Eagan and spanning from Hastings to Red Wing) had the state's highest rate of appointments occurring within 14 days (47 percent). The other outstate regions fell between those extremes.

The fact that approximately one-third of Class D road-test appointments since October 2018 were scheduled to occur within 14 days should not be taken as proof that appointments within two weeks were *unavailable* in the remaining two-thirds of cases. Test takers may opt against selecting the next available appointment. They may do so because a later appointment better suits their schedule, or because they need more time to complete their supervised driving hours, among other things. We do not know the

[9] While *Minnesota Statutes* 2020, 171.13, subd. 1(d), does not specify calendar or business days, *Minnesota Statutes* 2020, 645.45(9), on statutory construction, explains that, unless otherwise specified, "day" comprises the time from midnight to the next midnight.

[10] To be eligible to take a road test, an individual must be at least 16 years old. While there are other requirements, such as the completion of driver education and supervised driving hours, age is the only eligibility requirement that we could analyze from DVS's appointment data. A 15-year-old who holds an instruction permit may schedule a road test, but that test cannot occur until the test taker turns 16. As such, the 14-day requirement does not apply to 15-year-olds who are more than two weeks away from their 16th birthday.

extent to which DVS customers *had the opportunity* to select a Class D road-test appointment within 14 days but chose a more distant appointment instead.

DVS does not have the ability to collect data on "next available appointment" in a systematic way. DVS managers told us that, while they can manually look for the next available Class D road-test appointment, any particular result would be a snapshot in time and would vary widely from one minute to the next. Without information about the next available appointment, it is impossible to truly know the proportion of appointments for which DVS meets the 14-day standard.

While the 14-day requirement has been difficult for DVS to meet, 14 days is not out of line with the reported wait times in some other states. In fall of 2020, the American Association of Motor Vehicle Administrators surveyed states regarding wait times for noncommercial road tests (the equivalent of Minnesota's Class D road tests). Sixteen states responded that they schedule appointments for noncommercial road tests and reported (for 2019) an average wait time, a range of wait times, or both.[11] The results showed wide variation (from an average of 2 to 42 days) in the length of time customers had to wait to take their noncommercial road tests once scheduled. While six states reported average wait times greater than 14 days, five states reported average wait times of 14 days or less; two of those states (Arizona and Ohio) reported that their typical maximum wait times were less than 14 days.

RECOMMENDATION

DVS should (1) continue to strive to meet the statutory 14-day goal on road-test appointments and (2) measure "next available appointment."

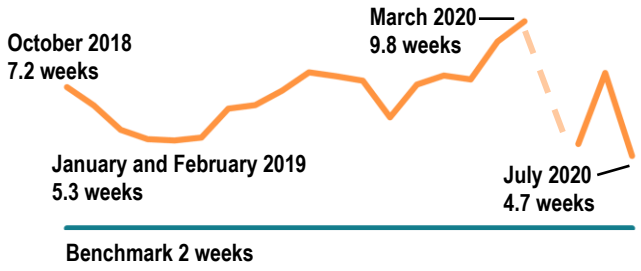
Complying with the 14-day requirement for appointment wait time will allow DVS to better meet its customers' wishes. However, DVS will never know whether it has met the goal unless it finds a way to systematically measure the time between the date the customer made a road-test appointment and the next available appointment. Since some customers will schedule an appointment well in advance of their preferred date, DVS's current data will likely never show DVS fully meeting the 14-day goal.

We recommend that DVS develop and implement a way to automatically record, for every Class D road-test appointment scheduled, both the actual appointment date and the date of the earliest appointment available at the time the customer was scheduling. Depending on whether the Legislature implements our previous recommendation to clarify the statutory language on wait times, DVS may need to track next available appointment throughout the state, in the exam region, at a specific station, or a combination of the three.

[11] A total of 27 states responded to the survey. Four of them responded that they offer road tests on a walk-in basis only; another seven responded that they allow customers to schedule road tests, but they did not or could not report on the length of wait times.

Some customers have waited much longer than 14 days for their scheduled Class D road tests.

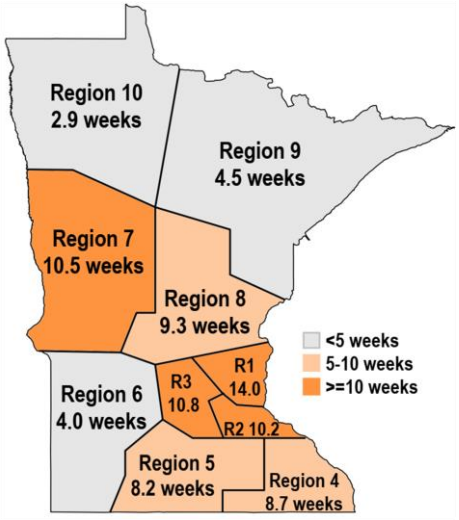
The average wait time for Class D road tests rose from early 2019 through March 2020.



NOTE: Due to the exam station closures caused by the COVID-19 pandemic, DVS did not schedule road tests during April 2020, represented by the dotted line.

While the legal standard for wait times is 14-days, the average amount of time customers have waited has been higher and has fluctuated over time. As one might expect, 15-year-olds, many of whom are not yet eligible to take the road test at the time of scheduling, have waited longer on average than those age 16 and older. The average wait for customers age 16 and older to schedule an appointment is shown in the box above. The average was as low as approximately five weeks in January and February 2019 before gradually rising to almost ten weeks in March 2020, prior to the COVID-19 station closures. The average wait time for appointments that were scheduled in May, June, and July 2020 (after exam stations reopened) fluctuated, but were lower than the average wait time in March 2020 (almost ten weeks).[12]

The average estimated wait time for Class D road tests in March 2020 varied among regions.



NOTE: The map reflects average wait times for appointments scheduled to occur in March 2020, prior to the COVID-19 exam-station closures.

Different regions of the state experienced different wait times. Four regions (outstate regions 6, 7, 9, and 10) experienced relatively low wait times from October 2018 to July 2020, generally fluctuating between about two weeks and five weeks in each region. The remaining regions generally fluctuated among higher wait times (up to 14 weeks in one metropolitan-area region). However, some were consistently high from October 2018 through July 2020, while others increased over the period. Six of ten regions—including two of the three regions in the Twin Cities metropolitan area—experienced peak or near-peak average wait times in February or March 2020, prior to the COVID-19 station closures. The box at left shows the average March 2020 wait times, in weeks, for each region. Average wait times by region in July 2020 (after the exam stations reopened) were lower than the March 2020 wait times.

[12] Wait times ranged from 0 days (someone who walked in or found an available appointment on the same day) to 183 days (someone whose appointment was six-months out, which is the farthest out that DVS schedules appointments).

When we spoke with 45 parents of test takers at five exam stations across the state, 40 of them knew approximately how long ago the appointment was scheduled and had an opinion on whether that time was shorter, about the same, or longer than they expected. As shown in the box at right, parents who said the appointment was scheduled approximately less than one month prior generally reported that the wait time was shorter than or about what they expected. Parents who recalled having longer waits were split on the extent to which the wait time met their expectations.

Parents we surveyed had mixed opinions of approximate wait time for a road test.

Approximate Wait Time	N	Shorter than Expected	About as Expected	Longer than Expected
<1 month	14	64%	21%	14%
1-2 months	18	6	56	39
3-4 months	6	33	50	17
>4 months	2	50	0	50

NOTE: Numbers may not sum to 100 due to rounding.

Estimating Demand for Road Tests

Understanding the amount of demand for a service is critical to ensuring that capacity is sufficient to meet that demand. In this section, we discuss the adequacy of DVS efforts in the recent past to estimate demand for Class D road tests.

Forecasting Ongoing Demand

DVS conducts road tests as part of its legal authority to issue Class D driver's licenses, as we described in Chapter 1.[13] By law, drivers must pass a road test to become licensed, making it important for DVS—as test administrator—to respond to public demand for these tests.[14]

DVS lacks a systematic approach to forecasting demand for Class D road tests.

Although DVS has estimated demand for Class D road tests, the estimates have not been regular and ongoing. A DVS manager said they do so on only an "ad hoc" basis. For example, DVS most recently estimated road-test demand in early 2020, which we examine next. In another example, a DVS manager explained that, in response to the 2014 legislation requiring the agency to ensure eligible applicants received Class D road tests within 14 days of their requests, DVS reviewed numbers of tests administered at each exam station. DVS did not close any station, but it reduced examiner hours at locations where fewer tests had been conducted and focused examiner hours on stations where needs were greater.

[13] *Minnesota Statutes* 2020, 168.325, subds. 1-2; and 171.13, subd. 1(a)(4). In this section, we focus on demand for *road* tests (rather than knowledge tests) because, prior to summer of 2020, DVS administered knowledge tests only on a walk-in basis. As a result, DVS does not have data on wait times for knowledge tests or numbers of customers who were unable to take a knowledge test due to long lines or being turned away.

[14] *Minnesota Statutes* 2020, 171.02, subd. 1(a); and 171.13, subd. 1(a)(4).

DVS's early 2020 estimate included certain factors that affect demand for road tests. For that estimate, a DVS manager told us that the division analyzed ages of applicants for instruction permits, which allowed them to project when 15- to 18-year-old and older permit holders would first become eligible to take road tests. They stated that some instruction-permit holders do not immediately take a road test upon becoming eligible to do so; this can produce imprecise estimates for testing demand. A DVS manager said they also accounted for the increased demand that typically occurs during summer months.

People from 15 through 18 years of age must hold instruction permits for at least six months before they can take road tests. Those 19 years of age or older must hold the permits for at least three months before becoming eligible to take the test.

— *Minnesota Statutes* 2020, 171.05, subds. 1a and 2a

DVS's estimates did not, however, account for other factors that could potentially determine demand for road tests. For example, DVS did not consider the rate of retesting needed or migration into the state, which would likely affect demand.[15]

Wisconsin's Department of Transportation uses a forecasting model to estimate demand for road tests at its exam stations. Its model counts instruction permits issued to customers under age 18 and then projects demand out six months—when those customers would first become eligible to take road tests. It does the same for customers age 18 and older with instruction permits, but the projection is for seven days out, when this group would first become eligible. Another factor in the forecast is the pass-and-fail rates by exam station for each age group. The forecast also now accounts for a change in demand due to a 2020 program that waives road tests for certain permit holders under age 18.

— Wisconsin Department of Transportation, Division of Motor Vehicles, Field Services Bureau

In 2019, DVS commissioned an analysis of road-test appointments. In part, the analysis compiled a list of factors that potentially affect the geographic distribution of demand for Class D road tests.[16] Among those factors was the number of Class D instruction permits, which DVS used in its demand estimate. However, other suggested factors that DVS did not consider in its estimate include population trends among 15- to 19-year-olds and immigrants, projections of future population growth, and numbers of Class D licenses that were expired for at least five years.[17] The box at left explains the factors that Wisconsin uses when forecasting demand for road tests.

[15] As described in the next section, DVS included anticipated retests when estimating the number of road tests it would have to conduct following the March 28 through May 18, 2020, exam-station closures due to the COVID-19 pandemic.

[16] Minnesota Management and Budget, Management Analysis and Development Section, *Geographic Demands for Skills Tests*, unpublished 2019.

[17] The latter factor is important because the state requires a Class D license road test for someone whose license expired five or more years ago. *Minnesota Rules*, 7410.5420, subp. 1, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020.

RECOMMENDATION

DVS should develop a robust method to regularly forecast demand for Class D road tests.

DVS should analyze demand for Class D road tests on both a statewide and regional basis. This is necessary to present a more complete picture of how testing demand changes over time for the state as a whole as well as how it varies by region.

Because demand for road tests can fluctuate, DVS should estimate the demand at least annually. Ultimately, DVS should automate a process to forecast demand regularly, such as semiannually, so as to reflect higher summertime requests or other seasonal variations.

DVS should analyze additional factors likely to have an impact on road-test demand. These factors include expected numbers of customers who will need to retest. Other factors to consider would be immigration trends and forecasted population growth of specific age cohorts, such as 15- to 19-year-olds. Because forecasting any future event is difficult due to unknown circumstances, DVS should estimate a range of likely demand.

DVS should compare its estimates of demand for road tests with its staffing and equipment capacity needed to administer the tests. Determining capacity should reflect compliance with the state law described earlier on requiring that eligible applicants can obtain road-test appointments within 14 days of their request.[18]

DVS should also compare its demand estimates to the division's capacity for each exam region and use this information to inform its hiring and staffing priorities. Higher demand in certain regions might require DVS to adjust its capacity. This may be done by shifting examiners to work in locales of higher need, supplementing DVS's pool of examiners with additional staff, or taking steps to focus examiners on conducting exams instead of performing other work, among other possibilities.

Estimating Demand to Clear Backlog Due to COVID-19

Circumstances in early spring 2020 forced DVS to construct a plan to manage a significant backlog of Class D road tests. Due to COVID-19, DVS cancelled road tests starting March 18, 2020, and then closed exam stations from late March through mid-May 2020. During that period, DVS cancelled more than 19,000 Class D road tests. As a result, DVS estimated an anticipated demand of nearly 81,500 road tests between June 1 and October 31, 2020. DVS managers calculated demand by summing the cancelled tests with anticipated retests needed for people who failed their rescheduled tests. DVS also added an estimate of typical summer demand, based on 2019 testing data. The box at left details the estimate.

Estimated Number of Class D Road Tests Needed from June 1 through October 31, 2020

	Number of Road Tests
Cancelled due to COVID-19 closures	19,041
Estimated retests on rescheduled cancelled tests	6,848
Estimated 2020 summer demand	40,748
Estimated 2020 summer retests	14,841
Total	81,478

[18] *Minnesota Statutes* 2020, 171.13, subd. 1(d).

DVS then implemented a plan with a goal of eliminating the backlog of road tests by the end of October 2020. DVS reported that it succeeded in meeting its goal. Doing so involved consolidating exam stations to 14 road-testing locations in the state, expanding hours at the 14 stations, and diverting most other exam-station business to deputy registrars and online transactions, among other strategies (discussed in Chapter 3 of this report).[19]

DVS's ability to meet the demand for Class D road tests depends on several factors. These include: the number of examiners, their hours worked, the proportion of their time spent administering road tests instead of other business, and the amount of time it takes them to conduct a road test. We next discuss some of the key factors.

Staffing

The extent to which DVS can provide exam appointments relies in large part on having staff available. DVS exam stations have three main groups of staff: regional supervisors and assistant regional supervisors, counter staff, and examiners. Each has certain duties, although some office tasks overlap, as described below.

Regional supervisors oversee the exam stations within their designated region, among other duties listed in the box below. Each of the ten DVS exam regions has a regional supervisor and one to three assistant regional supervisors.

Primary Duties of Exam-Station Employees

Regional Supervisors and Assistant Regional Supervisors	Counter Staff	Examiners
• Oversee exam-station operations, such as supervising road tests and knowledge tests • Develop region's budget • Hire, train, oversee staff	• Administer knowledge tests and vision screenings • Process applications for licenses, permits, and identification cards, including taking applicants' photos • Provide information to the public	• Administer road tests for Class D licenses and commercial licenses; conduct motorcycle skills tests • Perform all duties conducted by counter staff, as needed • Inspect motor vehicle dealers for compliance with dealer law • Inspect vehicle identification numbers to issue titles on salvaged or reconstructed vehicles

Counter staff are a second group of exam-station staff. They primarily administer knowledge tests, but they also conduct a wide range of office duties, such as answering the public's questions. Other examples are listed in the box above.

Examiners are the third main staff group at exam stations, and their primary duty is administering Class D road tests, as well as tests for other license types. In addition, examiners are trained to conduct exam stations' indoor procedures, such as processing license applications, that counter staff typically perform. Examiners help perform counter duties when needed. They conduct other tasks as described in the box above.

[19] In addition to the 14 locations that provided road tests (13 of which also conducted knowledge tests), DVS reopened one St. Paul exam station that provided only knowledge tests.

Vacancies

The number of staff working at exam stations is a prime determinate of the capacity of the stations to provide services. Stations with unfilled positions cannot conduct road tests at the same rate as stations that are fully staffed.

DVS has experienced persistent staff shortages at exam stations.

The number of exam-station employees has fallen short of the number of sanctioned positions at the stations over the past five years.[20] For instance, as of May 29, 2020, DVS had 214 sanctioned positions for examiners, counter staff, and supervisors statewide. However, only 184 of these positions were filled—a 14 percent vacancy rate. The table at right shows the statewide vacancy rates by type of position at exam stations as of May 29, 2020.

Sanctioned Positions and Vacancies at Exam Stations, as of May 29, 2020

	Sanctioned Positions*	Vacancies	%
Examiners	118	18	15%
Counter staff	71	8	11
Supervisors**	25	4	16
Total	214	30	14

* Positions that are "sanctioned" refer to the number of employee positions approved for exam stations, including positions that were vacant.

** Includes regional supervisors and assistant regional supervisors.

Vacancy rates as of mid-2020 were noticeably lower than those in the preceding four years.[21] DVS examiner positions had a 15 percent vacancy rate at the end of June 2020; counter staff positions had a 10 percent vacancy rate at that time. By contrast, vacancy rates at the end of the preceding years of 2016 through 2019 averaged 23 percent for examiners and 36 percent for counter staff positions. Exhibit 2.2 shows that a sizable number of examiner positions remained vacant each year from 2016 through mid-2020, even as DVS somewhat increased the number of examiners.

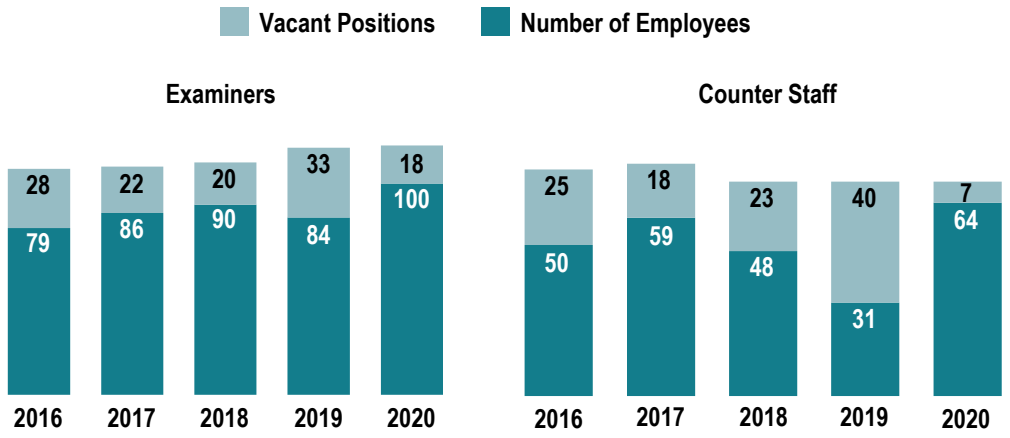
The number of counter staff and vacancies among those positions varied annually from 2016 through the middle of 2020, but vacancies were high in most years. The highest vacancy rate in those years among counter staff positions was 56 percent in 2019 when there were nine more vacant positions than counter staff.

Vacancies at DVS exam stations have occurred around the state. Eight of the ten exam regions as of May 29, 2020, for example, had at least one vacant examiner position. Six of the ten regions had at least one vacant position among counter staff.

[20] The term "sanctioned positions" refers to the number of employee positions approved by DVS for the exam stations, including positions that may be vacant at a point in time.

[21] This analysis includes vacancies as of the end of June 2020, as opposed to the box above, which reflects data as of May 29, 2020. Data for 2016 through 2019 represent the number of vacancies at the end of each respective calendar year.

Exhibit 2.2: Vacant positions at exam stations have been significant relative to the number of employees from 2016 through the first half of 2020.



NOTE: The 2020 year reflects vacancies and employee counts as of the end of June of that year. Data for other years are counts of vacancies and employees at the end of each calendar year.

SOURCE: Office of the Legislative Auditor, analysis of Department of Public Safety, DVS personnel data, 2016 through first half of 2020.

Leaves of Absence

Leaves of absence, such as when employees are ill or taking other forms of approved leave, also affect staff availability. Leave attributable to the COVID-19 pandemic contributed significantly to the shortage of exam-station staff in 2020, adding to the difficulty of meeting the demand for Class D road tests. From the end of March through most of June 2020, leave time designated as "paid COVID-19 leave" accounted for 21 percent of total employee hours among exam-station staff.[22] This means that for one in five employee-hours during that time, staff were unavailable for exam-station duties because they were dealing with pandemic-related health issues or caretaking. At 21 percent of employee-hours, COVID-19 leave had a far greater impact than sick leave on employee availability; sick leave represented less than 2 percent of employee-hours during the period from March through most of June 2020.[23]

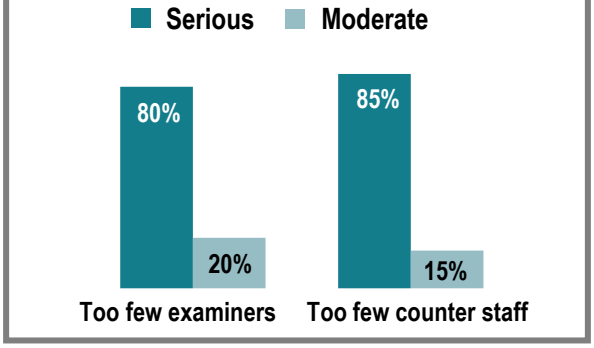
[22] During that period, state employees in the executive branch could use a single bank of 80 hours of paid leave time when COVID-19 prevented them from working or teleworking. Employees could generally use the leave when they (1) were sick or quarantined due to COVID-19, (2) had to care for their child(ren) and had no other child-care option, or (3) were caring for an individual who had COVID-19 (or was quarantined) and who was dependent on the employee for care. Paid leave was limited to a capped dollar amount per day; leave for caregiving was limited to two-thirds of the employee's regular rate of pay.

[23] Sick leave has represented similarly small shares of employee hours during prior time periods. For example, for state pay periods from January 2020 through mid-March 2020, exam-station employees' sick-leave hours were 3.3 percent of total employee-hours; going back further, from January 2019 through December 2019, sick leave was 3.0 percent of total employee-hours.

Challenges with Low Availability of Staffing

Low availability of staffing has created difficulties, according to exam station regional supervisors across the state. As part of this evaluation, we surveyed DVS regional supervisors and assistant regional supervisors.[24] When asked about the current challenges they faced regarding scheduling and administering road tests, 80 percent of supervisors said that "too few examiners" was a serious challenge, as shown at right.

Most regional supervisors and assistant supervisors we surveyed said too few examiners and counter staff were serious challenges.



In describing the current challenges, supervisors stated that low staffing availability has led to issues. One stated that absent employees force the staff who are working "to not only do their job but the absent employees [*sic*] job." The supervisor said this creates staff "burnout." A second said, "Hiring the correct [number] of staff creates efficiency." Another respondent said, "A win/win for the department and customers is a station with appropriate staffing to address the customers [*sic*] needs in a timely manner."

DVS Estimate of Staffing Levels

A recent DVS estimate of needed staffing at exam stations indicated a large gap in staff levels. In early 2020, DVS had estimated its "appropriate" levels of staff—defined as those needed at exam stations to enable DVS to meet the statutory goal of applicants obtaining a road-test appointment within 14 days.[25] DVS estimated a need for 334 examiners and counter staff statewide—this is 145 more staff (77 percent higher) than current levels at the time. The estimate was based on the more than 90 exam stations that were operating at that point in early 2020, and DVS managers said it may not be appropriate for a consolidated set of stations. In DVS's estimate, the agency explained that its proposed appropriate level of staffing would meet demand while allowing for time that employees were not available to administer tests, such as due to training, leaves of absence, and vacant positions.

DVS's May 2020 number of employees was much lower than either its sanctioned positions or its estimated "appropriate" number of positions.

	Employees (May 2020)	Sanctioned Positions* (2020)	Appropriate Staffing** (Estimated by DVS January 2020)
Counter Staff	63	71	139
Examiners	100	118	195
Supervisors***	21	25	25
Total	184	214	359

* Positions that are "sanctioned" refer to the number of employee positions approved by DVS for exam stations, including positions that were vacant.

** Defined by DVS as the number of exam-station staff needed to meet the statutory goal of applicants obtaining a road-test appointment within 14 days.

*** Includes regional supervisors and assistant regional supervisors.

[24] We conducted this survey in August and September 2020. All 20 of the supervisors and assistant supervisors we surveyed responded. We opted not to survey one supervisor who was a new hire at the time of our survey.

[25] *Minnesota Statutes* 2020, 171.13, subd. 1(d).

DVS's early 2020 estimate of its appropriate staffing levels far exceeded the number of employees and sanctioned positions (which includes vacancies) on May 29, 2020. Its estimate of appropriate staffing is about two-thirds higher than the sanctioned positions in 2020; it is about 95 percent higher than the count of employees as of May 29, 2020. The previous table compares the numbers of employees, sanctioned positions, and DVS's estimated levels of its appropriate staffing.

Special Appropriations

The Legislature appropriated special funding to add staff for scheduling road exams once in the past eight years, as we stated in Chapter 1. In 2014, the Legislature appropriated $816,000 to fund 12 new positions to improve scheduling of road tests.[26] DVS reported that it hired 12 new employees for that purpose between September and October of 2014. The funding became part of DVS's base funding; as employees vacated the positions over time, DVS filled them. Five of the original 12 hires still worked for Driver Services in 2020; another 2 moved on to work in other positions within the Department of Public Safety.

Hiring Challenges

Filling vacant positions can take time. In addition to the process of hiring new staff, new hires must undergo training before they are capable of fulfilling their duties.

DVS has struggled to fill key exam-station positions in a timely manner.

In recent years, the average amount of time it took DVS to hire exam-station staff has increased. We analyzed the length of time it took DVS to fill counter staff, examiner, supervisor, and assistant supervisor positions at exam stations from 2013 through 2020.[27] During that time, DVS had open positions for an annual average of 26 counter staff, 21 examiners, and 3 supervisors or assistant supervisors. From 2013 through 2016, filling open exam-station positions took less than three months, on average, regardless of the position. From 2017 through much of October 2020, the average hiring time overall increased to nearly four months.

The trends in hiring time were different for the different types of positions, as shown in Exhibit 2.3. Examiner positions generally took longer to fill from 2017 through much of October 2020 than in prior years.[28] The length of the hiring process for examiners—the staff with the most direct bearing on DVS's road-test capacity—increased from an average of almost four months in 2017 to more than six months, on average, in 2020.[29]

[26] *Laws of Minnesota* 2014, chapter 312, art. 9, sec. 12.

[27] We measured the length of the hiring process from the date a DVS staff person completed a form requesting hiring approval to the date the new hire started work.

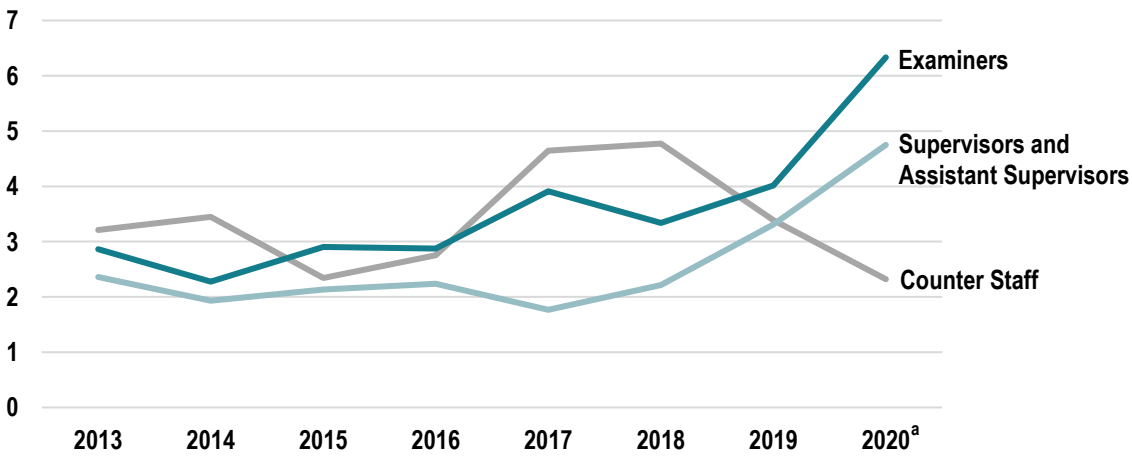
[28] DVS attributed this to a change requiring the completion of background checks as part of the hiring process, before a new hire started working. Prior to that, the division completed background checks after the candidate was hired.

[29] The data we analyzed included positions with new-hire start dates as late as October 28, 2020. All analysis in this section is focused on positions for which hiring had already occurred by the time we received the data. In 2020, for example, we were able to analyze 11 positions for which hiring was completed, and we excluded an additional 17 positions that were still open as of mid-October 2020.

As of 2017, supervisors and assistant supervisors were hired in less than two months, on average; the length of the hiring process for these employees increased steadily through 2020. With respect to counter staff, on the other hand, DVS was able in 2020 to hire about twice as quickly (in just over two months) than it did in 2017 and 2018.

Exhibit 2.3: In recent years, the average amount of time it took DVS to hire an examiner, supervisor, or assistant supervisor has increased.

Average length of hiring process, in months



NOTES: We measured the hiring process as beginning when a DVS staff person completed a form requesting permission to hire and ending on the date the new hire started. During the nearly eight-year period covered in this exhibit, DVS averaged 26 open counter staff positions per year, 21 open examiner positions, and 3 open supervisor or assistant supervisor positions. This exhibit excludes positions for which there was not yet a start date for a new hire.

[a] We received these data before the end of 2020, resulting in incomplete data for that year. The latest new-hire start date reflected here is October 28, 2020.

SOURCE: Office of the Legislative Auditor, Department of Public Safety, DVS hiring data, 2020.

The regional supervisors and assistant regional supervisors we surveyed identified hiring as a significant challenge. While we did not specifically ask about the length of the hiring process on our survey, 9 of 20 respondents commented on the fact that the hiring process is long and presents a challenge for exam stations.

> The hiring process from start to finish is very long and we have lost many potential candidates for positions because of this.
>
> **— DVS Regional Supervisor, OLA 2020 Survey**

DVS managers have also acknowledged that the length of the hiring process is an issue. Division staff told us that, by the time supervisors receive a list of candidates who meet the posting's minimum qualifications, the list may already be "stale," meaning that candidates on the list have found other jobs or are no longer interested. In rare cases, the position may be reposted months into the hiring process. The hiring process may also be extended if a candidate declines an offered exam-station position, which happens occasionally.

Once examiners start working, they still must undergo lengthy training, further extending the time it takes to increase an exam station's road-test capacity. All examiners undergo on-the-job training to learn to provide counter services (such as administering knowledge tests, accepting license and permit applications, and reviewing identification documents for authenticity). Examiners must also undergo lengthy road-test training, described in the box at right, before they can begin administering road tests.

Examiner training requires a considerable time commitment.

DVS is accredited by the American Association of Motor Vehicle Administrators through its International Certified Driver Examiner program. In accordance with this program, DVS trains examiners in many areas, such as duties performed, driver licensing laws, and the administration of exams. The 96-hour classroom training takes place in a few separate blocks of time. DVS also requires up to 80 hours of mentoring, which involves riding along with an experienced examiner and administering road tests under supervision. Once examiners complete the training sessions and mentoring, they may receive supervisor approval to begin administering road tests. They may also pass an end-of-course assessment and complete an application to become certified through the International Certified Driver Examiner program. DVS encourages, but does not require, examiners to achieve certification.

Responses to Staffing Issues

In this section, we describe DVS's response to the road-test backlog in light of the challenges posed by the agency's low staffing availability, hiring process, and station closures from late March through mid-May 2020. Specifically, we examine how DVS managed the backlog using two particular strategies: overtime hours and consolidation of more than 90 exam stations down to 14 stations used for road tests. We also analyze future prospects for these strategies.

Use of Overtime

As mentioned, DVS developed a plan to address the testing backlog created when exam stations cancelled road tests in mid-March 2020 due to the COVID-19 pandemic. Key elements of the plan included:

- Consolidating the number of exam stations (described later in this chapter).
- Focusing examiners' time largely on conducting road tests as a result of diverting other tasks to deputy registrars and other entities.
- Expanding operational hours at exam stations and offering overtime for employees to fill those hours.[30]

[30] Additional steps included: extending the time for renewing driver's licenses, permits, identification cards, and disability parking certificates; temporarily waiving requirements for photos and vision screening for renewals; emphasizing online renewals; simplifying the process for obtaining Real IDs; and temporarily modifying the content of road exams to reduce the time needed for Class D road tests. We discuss some of these measures in more depth in Chapter 3.

Significant overtime use has helped DVS reduce its Class D road-test backlog, but the practice is not sustainable long term.

A DVS manager explained that, for the past several years, the division has presumed a need for overtime hours during summer months to provide extended hours in what is the busiest exam season. However, overtime required in 2020 to address the backlog exacerbated by the COVID-19 exam-station closures was much greater than usual. The proportion of overtime to total hours worked in the first six weeks following the mid-May 2020 reopening of exam stations was nearly twice that in the same six-week period a year earlier (2019).

Timesheet data showed that exam-station employees worked more than 1,800 overtime hours from mid-May 2020 through most of June 2020.[31] This was 3.8 percent of all hours worked those weeks—more than twice as high as the proportion of overtime to hours worked during all of 2019.

Overtime work represented significant costs to DVS. For the first half of Fiscal Year 2021, overtime costs for the exam stations amounted to nearly $343,000, which was 30 percent higher than in all of Fiscal Year 2020 and more than 240 percent higher than in Fiscal Year 2019.

DVS considered extensive use of overtime hours a necessary part of its strategy to expand the hours of exam-station operations and reduce the backlog of road tests. Starting in June 2020, the 14 exam stations offering road tests were open from 7:00 a.m. to 5:30 p.m.—an hour earlier in the morning and an hour later in the afternoon than previous operations. The extra hours in late afternoons were dedicated exclusively to road tests. In addition, the three busiest Twin Cities metropolitan-area exam stations—Arden Hills, Eagan, and Plymouth—opened Saturdays for road tests only, from mid-June through October 2020. The remaining 11 stations around the state opened one Saturday per month from July through October 2020.[32]

The extended hours and overtime, along with the other strategies in DVS's plan, allowed DVS to meet its anticipated demand. DVS reported that it exceeded its goal of conducting nearly 81,500 rescheduled and newly scheduled road tests by the end of October 2020. Meeting the goal required increased station testing capacity. DVS conducted 29 percent more road tests from June through October 2020 than its nearly 63,200 tests during the same period in 2019.

DVS conducted

29%

more road tests in June through October 2020 than in the same period in 2019.

DVS did not require employees to put in overtime hours; it gave staff the option. This was a necessary recognition that not all employees were able to work additional hours, due to health concerns, child care needs, or other personal obligations.

[31] Payroll data used for this calculation included payroll periods covering May 13 through June 23, 2020. The pay period containing the May 19 date of the 15 stations' reopening also included the four prior work days (May 13, 14, 15, and 18).

[32] Exam stations were not open on the July 4th Saturday holiday. As part of an earlier pilot project, DVS had used voluntary overtime to operate the Twin Cities metropolitan-area stations on Saturdays in 2019.

Even though overtime was voluntary, regional supervisors and assistant supervisors of exam stations indicated that extensive overtime created issues. In our late summer 2020 survey, DVS supervisors answered a question about significant challenges they faced in 2020. One-fifth of respondents volunteered comments specifically about the toll that additional hours had taken on staff. For instance, one supervisor commented that expanded hours strained employees and morale was "at the lowest it's ever been." Another stated: "Working weekends and extra hours during the week is not the answer. Staff is [*sic*] burned out. There should be more staff." A third said that when staff are over-fatigued due to extended hours, such as during the summer, they call in, which further contributes to the burnout among available staff.

> Expanding hours to include early mornings, late afternoons and weekends are short-term solutions that may yield long-term problems…. I have talked with many of my staff. Some are actively looking for other work.
>
> **— DVS Regional Supervisor, OLA 2020 Survey**

At the same time, some parents that we surveyed at exam stations where their teenagers were taking road tests indicated that convenience was important for scheduling a test. For instance, two parents commented on making road tests more widely available to avoid missing work; one specifically said offering tests on Saturdays allowed him to avoid missing work.

RECOMMENDATION

DVS should identify alternatives to relying on extensive, long-term overtime to increase its capacity to conduct road tests.

Even though employee overtime in the summer and fall of 2020 was voluntary, several regional supervisors and assistant supervisors reported issues with the long-term nature of the overtime, as described above. Possible alternatives to extended overtime include hiring more staff to work Saturday hours or filling either additional permanent or temporary (seasonal) positions. Another option is offering incentives to attract recently retired examiners to temporarily supplement staffing when needed.

DVS should review its use of overtime in 2020 and analyze its outcomes. Analyzing what could have worked better would enable DVS to set parameters on use of extended overtime in the future. Such an analysis would also allow DVS to consider steps to avoid reductions in safety or productivity when employees work a high number of hours for an extended length of time.

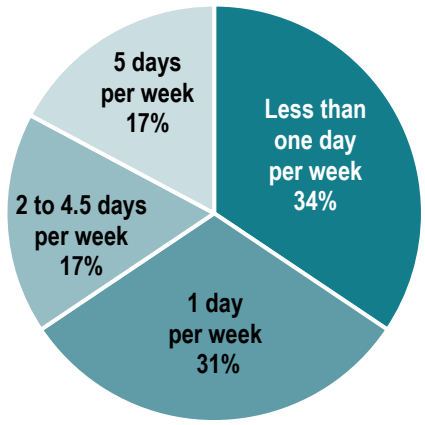
Alternatives to relying on extensive overtime may cost more than the costs of the additional pay that DVS employees earned when working overtime (overtime pay for the ten exam regions' driver services amounted to nearly $343,000 in the first half of Fiscal Year 2021). In its capacity analysis conducted in early 2020, DVS estimated that adding Saturday service on an ongoing basis would require an additional 25 examiners, 19 counter staff, and 10 assistant regional supervisors. The cost of that option would require the Department of Public Safety to either weigh tradeoffs with other agency expenditures or request increased legislative appropriations.

We acknowledge that the COVID-19 pandemic in early 2020 presented unique circumstances that required DVS to embrace atypical strategies, including extensive overtime. At the same time, DVS must remain attentive to the negative impacts on employees of such overtime. Extended days and Saturday hours lasting over months could lead to job dissatisfaction and possible retention issues, exacerbating low staffing availability.

Exam-Station Consolidation

As described in the previous section, part of DVS's strategy to overcome staff shortages and address the road-test backlog was to have existing staff work more hours. Another part of the strategy was to help staff work more efficiently by consolidating to a much smaller number of exam stations. In this section, we first explain the locations and operating hours of exam stations before the station closures in March 2020. We then explain how consolidating to fewer stations helped DVS gain efficiencies.[33]

Prior to the March 2020 exam-station closures, many exam stations operated infrequently.



NOTE: Percentages do not sum to 100 percent due to rounding.

Prior to the March 2020 exam-station closures, nearly two-thirds of driver exam stations were open one day per week or less.

As we explained earlier in this chapter, 93 exam stations were located throughout the state as of March 2020. DVS determined the schedule for the 93 exam stations based on local need in the geographic areas where stations were located.[34] As shown in the box at left, among the 93 exam stations open prior to the March 2020 closures, just 17 percent (16 stations) operated five days per week. These included seven stations in the Twin Cities metropolitan area, as well as nine stations outside the metro area.

Nearly one-third of exam stations (prior to mid-March 2020) were open only one day per week; just over one-third were open less frequently—less than one day per week. DVS typically staffed these smaller "satellite" stations using teams of examiners and counter staff who traveled together from regional hubs to other stations in the region on a rotating basis.

The station that opened the fewest days and hours as of early March 2020 was located in **Baudette** (a town in northcentral Minnesota). The station was open just 3.5 hours on the first Thursday of every month.

As stated previously, after the nearly two-month-long station closures resulting from the 2020 COVID-19 pandemic, DVS initially reopened only 15 exam stations across the state, 14 of which

[33] For the purposes of this report, we consider "efficiency" a measure of exams per time period, for example, road tests per day or week. Gains in efficiency have allowed DVS to reduce its examination backlog.

[34] We stated previously that DVS does not systematically estimate demand. In the case of station hours and days of operation, DVS has made small tweaks over the years as needed. For example, if a station was open one day per week and customer volume was consistently low, DVS might change the schedule to open that station only every other week.

offered road tests. These 15 stations were open each weekday, in contrast with many stations that were not open daily prior to the COVID-19 pandemic.

The mid-2020 consolidation of exam stations produced greater efficiency for DVS.

According to DVS, opening fewer exam stations (along with the extended station hours and overtime discussed previously) allowed DVS to increase the number of road tests it conducted on a daily basis. In response to our survey, all 20 of DVS's regional supervisors and assistant regional supervisors agreed or strongly agreed with the decision to consolidate exam stations. Several pointed out that the consolidation concentrated examiners in fewer stations and allowed them to spend more of their work hours conducting exams.

Previously, teams of examiners and counter staff started their day at one of the region's hubs and then traveled (using a state vehicle) to a satellite station as part of their paid workday. For this reason, many satellite stations were open fewer than eight hours per day, which resulted in the examiners who staffed those stations conducting fewer road tests per day than those at full-time exam stations.

In August 2019, DVS conducted an examiner time-use analysis in one exam region (Region 7 in western Minnesota). The analysis showed that each of the region's six examiners spent an average of 16 hours per month traveling between exam stations. Assuming that those examiners could perform about two Class D road tests per hour, dedicating those hours to road tests rather than travel would allow DVS to conduct more than 190 extra road tests per month in that region.

In addition to the road-test efficiency gained with reduced travel time, the consolidation resulted in some efficiencies specific to the COVID-19 response. Upon reopening, DVS hired 35 additional temporary employees to administer health screenings to customers entering exam stations. DVS also outfitted stations with plexiglass, as well as signage and floor decals about social distancing to protect the health of staff and the public. Making these changes to only 15 exam stations allowed DVS to spend its resources on exam administration rather than outfitting 93 exam stations to meet health and safety requirements.

RECOMMENDATION

DVS should reopen exam stations strategically at the end of the temporary consolidation that it began in 2020.

While the ideal number of driver exam stations is probably greater than 15, it may be considerably less than 93. In a brainstorming memo, Minnesota Management and Budget's Management Analysis and Development Section suggested that DVS consolidate to 30 exam stations.[35] In addition to efficiencies (such as less staff travel time) described above, permanently closing some of the state's satellite stations would

[35] Jessica Burke, Matt Kane, and Charlie Sellew, Minnesota Management and Budget, Management Analysis and Development Section, memorandum to Andrea Fasbender and Emma Corrie, Department of Public Safety, Driver and Vehicle Services Division, *Updated Ideas for Increased Exam Capacity, Improved Efficiency*, November 7, 2019.

save DVS money on rent. DVS leases more than 50 of the satellite driver exam stations it used one day per week (or even less often) in 2019.[36] The division estimates that its lease payments for those satellite stations will amount to more than $58,000 in Fiscal Year 2022. This is 7 percent of the estimated $840,000 that DVS anticipates spending in Fiscal Year 2022 for lease costs across all exam stations.

In determining which exam stations to reopen, DVS should ensure that it satisfies the law requiring road and knowledge tests to be available at a location in "the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant."[37] As we discussed earlier in this chapter, DVS did not meet this standard for nine counties as of March 1, 2021. In a December 2020 report to the Legislature, DVS proposed reopening an additional eight exam stations between January and May 2021, four of which had already reopened prior to the publication of this report.[38] While the four upcoming station reopenings would cover four additional counties, five counties (6 percent) would remain underserved.[39] DVS should strive to balance access for all Minnesotans with its own efficiency in conducting road exams (which impacts its ability to meet the statutory 14-day requirement).

An additional factor for DVS to consider is the demand for in-person knowledge tests at remote exam stations. In Chapter 3, we discuss DVS's online knowledge testing options, which debuted in October 2020. If DVS finds that the demand for in-person knowledge tests has declined considerably in certain regions, the division may wish to reopen some stations exclusively for road tests.[40] Focusing mostly on road tests would allow DVS to operate those exam stations more efficiently.

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[36] There are 14 exam stations for which DVS does not pay rent. In these cases, other entities—such as counties or deputy registrars—allow DVS free use of space to administer driver exams.

[37] *Minnesota Statutes* 2020, 171.13, subd. 1(c).

[38] Department of Public Safety, Driver and Vehicle Services, *Legislative Report on the DPS-DVS Exam Backlog* (St. Paul, 2020), 18. The four exam stations most recently opened are at Cambridge, Chaska, Hastings, and Winona, for a total of 25 stations open statewide as of early March 2021.

[39] The five counties that would not have an exam station within or adjacent to their borders are: Big Stone, Cook, Lac qui Parle, Kittson, and Traverse. Adequately serving all five counties would require opening three more exam stations: one to serve the contiguously located counties of Big Stone, Lac qui Parle, and Traverse, and one each to serve Cook and Kittson counties.

[40] When DVS reopened six exam stations in November 2020 through January 2021, two of them (Alexandria and Moorhead) were opened (at least initially) for road tests only.


THE GREAT SEAL OF THE STATE OF MINNESOTA
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Chapter 3: Examination-Station Changes

In recent years, legislators and members of the public have expressed concern about the backlog of road tests at driver examination (exam) stations operated by the Department of Public Safety's Driver and Vehicle Services Division (DVS). In addition to the staffing-related changes discussed in the previous chapter, DVS has implemented many other efficiency measures in recent years.[1] Many of those changes predated the COVID-19 pandemic—which caused exam-station closures and the cancellation of Class D road tests starting in March 2020—and were focused on improving the exam-scheduling process.[2]

In this chapter, we first address our evaluation question related to the efficiency and accessibility of DVS's exam-scheduling system through the lens of scheduling changes made both before and as a result of COVID-19. We then discuss other efficiency measures that DVS implemented more recently, often in response to the pandemic.

Key Findings in This Chapter

- Over the past two years, DVS has improved its process for scheduling road tests.
- Though it lacks the explicit legal authority to do so, DVS has allowed people to take the Class D knowledge test in their homes.

Changes to Exam Scheduling

When customers are ready to schedule a Class D road test, they may use DVS's online scheduling system or call either an exam station or DVS's Public Information Center. In the past, customers have complained about exam scheduling, including the lack of available Class D road-test appointments and the difficulty of finding new exam appointments once a road test has already been scheduled.[3]

Over the past two years, DVS has improved its process for scheduling road tests.

DVS's exam-scheduling changes centered around four specific events: (1) the October 2018 rollout of a new exam-scheduling system; (2) DVS's October 2019 decision to expand the window for online scheduling to six months; (3) the division's January 1, 2020,

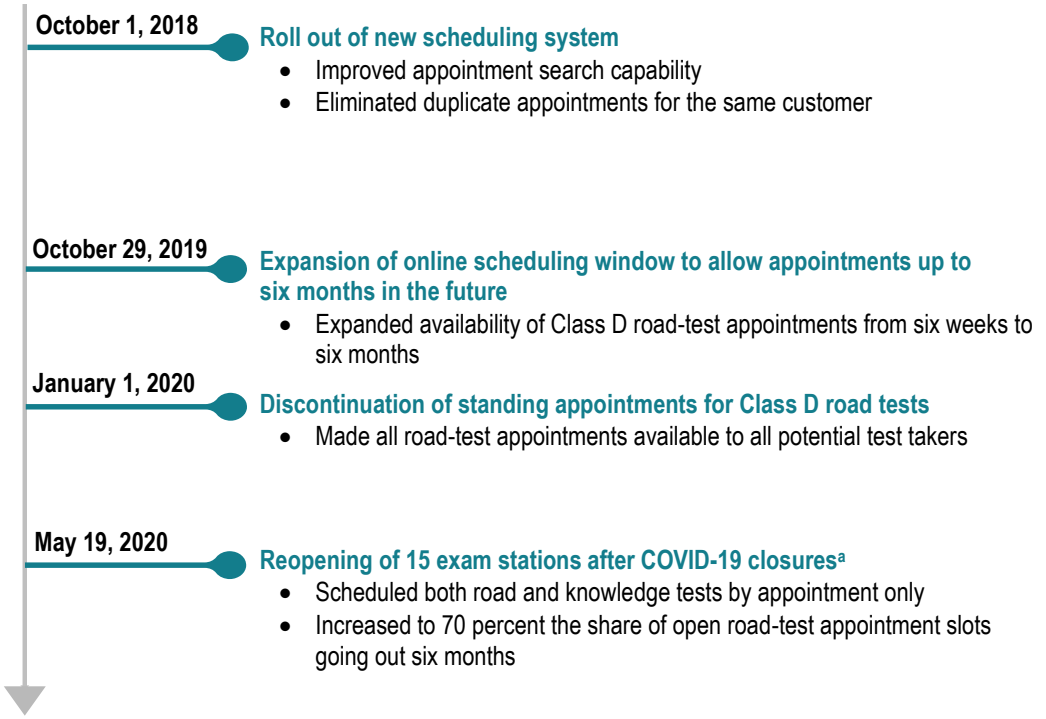
[1] For the purposes of this report, we consider "efficiency" a measure of exams per time period, for example, road tests per day or week. Gains in efficiency have allowed DVS to reduce its examination backlog.

[2] DVS first canceled road tests but kept other services available after Governor Walz issued State of Minnesota Executive Order 20-04, "Providing for Temporary Closure of Bars, Restaurants, and Other Places of Public Accommodation," March 16, 2020. DVS closed most station operations when Governor Walz issued State of Minnesota Executive Order 20-20, "Directing Minnesotans to Stay at Home," March 25, 2020.

[3] Media reporting in 2019 told the stories of customers who had difficulties finding road-test appointments. See, for example, *Associated Press*, "Young drivers facing long waits, long trips for road tests," *St. Paul Pioneer Press,* July 1, 2019, sec. A, p. 2; and John Reinan, "A very long road to get a license," *Star Tribune*, July 14, 2019.

discontinuation of the practice of reserving appointment slots for certain driver education programs; and (4) the May 2020 station reopening during the COVID-19 pandemic. We discuss each event over the next four sections. Exhibit 3.1 shows a timeline of the events.

Exhibit 3.1: DVS changes to scheduling exams were associated with four pivotal events.



[a] DVS suspended road tests starting in mid-March and closed most exam stations from late March through mid-May 2020 as a result of the COVID-19 pandemic. The 15 exam stations initially reopened (for Class D knowledge tests, but not road tests) by May 19, 2020. On May 26, 2020, 14 stations resumed road testing; 1 of the 15 locations did not perform road tests.

SOURCE: Office of the Legislative Auditor.

New Scheduling System

On October 1, 2018, DVS replaced its 30-year-old driver services data system with a new data system that gave DVS the capability to accept applications for and issue Real IDs, in accordance with federal law.[4] In addition to issuing driver's licenses, the new driver services system allowed DVS to manage exam scheduling and data on test results, among other things.

[4] Real ID Act of 2005, Public Law 109-13, May 11, 2005, codified as 49 *U.S. Code*, sec. 30301 (2020). In addition to implementing a new *driver services* data system, the Department of Public Safety, in conjunction with Minnesota Information Technology Services (MNIT), introduced a new vehicle services data system in July 2017. Known as the Minnesota Licensing and Registration System (MNLARS), the system was plagued by technical defects and system performance problems, as discussed in a special review by the Office of the Legislative Auditor. Office of the Legislative Auditor, *Factors that Contributed to MNLARS Problems* (St. Paul, 2019), 3. DVS replaced MNLARS with a new vehicle services data system (MNDRIVE) on November 16, 2020.

The old scheduling system had a number of problems, which caused inconveniences for customers and inefficiencies for DVS staff. One notable problem was that once a customer had scheduled an appointment for a Class D road test, the online scheduling system did not allow the same customer to search for earlier time slots without losing the original appointment. On the other hand, some customers had more than one person in their family scheduling appointments for the same person; when the customer passed the road test, the extra appointments would remain on the schedule. This took up exam slots others could have used and resulted in "no-shows" for those later scheduled dates.

DVS's scheduling system upgrades have allowed customers to schedule Class D road tests more efficiently.

While not all functions were in place for the October 2018 rollout of DVS's new driver-services data system, the upgrade provided DVS with enhanced functionality and the ability to later make a number of beneficial changes. These included enhanced search capabilities that allowed the customer to search for the first available road-test appointment at any exam station in the state or at stations near a given zip code. In addition, customers who were not yet 16 years old would see a pop-up box explaining that the system would show only those appointments for which they were eligible. Customers could also move forward in the calendar if they wished to look for an appointment on a specific future date (up to six weeks out when the system was first introduced and up to six months out as of October 2019).

Changes Resulting from New System for Scheduling Road Tests

- Enhanced search capabilities (by exam region or statewide)
- Ability to search for first eligible appointment for 15-year-olds
- Ability to search for new appointment without losing previously scheduled appointment
- Limit of one appointment per instruction permit number
- Verification of customer eligibility before scheduling

The new system also gave customers the ability to search online for a new appointment date without losing the Class D road-test appointment they had already scheduled. This allowed customers who could find appointments available only in the distant future to check for cancelations or newly opened appointments without losing their reserved time slot (which they could not do previously).

The online scheduling system also has allowed DVS to more tightly control how many Class D road-test appointments a single person can make. When scheduling road tests, customers must now enter a valid instruction permit number. They may use their permit number to schedule only one road test. This keeps additional appointments open for other customers and reduces exam-station inefficiencies associated with customers not showing up for their scheduled tests (after passing the first and forgetting to cancel their other scheduled appointments). The system also verifies a customer's eligibility to schedule a given appointment slot based on the customer's age and how long he or she has held an instruction permit.

Many in a small group of parents we surveyed believe the current online scheduling system works well. During August and September of 2020, we visited five exam stations around the state and conducted in-person surveys with the licensed adults

(mostly parents) accompanying 45 customers who were there to take their Class D road tests.[5] Of the 22 parents who said they had direct experience using the online scheduling system, a large majority (91 percent) reported that the experience was "satisfying" or "very satisfying," and all of them reported that scheduling was "easy" or "very easy." Some parents noted that the system "walked you through" finding appointments or said that it was nice to be able to see the first available appointment in different exam regions or stations. Another said it was an improvement to be able to search for a new appointment without losing the original appointment.

Expanded Window for Online Scheduling

A year after the 2018 rollout of the new scheduling system, DVS made another significant change to its online scheduling practices. In late October 2019, DVS began allowing customers scheduling Class D road tests online to view and select appointments six months in advance—a substantial increase from the six weeks of appointments that were previously available online.[6]

Opening appointments six months in advance made more appointment slots available to customers attempting to schedule Class D road tests online.

The change addressed two problems. First, some customers formerly complained that the Class D road-test appointments visible in the online scheduling system (going out six weeks) were fully booked, and that they spent a lot of time checking back for new appointment slots. Opening appointment slots six months in advance opened more road-test appointments for online scheduling and made appointments easier to find.

Second, the change reduced calls to DVS's Public Information Center, which schedules appointments by phone. Previously, phone operators could schedule appointments up to six months in the future, even when customers scheduling online could access only the first six weeks of appointments. This may have resulted in some customers (who might otherwise have scheduled online) calling the Public Information Center when they could not find an appointment within the first six weeks. Now, customers scheduling online see the same appointments that are available to DVS phone operators.[7]

[5] We visited exam stations in Arden Hills, Bemidji, Eagan, Marshall, and Rochester. Since road-test takers are not yet licensed and must provide their own vehicle, they generally must be accompanied by a licensed driver (often a parent, guardian, other relative, or friend). We asked this adult to respond to our survey. In one case, the actual test taker completed the survey online the day after the station visit. Going forward, we refer to the survey respondents as "parents," which accurately describes the vast majority of people who responded to our questions.

[6] As we discuss later in this chapter, exam stations opened less than 100 percent of future appointments six months in advance. DVS reserves a certain percentage of potential appointments until closer to the appointment date when it is certain that enough staff will be available to conduct all scheduled road tests.

[7] A DVS manager said that the division encourages customers to schedule online. They said that scheduling online is now more advantageous for most customers, given that they can schedule during hours that the Public Information Center is not open. A small minority of customers, such as those seeking to reinstate licenses or those who hold permits issued by other states, still need to call to schedule appointments because they lack a Minnesota instruction permit number, and the online system does not recognize their eligibility to take the Class D road test.

End of Standing Appointments

Starting in late September 2019, local media outlets reported that the three busiest Twin Cities metropolitan-area driver exam stations were reserving appointments to which only certain driver education programs could bring their students. These "standing appointments" were available to only some programs, and they allowed customers who completed their training with those programs to effectively "jump the line" to take a Class D road test. At the same time, test takers using other driver education programs experienced long waits through the regular test-scheduling system or faced the uncertain odds of securing an appointment as a walk-in. When the standing appointment practice became widely known, there was an outcry from legislators, parents, and driver education programs that had not benefited from that practice.

In early 2020, DVS discontinued the practice of allowing particular driver education programs to reserve road-test slots for their students.

DVS's January 2020 discontinuation of standing appointments allowed all test takers equal access to all appointment slots.[8] Even before the standing appointments became an object of public scrutiny, DVS had asked Minnesota Management and Budget's Management Analysis and Development Section (MAD) to evaluate the practice. MAD found that standing appointments resulted in unequal treatment of individuals and driver education programs while failing to positively affect exam-station efficiency and capacity.[9]

MAD's October 2019 report recommended discontinuing the practice.[10] Given that the practice had ended by the time we began our evaluation, we did not evaluate standing appointments. However, we summarize MAD's findings in the box below.

Management Analysis and Development Section (MAD) Key Points on Standing Appointments

- A total of 24 driver education programs in the Twin Cities metropolitan area had standing appointments, while an estimated 20 programs in the area did not.
- At the time of MAD's review, standing appointments made up almost 20 percent of available appointment slots for Class D road tests at the three busiest exam stations in the Twin Cities metropolitan area.
- Standing appointments resulted in unequal treatment of driver education programs and of individuals.
  - Driver education programs with standing appointments had an unfair competitive advantage, given that the appointments could attract students to the program. Driver education programs also charged students for the use of those appointments, generating additional revenue.
  - Individuals who received training at specific schools, and paid additional fees, could access road-test appointments more quickly and with less effort than others who were subject to long waits and scheduling difficulties.
- MAD strongly recommended that DVS end all standing appointments for Class D road tests.

— Minnesota Management and Budget, Management Analysis and Development Section, *Assessment of standing appointments for some driving schools at DVS exam stations* (St. Paul, 2019), 4-6

[8] The Legislature later prohibited the practice statutorily. *Laws of Minnesota* 2020, Second Special Session, chapter 2, sec. 1, codified as *Minnesota Statutes* 2020, 171.13, subd. 8.

[9] Minnesota Management and Budget, Management Analysis and Development Section, *Assessment of standing appointments for some driving schools at DVS exam stations* (St. Paul, 2019), 4.

[10] *Ibid.*

Exam-Station Reopening

The final pivotal event affecting exam scheduling was the May 2020 reopening of 15 exam stations across the state after their closure due to the COVID-19 pandemic.[11] During the nearly two-month period that road tests were suspended, DVS canceled more than 19,000 road tests, which only added to the division's preexisting backlog.

Changes to exam scheduling during summer 2020 improved DVS's response to the COVID-19 pandemic and opened more Class D road-test appointments.

Changes Occurring After Exam-Station Reopening

- Requiring appointments for all Class D exams
- Opening up to 70 percent of appointment schedule within a six-month window

One change was to require appointments for both Class D road and knowledge tests.[12] Road tests were previously available both to walk-in customers and by appointment. In contrast, prior to July 2020, knowledge tests were available only to customers who walked in. Discontinuing "walk-in" testing served a practical purpose in the COVID-19 era; it allowed DVS to better manage both the number of customers and the amount of time those customers spent waiting for services at its exam stations.

Requiring appointments also allowed DVS to more successfully manage customer expectations. For both road and knowledge tests, customers who attempted to walk in had been either turned away or forced to wait many hours, resulting in justifiable frustration. In 2019, one Minnesota media outlet reported that customers were arriving at exam stations early in the morning to wait in line for walk-in road tests.[13] DVS's expectation was that requiring appointments would make it clear to customers when and whether a road test would take place and reduce the amount of time customers waited at exam stations. According to some DVS staff, DVS has received fewer complaints about long lines since it discontinued walk-in services.

We surveyed DVS's regional supervisors and assistant regional supervisors in August and September 2020 and received responses from all 20. Ninety-five percent of respondents (19 of 20) reported that discontinuing walk-in service for Class D road tests had increased exam-station efficiency and

> Walk in service for road tests should never be resumed. [It] created the issues of applicants arriving in the middle of the night, crowds lingering in exam stations all day, and frustrations boiling over into eventual conflict.
>
> **— DVS Regional Supervisor, OLA 2020 Survey**

[11] The division reopened all 15 exam stations for knowledge tests over May 18 and May 19, 2020. DVS resumed Class D road tests on May 26, 2020.

[12] DVS discontinued walk-in service for road tests immediately upon resuming road tests on May 26, 2020. DVS discontinued walk-in service for knowledge tests approximately eight weeks after stations reopened.

[13] Lauren Leamanczyk and Steven Eckert, "Skip the line? Lawmaker questions 'unfair' driving test system," KARE 11, September 23, 2019.

should continue permanently (either for all stations or at least on a station-by-station basis).

We interviewed driver-exam program managers from six other states and found that five of them implemented appointment-only road-test scheduling at some or all of their stations during the COVID-19 era.[14] Many of the program managers mentioned that requiring appointments helps maintain physical distancing in exam stations. Program managers from Iowa and North Dakota mentioned that appointment-only scheduling provided benefits to customers who might otherwise have to wait in long lines at the exam stations. The program manager from Iowa added that the scheduling system has provided insight into the length of the state's "virtual line" of people waiting for their exams and will help exam stations respond to demand in a proactive way.

A second change DVS made in scheduling road tests was to open a greater percentage of possible appointment slots well in advance. Prior to reopening stations in May 2020, DVS had opened roughly one-third of appointments in advance; it opened the remaining slots closer to the appointment date (about a week before), when it was clear that the exam station would have sufficient staffing. Starting in June 2020, after exam stations reopened, DVS began opening up to 70 percent of Class D road-test appointments six months in advance, with additional road-test slots opening closer to the appointment date, if staffing allowed. As of November 2020, DVS returned to opening less than 70 percent of its schedule going out six months. Exhibit 3.2 presents a hypothetical example of the steps that DVS regional supervisors followed to open Class D road-test appointments from June to October 2020.

While opening a larger percentage of road-test appointments made it more likely that customers would find open appointments, the practice complicated the ability of exam-station supervisors to manage employee leave. This is particularly true for smaller stations. For example, a small exam station with only two examiners could theoretically open 70 percent of its appointment slots. However, if one of the examiners calls in sick, the station is suddenly operating at 50 percent capacity, making it more challenging to conduct all of the scheduled road tests.

[14] We interviewed exam program managers from Iowa, Michigan, North Dakota, Utah, Washington, and Wisconsin. Utah was the only state that did not require appointments for road tests, although it did encourage them.

Exhibit 3.2: DVS reserves a portion of appointments until it can reasonably estimate staffing availability, as shown in hypothetical scenarios below.

Hypothetical Steps for Opening Exam Appointments		Calculation
Preliminary	Before DVS can open road-test appointments, it must **determine the capacity of a given exam station**. In this hypothetical example, we assume an exam station with ten examiners, each of whom can conduct a maximum of 20 Class D road tests per day.	10 examiners × 20 daily road tests per examiner × 5 days per week **= 1,000 maximum weekly road tests available to schedule**
Step 1	**DVS opens 70 percent of Class D road-test appointments** for a given week occurring six months in the future.	70 percent × 1,000 weekly road tests **= 700 weekly road tests available in advance**
Step 2	Nearly **six months later, DVS revisits the schedule** for the week in question and opens the remaining Class D road-test appointments as staffing allows.[a]	Scenario 1: All ten examiners are available to work 1,000 weekly road tests – 700 already open **= 300 additional road tests available to schedule** Scenario 2: Nine examiners are available to work (one examiner on leave) 1,000 weekly road tests – 700 already open – 100 exams (share of the examiner on leave) **= 200 additional road tests available to schedule**
Recurring	DVS repeats steps 1 and 2 on a rolling basis, opening new appointments weekly (both six months and one week in the future).	

NOTES: This example is hypothetical; we used round numbers for the sake of simplicity. From June through October 2020, DVS opened 70 percent of road-test appointments going out six months. Previously (and again after this period), the division opened up a smaller proportion of appointments in the distant future; the process for opening additional appointments, however, was the same.

[a] The scenarios presented in this exhibit represent only two of the many different staffing scenarios that might arise.

SOURCE: Office of the Legislative Auditor.

One DVS manager explained that, in cases when examiners are not available, supervisors and assistant supervisors might help run exams, or staff might fill in from another station. They said that they do not cancel appointments once they are scheduled (with the exception of the cancellations that occurred in March through May 2020 due to the COVID-19 pandemic). In our survey of supervisors and assistant supervisors, 30 percent of respondents reported that opening a larger share of appointments had caused inefficiencies. Some also commented that the policy made it more difficult to manage staff schedules.

> Increasing the availability of future appointments online has had no effect on efficiency, it has only reduced the flexibility for managers to cover for unexpected illnesses and schedule time off for staff.
>
> **— DVS Regional Supervisor, OLA 2020 Survey**

Other Recent Efficiency Measures

Not all of DVS's recent changes have been specific to appointment scheduling. In this section, we discuss the recent introduction of online knowledge testing, as well as other temporary measures that DVS took specifically in response to exam-station closures and the associated road-test backlog in 2020.

Online Knowledge Testing

During the second special session of 2020, the Legislature directed DVS to allow driver education programs and other authorized entities to administer knowledge tests online.[15] In October 2020, DVS began allowing customers to take the Class D knowledge test online—either (1) from home with their parents or other qualified individuals administering the test or (2) through certified third-party administrators.[16]

Minnesota is one of only a handful of states to allow online testing. In April and May 2020, the American Association of Motor Vehicle Administrators surveyed states regarding online knowledge testing. Among the 37 respondents, 3 (Arizona, Florida, and Iowa) indicated that they allowed online knowledge testing at home with parents or others serving as proctors.[17] An additional two states (New York and Texas) indicated that they allow schools or driver education programs to administer online knowledge tests.

We analyzed Minnesota's law and compared it with DVS's program. We note below unresolved issues regarding online knowledge testing.

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[15] *Laws of Minnesota* 2020, Second Special Session, chapter 2, sec. 2, codified as *Minnesota Statutes* 2020, 171.13, subd. 9.

[16] Customers' third and subsequent knowledge tests must occur at a DVS exam station, regardless of where they took their first two exams. DVS staff said that DVS does not charge a fee for exams taken at home or through a third-party administrator; however, third-party administrators may charge a fee of up to $10.

[17] Though it did not respond to this survey, Massachusetts also allows permit-seekers to take their knowledge tests online. As of late February 2021, West Virginia also began offering online knowledge testing.

Though it lacks the explicit legal authority to do so, DVS has allowed people to take the online Class D knowledge test in their homes.

The language authorizing online knowledge testing specifically states that DVS must grant permission for a licensed driver education program to administer online knowledge tests.[18] With respect to potential test administrators that are not driver education programs, the statute says:

> An entity other than a driver education program may apply to the commissioner for authority to administer online knowledge tests. The commissioner may approve or disapprove an application for administering the online knowledge tests under this paragraph.[19]

The language focuses on approving entities to administer an online knowledge test; it does not explicitly permit individuals to take the test from home. Whether DVS can legally allow individuals to take the test from home hinges on the definition of the term "entity." In a November 20, 2020, letter to the Office of the Legislative Auditor (OLA), Department of Public Safety Commissioner John Harrington confirmed that DVS has interpreted "entity" to include individuals for the purposes of administering online knowledge tests.[20]

OLA questions whether "entity" includes individuals. While not defined in Minnesota statutes for the purpose of driver exams, we maintain that "entity" is more commonly used to refer to organizations. Had the Legislature intended to use a term to encompass both individuals and organizations, it could have used the term "person," which Chapter 171 (the chapter of law authorizing online knowledge testing) defines as "every natural person, firm, copartnership, association, or corporation."[21]

The commissioner's letter went on to address the topic of proctoring Class D knowledge tests at home. He explained that DVS requires proctors for online knowledge tests to be at least 21 years of age and have a valid Minnesota driver's license. When individuals request approval to proctor an online knowledge test, they apply online by providing their full legal name, date of birth, and valid driver's license number.

The system automatically approves licensed individuals over the age of 21 and will deny those who do not meet age or license requirements. The relationship of the proctor to the test taker is irrelevant; the system allows parents, older siblings, friends, or others to proctor at-home knowledge tests as long as they meet the criteria above. Individuals may proctor only three tests per year. As of late February 2021, DVS had approved 47,010 individuals to serve as proctors.

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[18] *Minnesota Statutes* 2020, 171.13, subd. 9(b).

[19] *Ibid.*, subd. 9(c).

[20] John Harrington, Commissioner, Department of Public Safety, letter to James Nobles, Legislative Auditor, Office of the Legislative Auditor, November 20, 2020, 1-2.

[21] *Minnesota Statutes* 2020, 171.01, subd. 45.

The statutory language on administering the online knowledge test further suggests that "entity" is intended to refer to organizations. According to statute,

> A driver education program or authorized entity: (1) must provide all computers and equipment for persons that take the online knowledge test; (2) must provide appropriate proctors to monitor persons taking the online knowledge test; and (3) may charge a fee of no more than $10 for administering the online knowledge test.[22]

While all three of the conditions listed above could easily refer to the responsibilities of an organization, only one makes sense when discussing an individual. The first clause—requiring that authorized entities provide a computer for test takers—could arguably apply to individuals administering the test at home. However, the second clause—requiring the entity to provide appropriate proctors—does not make sense to require of an individual. If an authorized individual was allowed to delegate test proctoring duties to someone else—for example, another member of the household—DVS would have no way to guarantee that the actual proctor monitoring the test met the division's criteria (valid license holder of at least 21 years of age). Finally, it is unlikely that the Legislature envisioned parental proctors charging their teenagers fees for administering the knowledge test.

It is unknown whether the benefits of at-home knowledge testing outweigh the risks.

Allowing at-home online knowledge testing has potential benefits for the test takers and DVS alike. The practice, however, also has potential risks. We summarize these benefits and risks in the box at right and explore them further below.

Arguments For and Against At-Home Online Knowledge Testing

Arguments for:

- Convenient for test takers
- Reduces health risks in times of COVID-19
- Frees exam-station staff for other duties

Arguments against:

- Provides ample opportunities to cheat
- Could compromise road safety
- Could benefit only those with resources
- Could reduce the incentive that organizations had to provide online knowledge testing

Arguments For

Customer convenience. Online testing offers tremendous convenience to test takers, some of whom previously had to wait in long lines or wait weeks to take a test after scheduling it. The benefit extends to test takers' families, given that parents do not have to take time off from work to get their teenagers to an exam station during regular business hours.

COVID-19 protection. Allowing the knowledge test to be taken from home has the considerable advantage of protecting those test takers and their families from the health risks they might have otherwise been exposed to when visiting an exam station during the COVID-19 pandemic. As of February 20, 2021, almost 52,500 individuals had

[22] *Minnesota Statutes* 2020, 171.13, subd. 9(d).

taken the test online, eliminating the need for the more than 100,000 people (between test takers and their accompanying adults) to visit DVS exam stations.

Reduced demand at exam stations. Should online testing from home become popular, it will likely relieve pressure on DVS exam stations, freeing up examiners to administer more road tests. DVS reported that the vast majority of the 52,500 individuals who had taken the online knowledge test accessed the test at home, rather than through a third-party administrator. The weekly average of knowledge tests taken online was nearly 3,950.[23] During a similar time frame, DVS exam stations conducted an average of about 2,600 exams per week, for a combined total of about 6,550 knowledge tests per week. For context, the weekly average number of knowledge tests administered at DVS exam stations in 2019 was roughly 5,400; the 6,550 tests per week in late 2020 and early 2021 represent a 20 percent increase in all weekly knowledge tests since the online knowledge test became available. If the pace of nearly 3,950 online knowledge tests per week continues, DVS exam stations will likely continue to be called upon to administer about one-quarter of their 2019 weekly knowledge test volume.

Arguments Against

Cheating. Allowing individuals to take the Class D knowledge test from their own home clearly presents the opportunity for cheating. DVS has implemented security measures designed to prevent cheating. For example, DVS required completion within a 30-minute time limit, automatic failure if the test taker opens a new web browser, and proctoring by a licensed individual age 21 or older. However, the integrity of the system still rests with mostly teenage test takers and their parents, who could easily circumvent the safeguards if they were determined to do so.

Safety. The issue of cheating leads to an even more serious concern: road safety. Test takers who pass only by cheating may not have mastered a knowledge of Minnesota traffic laws prior to driving with an instruction permit. While the knowledge test alone does not determine road safety, an individual who cheats to pass may be a less safe driver than one who demonstrates a sufficient understanding of the content of the Class D knowledge test.

Unequal benefit. The convenience of at-home knowledge testing may primarily benefit test takers who are economically advantaged. To take a test at home, one must have a stable internet connection and a computer or other device capable of delivering the test. However, these conditions are not uniformly available statewide. Minnesota's Office of Broadband Development reported in 2020 that 88 percent of Minnesota's households and businesses had internet service at speeds that met or exceeded the state's goals; in nonmetropolitan areas, the percentage of households and businesses meeting the access speed goals dropped to 73 percent.[24]

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[23] The online knowledge test was initially available from October 8 through November 1, 2020. DVS took the test down from November 2 through December 14, 2020, while the division worked with its vendor to address security concerns. The modified online knowledge test has been available since December 15, 2020.

[24] Minnesota Department of Employment and Economic Development, Office of Broadband Development, *Annual Report* (St. Paul, 2021), 12.

Discourages other test administrators. Finally, DVS's decision to allow at-home knowledge testing may have discouraged driver education programs and other entities (such as schools, deputy registrars, and community organizations) from becoming authorized test administrators. At the time of the roll-out in October 2020, only one entity (a deputy registrar in the Twin Cities metropolitan area) had completed the process to become an authorized knowledge test administrator. While 51 organizations (mostly driver education programs) were approved by February 2021, a DVS manager told us that some entities with whom the division had been in contact did not see the benefit of providing online testing services when people could readily take the test at home.

RECOMMENDATION

The Legislature should clarify whether individuals should be allowed to take the online Class D knowledge test at home.

If the Legislature believes that the benefits of allowing at-home online knowledge testing outweigh the risks, it should explicitly allow the practice in *Minnesota Statutes* 2020, 171.13, subd. 9. If the Legislature chooses to allow at-home knowledge testing, it may also wish to specify who is eligible to serve as a proctor (such as a parent or legal guardian for test takers under the age of 18).

If the Legislature allows at-home knowledge testing to continue, DVS should continue to rigorously monitor the integrity of the program. A DVS manager explained that the division compares failure rates for online knowledge testing to those from DVS exam stations. If the online testers pass significantly more often, it would "raise red flags." By closely monitoring online knowledge testing data, DVS has already uncovered and corrected one issue; the division noticed that some individuals proctored as many as 15 to 20 different test takers during the early weeks of online testing.[25] If DVS encounters additional red flags through its monitoring, it should explore new strategies to improve test integrity. Florida, for example, uses some of the same safeguards that Minnesota does, but also requires every 40th online test taker to retest at the state office. Further, the state has the authority to penalize fraud with a one-year license suspension.

If the Legislature decides to explicitly disallow at-home knowledge testing, the Legislature and DVS may wish to consider other ways to encourage driver education schools or other entities to become third-party proctors for online testing. This would be a means of providing to Minnesotans greater access to online knowledge testing without taking the test from their own homes. DVS staff explained that part of the reason that DVS allowed at-home knowledge testing was because few organizations had expressed interest in administering the exams.

[25] A DVS manager explained that there are legitimate reasons why this may have occurred—for example, a driver education instructor proctoring his or her students. However, the situation "raised flags" for DVS. In response to this discovery, DVS immediately suspended online knowledge testing for a six-week period (November 2 through December 14, 2020) while it worked with its testing vendor to address the issue. When the test was reinstated in mid-December, individuals could proctor no more than three test takers per year.

Other Exam-Station Efficiency Measures

When DVS reopened exam stations in May 2020 after being closed in response to COVID-19, it faced a considerable backlog of Class D road tests. In Chapter 2, we discussed two of the key changes DVS made to increase efficiency: exam-station consolidation and overtime to allow extended station hours. In this section, we discuss some of the smaller ways DVS has tried to increase efficiency since reopening exam stations.

Changes Occurring After Exam-Station Reopening

- Removal of road-test equipment demonstration
- Stopping exams as soon as the test taker fails
- Diversion of nontesting services to deputy registrars
- Elimination of paper knowledge test

DVS made two changes to the way that staff conduct road tests. The changes were designed to reduce the length of the road test and reduce the amount of time the examiner must spend in the vehicle with the test taker. First, DVS removed the equipment-demonstration portion of the road test. This portion requires customers to show their knowledge of the operation of the vehicle's systems, including seatbelts, emergency brake, headlights, hazard warning lights, windshield wipers, and defroster, among other things. According to DVS, eliminating the demonstration would not compromise road safety because customers had previously failed the equipment demonstration only rarely.

Second, DVS instructed examiners to stop the road test as soon as the driver accumulated enough deductions to fail. This shortens the road test in instances when drivers fail multiple driving maneuvers or commit a single error that is significant enough to result in automatic failure. A potential downside of this practice is that when an examiner stops a road test early, that test taker misses out on practicing and receiving feedback on other driving maneuvers that would have come later in the test. DVS staff explained that the amount of time saved by these two changes is small, but it helped compensate for the time added to the road test for sanitizing vehicles due to COVID-19 concerns.

In addition to road-test changes, DVS diverted nontesting services, such as license renewals and duplicates, to more than 170 deputy registrars statewide.[26] This reduced the number of customers requesting services in exam-station lobbies, which allowed for better control of physical distancing inside the buildings. It also allowed examiners to focus on road tests, rather than assisting customers at the counter. Beyond diverting certain services, DVS began offering online renewals or replacements of standard driver's licenses and state identification cards.[27]

DVS also eliminated paper knowledge tests in most situations.[28] The use of computer terminals reduces contact between exam-station staff and test takers. It also eliminates

[26] A DVS manager said that exam stations still accepted and processed (1) instruction permit applications for customers who had just passed the knowledge test at the exam station and (2) driver's license applications for those who had just passed their road tests.

[27] This change was temporary and made possible because the 2020 Legislature waived for 12 months the vision screenings and photo requirements for renewals. *Laws of Minnesota* 2020, chapter 100, sec. 27. The law allowed online renewals of licenses for drivers whose name, address, signature, and driver's license number had not changed.

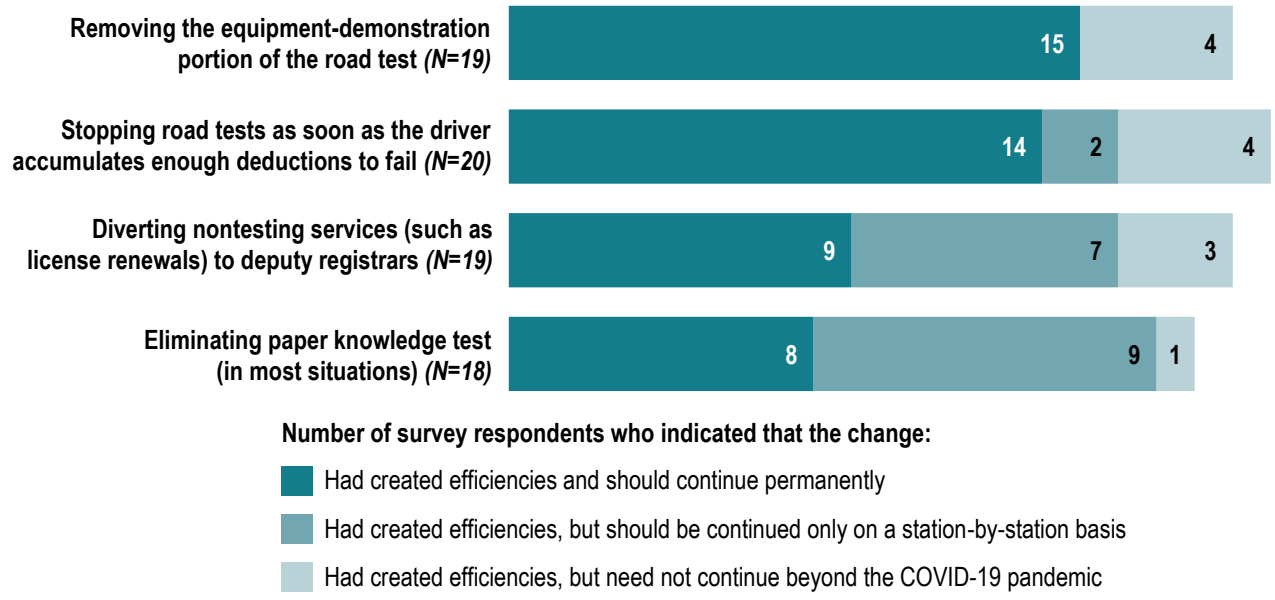
[28] DVS still provided written knowledge tests to test takers who make a reasonable request for accommodations.

the need for DVS counter staff to manually correct tests (since the computer scores the test and automatically links it to the customer's account). When counter staff are able to administer the knowledge test more efficiently, they require less assistance from examiners, who, in turn, can dedicate more time to administering road tests.

While most DVS supervisors appreciate recent exam-station changes, it is difficult to determine the changes' impact on efficiency.

The changes discussed above—eliminating vehicle inspections, automatically failing drivers with insufficient scores, diverting nontesting services, and eliminating the paper knowledge test—have been popular with DVS regional supervisors and assistant regional supervisors. When we surveyed these staff we learned, for example, that 75 percent of respondents believed that eliminating the equipment-demonstration portion of the road test has increased efficiency and should continue permanently. Exhibit 3.3 shows how supervisors and assistant supervisors responded when asked about each of the four changes above.

Exhibit 3.3: Most of DVS's regional supervisors and assistant regional supervisors recommended that recent changes should continue after the COVID-19 pandemic.



NOTES: We surveyed 20 regional supervisors and assistant regional supervisors, all of whom responded to the survey. The "N" for each bar show the number of respondents who indicated that the change created efficiencies. For only one question—regarding eliminating paper knowledge tests—did one respondent say that the change had caused inefficiencies. In other instances in which "N" does not equal 20, the remaining respondents either did not respond to the question or selected "no opinion" as their answer.

SOURCE: Office of the Legislative Auditor, survey of DVS regional supervisors and assistant regional supervisors, 2020.

Our survey asked whether any of the measures discussed above had created efficiencies for the respondents' exam stations and whether they believed those practices should continue. For each measure, at least 18 of the 20 supervisors and assistant supervisors thought the practice had created efficiencies. Most supervisors believed that two of the practices—removing the equipment demonstration from road tests and stopping road tests as soon as the applicant failed—should continue permanently at all exam stations. In the words of one respondent, "Many of the changes have been asked for many times in [the] past. Now that we have been doing these we can see the increased testing made possible."

DVS has characterized the changes discussed in this section as temporary. While most were still in place as of January 2021, DVS stopped diverting nontesting services to deputy registrars in November 2020. However, DVS may benefit from making some of these changes permanent. Before doing so, it would be wise to consider the impact of each change on exam-station efficiency and customer service. Changes that resulted in meaningful efficiencies without having a negative impact on customers are candidates for a permanent change. In Chapter 4, we discuss additional potential exam-station changes.

Chapter 4: Potential Changes to Driver Testing

As earlier chapters explained, the Department of Public Safety's Driver and Vehicle Services Division (DVS) has made recent improvements to the efficiency of driver examination (exam) stations. Other possible changes offer prospects for additional improvement. In this chapter, we discuss measures that Minnesota has not yet adopted. Most have been proposed in the past by either legislators or DVS. Each would likely require legislative action.

Additional changes have the potential to improve road-test administration or road safety, but they also pose challenges.

We examine four possible changes, such as the use of third-party testers to conduct Class D road tests. The four topics are listed at right.

We examine the pros and cons of each topic for legislators' consideration. The proposals involve substantive policy issues and require the Legislature to authorize the Department of Public Safety to undertake them; we do not make our own recommendations on these topics.

Key Topics in This Chapter

- Using third-party testers to conduct Class D road tests
- Expanding the use of third-party testing for commercial driver's licenses
- Charging fees for "no-shows" who fail to appear for scheduled road-test appointments
- Expanding the requirement for driver's education to include young adults

Third-Party Testers for Class D Road Tests

The first potential change we discuss is to expand the state's overall testing capacity by authorizing others outside DVS—that is, qualified third parties—to conduct Class D road tests. The Minnesota Senate passed a bill in 2020 that would allow certified third parties to administer road tests for Class D licenses, although the bill did not become law.[1] To be certified to administer road tests under the bill's provisions, a person would need approval from the commissioner of the Department of Public Safety.

The bill specified qualifications that third-party testers would have had to meet to become certified and how they would have maintained certification. Qualifications included (1) passing a "prequalifying tester exam" that is required of state-employed examiners and (2) completing the same training for administering tests that is required of state examiners, as the box below shows. Maintaining certification would have

[1] S.F. 3226, 2020 Leg., 91st Sess. (MN). In the 2021 legislative session, a similar bill was introduced, but final action on it had not occurred prior to the publication of this report. See: S.F. 276, 2021 Leg., 92nd Sess. (MN).

The legislation passed by the 2020 Senate would have required that Class D third-party testers meet the following conditions:

- Be 21 years of age or older with a valid driver's license
- Have been a licensed driver in the U.S. for the past three years
- Have maintained continuous valid driving privileges for the past year
- Pass a prequalifying tester exam that is required of state-employed examiners
- Be employed by a third-party testing program
- Complete training on test administration that is required of state-employed examiners
- Have the class of driver's license and endorsements required for the tests they would administer

required the third-party tester to: conduct at least 12 road tests annually, submit to annual evaluations on test administration and record keeping, attend annual training, and submit required records to the Department of Public Safety.

The bill would have allowed DVS employees to oversee the work of third-party testing programs and testers. For example, third-party programs would have had to agree to undergo random inspections and audits. In addition, oversight would have included comparing results after DVS examiners either (1) conducted a road test simultaneously with a third-party tester or (2) retested a sample of drivers previously tested by third-party testers.

Arguments For and Against Allowing Third-Party Examiners to Administer Class D Road Tests

Arguments for:

- Would relieve pressure on exam-station staff
- Already used for CDL road tests

Arguments against:

- Less incentive for rigorous testing
- Potential for fraud or conflict of interest
- Resources needed for oversight

Arguments For

Relieve pressure. A potential benefit of third-party testing for Class D licenses is the possibility of relieving pressure on DVS exam stations when the division faces backlogs in administering road tests within the 14-day period required in law.[2] It could also potentially help DVS meet the legal requirement that exams be available in the county where the customer resides or at a "reasonably convenient" adjacent location.[3] Depending on their number and location, third-party testers could allow test takers earlier access to road-test appointments. These benefits would accrue only if third-party programs were to locate in areas where DVS could not provide sufficient services to adequately meet demand within time and geographic constraints in law.

Prior experience with CDL road tests. Another argument in favor of third-party testing is that DVS has prior experience with it. For many years, Minnesota has authorized and overseen third-party testing—but exclusively for commercial driver's licenses (CDLs), not for Class D tests. DVS could use its experience with third-party CDL testing as a foundation for expanding third-party testing into Class D licenses. Only certain Minnesota entities, such as motor carrier businesses, are currently eligible to offer third-party testing for CDLs. They must be located in the state, own or lease their own vehicle fleet, and test only their own employees (or their own students in the case of postsecondary schools).[4] Drivers who seek CDLs but who are not employees of these entities must currently take CDL tests at DVS exam stations.

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[2] *Minnesota Statutes* 2020, 171.13, subd. 1(d).

[3] *Ibid.*, subd. 1(c).

[4] *Minnesota Rules*, 7410.6100, subps.1 through 7; and 7410.6140, https://www.revisor.mn.gov/rules/7410/, accessed March 23, 2020.

Arguments Against

Less incentive for rigorous testing. The proposal to use third parties to test drivers for Class D licenses would differ from Minnesota's use of third parties to test for CDLs, because Class D testers would not have the same incentives to maintain rigorous testing standards. For example, the federal government is not involved with testing for Class D licenses; it is, though, heavily involved with many components of CDL testing. For instance, the Federal Motor Carrier Safety Administration can issue sanctions to businesses that do not follow its CDL testing guidelines. Further, unlike Class D testing, businesses that test their own employees for CDLs have an incentive to ensure that testing is rigorous, which is needed to protect their drivers and vehicle fleet and ensure delivery of their products or passengers.

Potential for conflict of interest. DVS staff objected to using Class D third-party testers due in part to the potential for a conflict of interest. They stated that third-party testers of Class D licenses could be motivated to pass as many students as possible, because they could use a high pass rate to market their company and attract additional business. One DVS manager had reservations about third-party programs testing the same students they educated. She pointed out that this conflict does not exist for CDL exams because federal regulations do not allow the same person to both train and test an applicant. Further, third-party CDL testers in Minnesota do not currently compete for drivers to test; the drivers are generally restricted to employees of the company that was designated as a third-party testing program.

In a 2020 survey we conducted of exam stations' regional supervisors and assistant regional supervisors, responses revealed strong opposition to third-party testing for Class D licenses.[5] Ninety percent of the respondents opposed (20 percent) or strongly opposed (70 percent) allowing such testing.

Some survey respondents feared that third-party testers' fees could have a negative impact on families with lower incomes—especially in comparison with current road tests, for which first-time test takers are not subject to a fee. Others saw the proposal to use third parties as a threat to their jobs. More respondents, though, expressed concerns about conflicts of interest that could arise when a driver education program tested its own students. For example, one supervisor said the driver education schools that also test their students would have extra motivation to teach students how to "pass the exam, instead of how to drive," which creates implications for road safety.

Resources for Oversight. Allowing third-party testers to administer Class D road tests would significantly increase the need for DVS oversight. DVS would have to implement a system to review and approve applications from potential third-party testing programs and testers. This would include approving testing routes—that provide the opportunity to test all required driving maneuvers—for each third-party testing location. As stated earlier, third-party testing programs would be subject to random inspections and audits, which DVS staff would be required to plan and conduct. DVS would also need staff and procedures for suspending programs or testers, issuing correction orders and following up on them, and administering an appeals process.

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[5] We conducted this survey in August and September 2020; all 20 of the regional supervisors and assistant regional supervisors we surveyed responded. This survey question was: "To what extent would you support allowing qualified third-party examiners outside of DVS to conduct Class D road tests?"

DVS staff would have to oversee third-party test administration. This would involve DVS staff collecting and analyzing data on all testers' pass-and-fail results; taking road tests conducted by third-party testers—as if DVS staff were themselves seeking a license—to review and rate the tester; and conducting road tests simultaneously with third-party testers to later compare scores. In addition, DVS would have to plan and administer a program to train the third-party testers.

Mixed Outcomes in Other States

As of 2017, 17 states used third-party testers to conduct noncommercial road tests, the equivalent of Minnesota's test for a Class D license. In some states, third-party testers administered all noncommercial road tests, while in others, both state examiners and third-party testers conducted tests.

Some states with strong road-safety rankings use third-party testers, although the record is mixed. DVS analyzed one measure of road safety—road deaths per 100 million miles—in comparing states with or without third-party testers. States with third-party testers varied when ranked by 2018 road deaths per 100 million miles.[6] Among the 17 states with third-party testers in 2017, more states (11 states) had road deaths per 100 million miles that were above the nationwide average than below it (6 states). However, 3 of the 17 states—Michigan, Utah, and Washington—ranked among the top 15 states on lowest rates of road deaths per 100 million miles. As part of our evaluation, we interviewed officials from these three states regarding their third-party testing for noncommercial licenses. Our interviews with state officials in Michigan, Utah, and Washington suggested that their third-party testing arrangements have both advantages and challenges. We summarize those advantages and challenges below and compare the third-party testing programs for each of the three states in Exhibit 4.1.

Convenience for test takers and lower wait times. Based on experiences of the three states we interviewed, the overall advantages of using third-party testers can be summed up as follows:

- **One-stop shopping.** In states where driver education programs also offer road tests, third parties provide one-stop shopping where students can both receive driver training and take the required tests.

- **Time convenience.** Students can often take the road test either on the same day as they make the appointment or the next day.

- **Lower wait times.** In states where both third parties and state offices administer road tests, private testing programs allowed the state offices to lower wait times for road tests they conducted.

[6] None of the five top-ranked states, including Minnesota, uses third-party testers for Class D road tests; Minnesota had the second lowest number of road deaths per 100 million miles in 2018. Rankings on this measure are relative to other states and do not indicate a causal relationship between use of third-party testing and road safety.

Exhibit 4.1: Third-party road testing takes different forms in other states.

	Michigan	Utah	Washington
Date authorized	1996	2000	2012
Who conducts road tests	Private driver education programs (however, not all driver education programs are authorized to conduct road tests)	• Private driver education and testing programs • High school driver education programs (for high school students and for adults who live more than 50 miles from a private program) • Utah Department of Public Safety	• Private driver education programs • School districts that offer traffic safety education programs • Washington Department of Licensing (limited testing capacity)
State oversight	Michigan's Department of State: • Overtly and covertly monitors individual examiners • Observes examiners, including driving behind while an examiner is conducting a test, scoring that test, and comparing the two scores • Inspects testing businesses' records • Compares each tester's pass-fail rates against state benchmarks	Utah's Department of Public Safety: • Oversees private driver education and testing programs • Inspects private programs annually; monitors examiners • Establishes training and audit protocols; enforces rules Utah's Office of Education: • Oversees high school-based programs	Washington's Department of Licensing: • Requires third-party examiners to meet the same standards required of state examiners, including training • Conducts annual "check rides" to test examiner skills • Analyzes third-party examiners' test-pass rates for compliance with state standards
Programs may test students they train	No	• Private driver education programs: No • High school programs: Yes	Yes
Customer advantages	Due to state regulations, such as requiring private testing companies to conduct a certain volume of tests annually, testing companies are established, reputable businesses with testing experience	• Private testing programs allow next-day or same-day road tests and charge a fee • Tests by state field offices typically require a week's wait but have no fee • Adding private driver-testing programs allowed the state's field offices to lower their wait times	• Adding third-party testers produced 250 additional testing locations and reduced test wait times • Third parties offer one-stop service: students can both receive driver training and take road tests at one locale
Geographic coverage	• Few private testing businesses are willing to administer tests in the state's Upper Peninsula, where low population precludes them from making a living • Residents in the Upper Peninsula have to travel farther to find a business administering road tests	• High school-based programs are the only option in rural areas, as private programs have opted against operating in those areas • High school-based programs tend to offer driver education three times per year, except in rural areas, where it is once per year	• Sparsely populated areas have few, if any, private programs • Over time, many rural school districts opted out of offering driver programs; their students travel long distances to take road tests

SOURCE: Office of the Legislative Auditor, interviews with representatives of three states' driver instruction and testing programs, September 2020.

Lack of full geographic coverage, possible conflicts of interest, and state costs. Based on what we learned from Michigan, Utah, and Washington, using third-party testers can have three main disadvantages:

- **Few testers in areas of low density.** Third-party testers tend to operate in populated areas, while few operate in less densely populated areas. This means that students who live in less populated rural areas often have to travel long distances to take road tests and knowledge tests.

- **Possible conflicts of interest.** A potential for conflicts of interest exists when third-party programs test the same students they train. This could occur because of the incentive for third parties to achieve high pass rates as a way to market their programs to other students. To counteract this, Michigan and Utah prohibit private programs from testing students they have trained. The states we interviewed also regularly audit their third-party programs to identify and correct such problems.

- **State Costs.** States that use third-party testers still face expenditures related to road testing. Some states, such as Michigan, have transferred to third parties the administration of all road testing. In Michigan's case, though, the state plays multiple roles that have costs. For example, the state has extensive responsibilities overseeing the driver education programs, and it is in charge of annually training the third-party testers.

  Other states, including Washington and Utah, share road-test responsibilities with driver education programs based in high schools or private companies. These states have costs for conducting their own road tests and overseeing the third-party testers. A representative from the Washington Department of Licensing said the state's oversight role is large, and it had to increase staffing levels to provide sufficient auditing of the third-party testers.

Expanded Third-Party Testing for Commercial Driver's Licenses

As stated earlier, drivers seeking a commercial driver's license take CDL road tests at DVS exam stations unless they are employees of businesses designated to offer their own CDL testing programs to their drivers. The Department of Public Safety's commissioner has authority to designate entities that are located in Minnesota, and meet other conditions, to provide third-party testing to their employees or students, as shown in the following table.[7]

[7] *Minnesota Rules*, 7410.6120, subps. 1-2; 7410.6140; 7410.6160; and 7410.6300, https://www.revisor.mn.gov/rules/7410/, accessed March 21, 2020.

The state can designate specific entities as third-party testing programs for certain employees or students seeking Minnesota commercial driver's licenses.

Type of Entity	Designated Entity Can Test:
1. Motor carrier business	1. Business's own employees
2. School bus company	2. Company's own employees
3. Postsecondary school that offers courses in operating commercial motor vehicles	3. Institution's own full-time students who complete the school's courses
4. School district	4. District's employees
5. Public transit authority	5. Authority's own employees

NOTE: Eligible entities must own or lease (and operate) their own vehicle fleets; postsecondary schools may also contract to use government-owned vehicles.

During fall 2020, DVS convened two CDL work groups; one of which was to explore the expansion of third-party CDL testing to include as testers all six of Minnesota's CDL truck driving schools. The second group was to identify ways to improve the efficiency of CDL road testing conducted at exam stations.[8]

As of early 2021, the work groups had finalized their recommendations. The work group on third-party testing recommended a pilot program to allow DVS-licensed truck driving schools to become third-party testers of their own students; however, an individual instructor would not be allowed to test his or her own students. DVS was considering an amendment to administrative rules to allow the expansion.

The second group focused on mitigating the challenges facing those who scheduled CDL skills tests at the driver exam stations. Challenges included long wait times to schedule CDL tests, high no-show rates among drivers who scheduled CDL skills tests, and a backlog of CDL-test applicants due to COVID-19 restrictions. Among the group's recommendations were scheduling partial test slots for those who failed just one part of their CDL exam and using a set of reminders to help test takers avoid missing their road tests.

Arguments For and Against Expanding Existing Third-Party Testing Program for CDL Road Tests

Argument for:

- Adds testing capacity

Arguments against:

- Any changes would have to conform with federal law
- Potential for fraud

Argument For

Adds testing capacity. Expanding the pool of third parties that are eligible to test applicants for CDLs could help free up time for DVS examiners to test people needing Class D licenses. DVS officials estimated that conducting a CDL test takes approximately 90 minutes on average—45 minutes for a pre-trip inspection and 45 minutes for the road test itself. The Class D road test, on the other hand, takes an average of 20 minutes. As such, every CDL road test diverted to a third-party tester opens up time for four additional Class D road tests. DVS reported that in 2019, it administered about 8,580 pre-trip inspections and nearly 10,060 CDL road tests. If the division had diverted all of the pre-trip inspections and tests to third parties, DVS's capacity for Class D exams would have potentially expanded by nearly 42,000 exams.

[8] The work groups consisted of DVS staff and representatives of CDL truck driving schools, public school transportation, a charter bus company, the Commercial Vehicle Training Association, Minnesota State Colleges and Universities, the Minnesota Trucking Association, and the Federal Motor Carrier Safety Administration.

Arguments Against

Conformity with federal law. The proposal to expand the pool of third parties that are eligible to test applicants for CDLs is complex. First, the proposal has to be designed to meet federal requirements. State law requires the Department of Public Safety commissioner to ensure that policies related to CDLs conform with federal regulations, and Minnesota risks losing federal dollars if it fails to do so.[9] Further, federal regulations require all states, including Minnesota, to meet the same minimum standards for commercial driver licensing.[10] As an example, federal regulations require agreements between third-party testers and states—agreements that allow the state to "conduct random examinations, inspections, and audits of [the third party's] records, facilities, and operations without prior notice."[11] It is possible that some of the newly eligible third-party testers would find it difficult to abide by such requirements.

Potential for fraud. Another complexity is that proposals to expand the pool of third parties that are eligible to test for CDLs require safeguards against fraud. One DVS manager stated that, due to irregularities in other states with particular third-party testing entities that did not conform with federal requirements, DVS has had to retest commercial drivers from certain other states from 2008 through 2019. This included 70 commercial drivers from Tennessee, 51 from Wisconsin, 50 from Missouri, and 32 from Nebraska. While the number of drivers that required retesting is small in terms of the more than 10,000 CDL road exams that DVS administered in 2019, the impacts could be significant if fraud were to be discovered among a large Minnesota third-party tester.

No-Show Fees

DVS considers "no-shows"—people who do not arrive for their scheduled tests—to be a significant challenge for driver exam stations. They said that when people do not appear for scheduled appointments, it undermines an exam station's efficiency.

The 2020 Minnesota Senate approved legislation that was not passed into law but would have instituted a $20 fee for individuals who either do not appear for their scheduled Class D road tests or cancel their tests within 24 hours of the appointment.[12] Currently, the first test and first retest (if needed) are available at no charge; however, a third or subsequent test carries a $20 fee.[13]

Arguments For and Against Charging No-Show Fees

Arguments for:

- Potential to affect a significant share of appointments
- Could make exam stations more efficient and scheduling less difficult for customers

Arguments against:

- May penalize those who miss for legitimate reasons
- Could be a barrier for customers with lower incomes
- Unknown deterrent effect

[9] *Minnesota Statutes* 2020, 171.161, subd. 1.

[10] 49 *CFR*, part 383.1(b)(10) (2020).

[11] 49 *CFR*, part 383.75(a)(8)(i) (2020).

[12] S.F. 28, 2020 Leg., First Special Session, 91st Sess. (MN).

[13] *Minnesota Statutes* 2020, 171.13, subd. 7(b).

Arguments For

Potential impact on significant numbers of appointments. According to DVS, no-show fees have the potential to be helpful because they could encourage test takers to appear for their appointments, thereby helping exam stations to operate efficiently. DVS has experienced sizable numbers of no-shows, representing substantial proportions of exam stations' time. DVS data show that from October 2018 through June 2020, scheduled test takers failed to show up for roughly 14 percent of road-test appointments. DVS data also show that more than 18,000 scheduled road tests resulted in no-shows during the year 2019. The impact of no-shows varies and can be substantial; during a one-week period from August 17 through August 21, 2020, the daily no-shows for Class D exam appointments were as few as 70 and as high as 89, ranging from 8 to 11 percent of the scheduled appointments.

Could increase efficiencies. A fee discouraging no-shows could help exam stations conduct more exams per day (by avoiding disruption in the scheduled appointments) and potentially allow customers to select from a larger set of appointment slots. As stated previously, DVS managers said that no-shows reduce exam-station efficiency because they take up a testing slot that other customers could have used. In addition, one manager said no-shows were especially frustrating when DVS had scheduled staff to work overtime that might not otherwise have been needed.

In our survey of DVS's regional supervisors and assistant regional supervisors, respondents indicated that no-shows were a problem around the state. Nearly all respondents—95 percent of them—indicated that road-test no-shows were a challenge, with half of respondents calling them a "serious" challenge. Furthermore, 100 percent of supervisors and assistant supervisors supported charging a fee for those who do not show up for scheduled appointments.

Arguments Against

Fees do not acknowledge legitimate explanations. Imposing a standard fee for no-shows would not recognize people's unique circumstances. For example, applicants who were ill or dealing with family emergencies would be charged a fee if they did not cancel appointments within 24 hours. A fee under those circumstances could reasonably be considered unwarranted. On the other hand, other professional offices, such as medical practices and hair salons, impose no-show fees to counterbalance the loss of revenue as well as administrative time needed for rescheduling.

Disproportionate effect on certain customers. Fees present an equity concern. A $20 fee could be a significant expense for applicants with lower incomes and would penalize them more harshly than others at higher income levels who failed to show up for a scheduled road test.

Unknown deterrent effect. An unanswered question is whether a $20 fee would appreciably reduce the number of no-shows. The costs of imposing a fee (in terms of time spent to collect the fee and efforts to make the public aware of it) may outweigh its benefits if its deterrent effect is small.

Possible Alternatives

Other alternatives have the potential to encourage people to show up for test appointments and thereby prevent no-shows. One is a nonrefundable fee when making an appointment. A second is lengthening the time between when people fail to show for road tests and when they are allowed a second appointment for a road test. We briefly discuss these alternatives next.

A proposal suggested by two of our survey respondents is to charge all test takers a nonrefundable fee when scheduling the exam. DVS could later apply the fee to reducing the cost of the license application when the customer passes the exam. Customers would forfeit the fee when they do not show up for a scheduled test. The intent would be to encourage customers to appear for their test or lose their deposit.

On the other hand, this alternative does not address the question about penalizing people who cannot show up due to illness or emergencies. Furthermore, the deterrent effect of the alternative could be even less assured because users may not connect the nonrefundable fee to its intended purpose of inducing them to show up for their appointment. For those who miss their scheduled appointment, the payoff realized at the time of applying for the license may be too far removed from the act of not showing up for a test.

A second possibility is to use the timing of a second test as a disincentive to no-shows. A version of this option was discussed by a fall 2020 DVS work group considering ways to improve the current system for CDL licensing.

The work group's recommendations included encouraging customers to cancel CDL road tests in advance of the appointment when they knew they could not make it. The incentive to cancel in advance would be that those customers could immediately reschedule their canceled test. For those who neither show up nor cancel in advance, on the other hand, the appointment system would require a waiting period before allowing them to reschedule. The group had not developed the mechanics of how to implement the recommendation.[14]

[14] The work group recognized that implementing delayed test rescheduling for no-shows would require significant software programming, and a DVS representative stated in February 2021 that the agency was unsure whether the recommendation could be implemented. The group also recommended that DVS staff make reminder phone calls in advance of upcoming appointments for customers in the Twin Cities metropolitan area, in addition to e-mail notifications that DVS already sends. The work group acknowledged that adding phone call reminders would require more DVS staff time. In early 2021, DVS began calling customers with reminders regarding CDL appointments.

Expanded Age Requirement for Driver Education

As we explained in Chapter 1, Minnesota law does not require individuals age 18 or older to complete classroom driver education and behind-the-wheel instruction prior to obtaining an instruction permit.[15] While it is not required, some individuals age 18 or older take driver education courses from one of Minnesota's 335 approved driver education programs.[16] However, as shown in the box at right, the number of drivers 18 and older is small compared with the number of students younger than 18 who complete these programs. A DVS manager noted that test takers 18 years and older fail the Class D road test more frequently than younger drivers; she indicated that requiring older drivers to complete classroom and behind-the-wheel training as a part of the licensing process may improve testing outcomes.

In 2018, driver education programs served few students age 18 and older.

	High School-Based	Private Businesses
Number of programs	212	123
Number of students under age 18:		
Classroom	22,747	39,979
Behind-the-wheel	16,331	37,080
Number of students age 18 and older:		
Classroom	40	507
Behind-the-wheel	119	5,230

NOTE: Student counts represent the numbers of students that completed driver education courses in 2018.

Individual candidates for Class D licenses, regardless of age, must take and pass the knowledge test and road test to become licensed drivers. DVS data show that in 2019, individuals age 18 years or older made nearly 200,000 knowledge-test attempts and about 63,000 road-test attempts, but passed less frequently than those under age 18, as we address next.

Arguments For and Against Expanding Age Requirement for Driver Education

Arguments for:

- Could reduce the failure rate for older test takers
- Could relieve pressure on exam stations

Arguments against:

- Most states do not require driver education past age 17
- Cost of driver education may be a barrier to some older drivers

Arguments For

Reduce failure rates. Test takers age 18 and older fail both the road test and the knowledge test with greater frequency than younger test takers for whom driver education is required. In 2019, for example, test takers 18 and older failed the road test roughly half the time, as compared with a 29 percent failure rate for those younger than 18. The box on the following page shows 2019 failure rates by age for both the knowledge and road tests.

[15] *Minnesota Statutes* 2020, 171.05, subd. 1.

[16] In addition to the businesses that provide driver education, private high schools and school districts may run driver education programs. Some school district programs are based in high schools and may restrict enrollment to their own students, while others are community education programs available to any resident.

In 2019, Minnesota test takers aged 18 and older were more likely than younger drivers to fail driver exams.

	Road Tests Attempted		Knowledge Tests Attempted	
Age	N	% Failed	N	% Failed
Younger than 18 years	73,330	29%	84,298	28%
18-20 years	22,311	49	30,469	60
21 years and older	40,768	51	167,600	46

Not only are there more failed test attempts overall for older drivers (as shown in the box at left), but individual test takers age 18 and older required more attempts to pass both exams. For example, in 2019, 69 percent of test takers under age 18 passed the road test on their first try. Only 46 percent of test takers between 18 and 20 years of age passed their first road tests. In 2019, about 580 test takers (4 percent) age 18 to 20 failed the road test at least three times.[17] In contrast, 904 (2 percent) of 16- and 17-year-olds failed at least three times.

DVS managers and supervisors suggested that some people effectively use the road test as a driving lesson rather than investing in driver education in advance.[18] If the Legislature expanded the age requirement for driver education, one might expect to see lower test-failure rates for the affected age group.

> These applicants are in actuality using our testing personnel as a de facto driver training school at $20 per lesson. They return over and over without putting in effort on their own. Our conferences after a failed road test are the only training they are receiving.
>
> **— DVS Regional Supervisor, OLA 2020 Survey**

Relief for exam stations. Fewer exam failures, and thus fewer retests, would relieve pressure on exam stations, allowing examiners to better meet the demand for first-time exams. Some of the DVS regional supervisors and assistant regional supervisors we surveyed offered support for this point as well. Some supervisors suggested that driver education be required for all novice drivers. One said that it would reduce the number of retests and "greatly increase efficiency of testing." Exhibit 4.2 shows that far more DVS supervisors favored than opposed requiring driver education for drivers younger than 21 or drivers who failed two road tests.

Arguments Against

Uncommon among states. Increasing the age for which driver education is required would put Minnesota in the minority of states. Nearly all states that require driver education target the requirements to drivers under the age of 18. As of 2020, only two states (New Mexico and Texas) had requirements for novice drivers through ages 24 and 25, respectively; five states (Connecticut, Florida, Louisiana, Maryland, and New York) required driver education courses for all drivers, regardless of age.

Financial burden. Requiring driver education for older drivers would place a new financial burden on those drivers. Full driver education packages in Minnesota typically include 30 hours of classroom time and 6 hours of driving instruction. These tend to cost between $200 and $500 dollars, whether offered by a school district or a private business. Some driver education programs currently offer hourly rates for behind-the-wheel instruction, with prices up to approximately $60 per hour.

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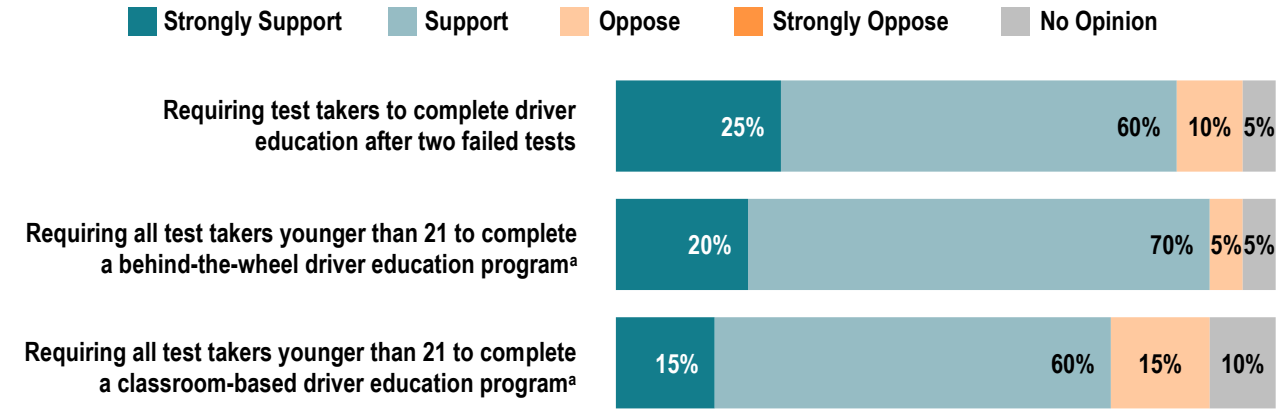
[17] An even larger percentage (7 percent) of test takers age 21 and older failed at least three exams.

[18] The first two road test attempts are free. DVS charges $20 per subsequent road test, by law. *Minnesota Statutes* 2020, 171.13, subd. 7(b). This is less expensive than enrolling in many driver education behind-the-wheel training programs.

Exhibit 4.2: Most DVS regional supervisors and assistant regional supervisors support requiring driver's education for test takers younger than 21 years of age or those who fail two road tests.



NOTES: Row labels reflect the questions that appeared in the survey. Each question was answered by all 20 respondents.

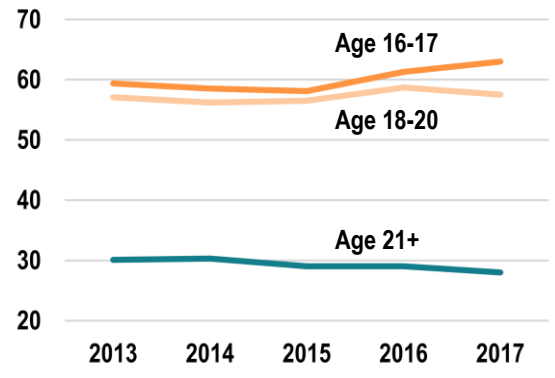
[a] Minnesota currently requires behind-the-wheel and classroom-based driver's education only for those younger than age 18.

SOURCE: Office of the Legislative Auditor, survey of Driver and Vehicle Services' regional supervisors and assistant regional supervisors, 2020.

Mixed Implications for Safety

One of the goals of driver education is to teach future drivers how to safely operate a vehicle and adhere to traffic laws. Minnesota crash data from 2013 to 2017 reveal that drivers under the age of 21 have the highest crash rates, as shown in the box at left. The crash rates for 16- and 17-year-olds were slightly higher than the rates for drivers age 18 to 20 (who may or may not have taken driver education, depending on when they sought their license). Both groups of young drivers, however, had crash rates dramatically higher than the population of all drivers age 21 and older. According to the Department of Public Safety's Office of Traffic Safety, "Minnesota teen drivers are overrepresented in traffic crashes due to inexperience, immaturity, distractions, night-time driving, speeding, and seat belt nonuse." Teen drivers tend to be "much less able [than older drivers] to cope with hazardous driving situations."[19]

Minnesota drivers under the age of 21 crashed much more frequently than older drivers.



SOURCE: Department of Public Safety, Office of Traffic Safety.

Research on the impacts of driver education show mixed results. Since the 1980s, research has generally shown that driver education—by itself—does not

[19] Department of Public Safety, *Office of Traffic Safety, FAQ: Answers to Common Teen Driving Questions*, https://dps.mn.gov/divisions/ots/teen-driving/Pages/faq.aspx, accessed October 16, 2020.

reduce crashes.[20] However, in 2015, the University of Nebraska-Lincoln released results of its study following more than 150,000 Nebraska teen drivers over eight years.[21] The study showed that those who did not complete driver education were 75 percent more likely than young drivers who completed driver training to get a traffic ticket, and they were 16 percent more likely to have an accident.

Options for Expanding Age Requirement for Driver Education

Driver education requirements could be expanded by modifying some combination of the following:

- Age for which training is required
- Hours required
- Type of training required
- Circumstances under which training is required (for example, only after failing an exam)

Should legislators wish to expand the age requirement for driver education, they could do so in many different ways. One method would be to require the same amount of driver education (30 hours in the classroom and 6 hours behind the wheel) for individuals between the ages of 18 and 20 as is currently required for drivers under the age of 18.[22] A second option would be to require the same amount of driver training for all drivers under the age of 24 or 25 (as is required in New Mexico and Texas, respectively) or for all novice drivers regardless of age (as is required in Connecticut, Florida, Louisiana, Maryland, and New York).

The Legislature could choose to vary the *amount* of driver training by age, requiring individuals 18 and older to complete some amount less than the hours of driver education currently required for younger teenagers. The requirement for older drivers could also be limited to either classroom-based driver education or behind-the-wheel training (rather than both).

Finally, the Legislature could opt to maintain the current age requirements but make driver training mandatory for any person who fails two road tests. Currently, drivers can fail four times before being instructed to complete behind-the-wheel training.

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[20] Washington State Legislature, Joint Transportation Committee, *Driver Education: New Methods and Expanded Requirements* (Olympia, WA, 2014), 18.

[21] Duane F. Shell, Ian M. Newman, Ana Lucía Córdova-Cazar, and Jill M. Heese, "Driver education and teen crashes and traffic violations in the first two years of driving in a graduated licensing system," *Accident Analysis and Prevention*, 82 (2015), 45-52.

[22] *Minnesota Rules*, 7411.0520, subp. 4; and 7411.0555(A)(2), https://www.revisor.mn.gov/rules/7411/, accessed December 22, 2020.

List of Recommendations

- The Legislature should clarify the requirement that an applicant receives a Class D road-test appointment within 14 days of request. (p. 22)
- DVS should (1) continue to strive to meet the statutory 14-day goal on road-test appointments and (2) measure "next available appointment." (p. 23)
- DVS should develop a robust method to regularly forecast demand for Class D road tests. (p. 27)
- DVS should identify alternatives to relying on extensive, long-term overtime to increase its capacity to conduct road tests. (p. 36)
- DVS should reopen exam stations strategically at the end of the temporary consolidation that it began in 2020. (p. 38)
- The Legislature should clarify whether individuals should be allowed to take the online Class D knowledge test at home. (p. 53)


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MINNESOTA DEPARTMENT OF PUBLIC SAFETY

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Driver and Vehicle Services

Emergency Communication Networks

Homeland Security and Emergency Management

Minnesota State Patrol

Office of Communications

Office of Justice Programs

Office of Pipeline Safety

Office of Traffic Safety

State Fire Marshal

March 12, 2021

James R. Nobles
Legislative Auditor
Office of the Legislative Auditor
Room 140 Centennial Building
658 Cedar Street
Saint Paul, MN 55155-1603

Dear Mr. Nobles,

Thank you to you and your team for the work done on the program evaluation of the Minnesota Department of Public Safety Driver and Vehicle Services (DVS), driver exam stations. We appreciate the professionalism of your staff as they completed their work and the opportunity to review and comment on the report titled “Driver Examination Stations”.

I am proud of the strides DVS has made in improving driver exam stations and the process for scheduling and providing road tests. DVS understands that exam stations are one of the most visible functions of state government and a service that Minnesotans depend on us to provide. We take this responsibility very seriously.

Showed timeframe of this report is unique as it provided a window into our historical data but also how DVS responded in real time to the COVID-19 pandemic. DVS staff with the support of leadership responded to the pandemic by providing critical services while prioritizing the health and safety of our customers and staff. As with any challenge, the pandemic did create opportunity for DVS. For years DVS has provided service in many communities in Minnesota by operating 93 exam locations throughout the state, however many of these stations were only open one day per week or less. Consolidating DVS locations for health and safety reasons during the pandemic proved to be an unplanned pilot for centrally locating staff. The data shows major efficiencies were achieved by this consolidated service delivery model, which fully staffed fewer locations.

DVS supports the customer focused recommendations in this evaluation and will work towards the implementation of the following:

- DVS will continue to reopen exam stations strategically in the coming months to provide statewide access to all Minnesotans. We will do this by focusing on efficiencies and in partnership with our statewide network of deputy registrars and driver’s license agents.

- DVS will continue to strive towards expanding the customer-centric service delivery model with a focus on customer access, experience and convenience. We will do this by incorporating customer feedback into our decision making on service options and investments in technology solutions.

- DVS will measure and track data to better anticipate demand and maximize operational efficiencies statewide while always prioritizing our focus on safe drivers.

DVS appreciates all of the analysis OLA put into the four recommendations provided in the report. Many of these recommendations have been discussed at some level by DVS or by the legislature. We believe this report will help provide information that everyone can work from to make better-informed decisions. Our response to the potential changes to driver testing contained in Chapter 4 are summarized below.

Potential Change 1: Expand the state's overall testing capacity by authorizing others outside of DVS to conduct Class D road test.

This report accurately identifies potential concerns with allowing third party testers to administer Class D road tests. DPS really appreciates the OLA's efforts to provide the pros and cons for this issue and its impact to the state. DVS would require new resources to implement an expanded third party testing program that would allow DVS to train, monitor and audit Class D third party testing programs. While third party testing is used for some CDL testing, the experience and comfort level with Commercial Driver License testing is not equivalent to testing novice drivers for initial driving privileges. Most importantly, DPS remains concerned about third party class D testing because of its impact on public safety. DPS will not place the chance for potential convenience over the safety of our teen drivers.

Potential Change 2: Expand Third-Party Testing for Commercial Driver's Licenses.

DVS supports expanding the CDL third party testing programs to include licensed DVS truck driving schools and maintaining the current framework of the CDL third party testing program. In order to implement this change DVS would need legislative changes or the ability to do expedited rulemaking to allow for a variance to the current rule. This would allow DVS to implement the recommendations of the CDL advisory group. Allowing licensed truck driving schools to be third party testers and eliminating the training curriculum hours for college and university CDL training programs would reduce the number of CDL tests that state examiners would administer, thus freeing up more state examiner time to administer Class D road tests. Currently approved CDL third party testers administer only 10% of CDL testing in Minnesota.

Potential Change 3: Allow DVS to charge a no-show fee for people who do not arrive for scheduled test.

Customers who do not show up for their appointments continues to be an inefficiency for the exam program. No shows continue to occur at a high rate even with the email confirmation message when scheduling the appointment and a reminder notice sent via email three days in advance of the scheduled test. This change would require legislative action that would allow DVS to charge a no-show fee, set the fee and establish standards for the fee. The legislature will need to consider if DVS has the ability to waive the fee in certain cases to ensure equity and emergencies.

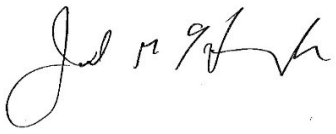
Potential Change 4: Expanded Age Requirement for Drivers Education. Requiring those over 18 to take Drivers Education.

DVS has documentation that shows that completing driver education increases the success rate when testing for a driver's license. Current law requires driver education after four failed

road tests. Amending the law to require driver education earlier in the testing process would be beneficial for the safety of the driving public and for efficiencies in driver license testing at exam stations. We agree with the identified concerns that cost could create a financial burden, however those concerns could be address legislatively. DPS believes it is important for everyone to have access to affordable driver's education.

We appreciate this opportunity to inform you about the progress DVS has already made, and will continue to make to improve the state's driver testing programs at DVS exam stations. We look forward to continuing to improve the customer experience at exam stations with this information and input from legislators across the state. Please feel free to contact me if you have additional questions.

Sincerely,



John Harrington
Commissioner-Department of Public Safety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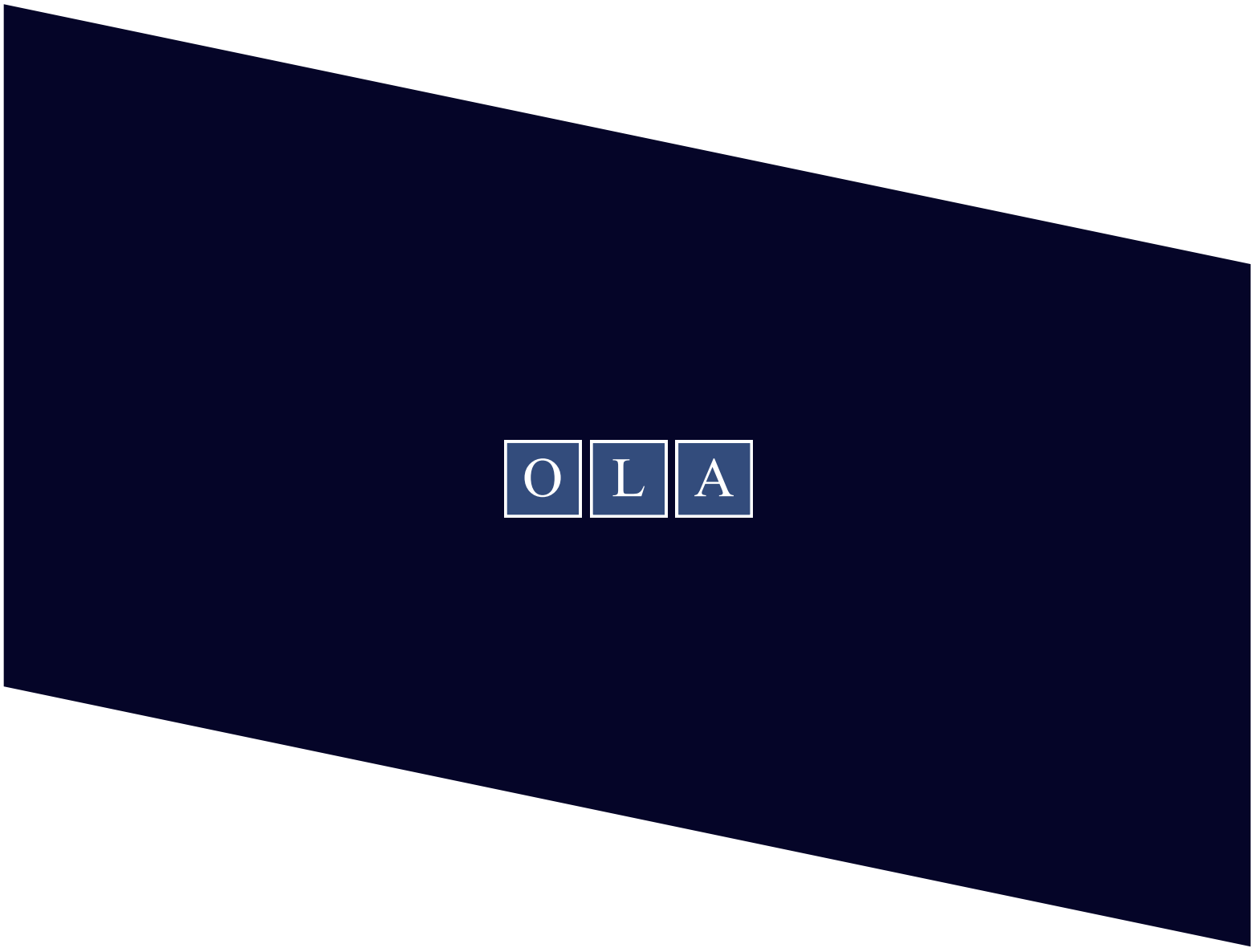

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