



Department of Public Safety

Driver and Vehicle Services

Driver and Vehicle Services Recommendations Report

January 2024

Contents

Driver and Vehicle Services Recommendations Report 1

 Introduction..... 3

 Recommendations from 2022 Independent Expert Review..... 3

 Recommendations from 2021 Office of the Legislative Auditor Report on Examination
 Stations..... 10

 Future Plan for Driver Examination Stations..... 12

 Proposed Statutory Changes..... 18

 Conclusion 18

 Appendix 18

Introduction

On May 24, 2023, the legislature voted to require the Department of Public Safety Driver and Vehicle Services (DVS) to submit a report to the legislature on driver and vehicle services recommendations and operations (Laws of Minnesota, 2023, Regular Session, Chapter 68, Article 6, section 16). The report requires DVS to review 14 of the recommendations from the Jan. 12, 2022, independent expert review of driver and vehicle services, as well the recommendations from the March 2021 Office of the Legislative Auditor's report on driver examination stations. DVS must specify whether the recommendations are under active consideration, in the process of being implemented, already implemented or the reasons why the recommendation will not be implemented. In addition, the report must include the commissioner's plan for the locations, schedule and staffing allocation for driver examination stations, as well as propose any statutory changes that would be beneficial in implementing the recommendations.

DVS has implemented the recommendations from the 2022 independent expert review and continues to maximize the capabilities of the MNDRIVE system and data analysis to improve efficiency for its customers. DVS has also made progress in implementing the recommendations of the 2021 legislative auditor's report and continues to prioritize availability of examinations for customers. To further improve examination efficiency, this report will detail an examination plan that ensures reasonable proximity of exam stations to Minnesota residents while reducing the time and distance examiners must travel under the current 93 exam station model. The proposed plan for driver examination stations will better meet the needs of the Minnesota residents, but any changes to the locations of examination stations would only be implemented following consultation with stakeholders and the legislature.

Recommendations from 2022 Independent Expert Review

The independent expert review report of driver and vehicle services was issued Jan. 12, 2022, and contained several recommendations to improve service delivery for Minnesota residents (*see Appendix*). This section of the report will detail 14 of the recommendations and the steps DVS has taken to implement the recommendations.

Review deputy registrar and driver's license agent contracts for incentives to become full-service providers

The independent expert review recommended that DVS revise contracts between DVS and deputy registrars and driver's license agents to encourage them to become full-service providers. The current structure for providing driver and vehicle services to Minnesota residents relies on a partnership between the state agency, DVS, and counties, cities and private businesses who are deputized to also provide these services to Minnesotans.

A deputy registrar refers to an agent that provides vehicle services as well as limited driver services, meaning requests for duplicate licenses but not new or renewal applications that require a photograph or vision test. A driver's license agent provides driver services including new and renewal applications and may or may not also be a deputy registrar.

The term full-service provider was officially codified into law during the 2023 legislative session and refers to those deputy registrars and driver's license agents that provide both vehicle and driver services, including processing new and renewal driver's license and identification card applications. In addition, as of Jan. 1, 2024, full-service providers also collect a fee to provide copies of driver, vehicle and crash records. All deputy registrars, driver's license agents and full-service providers enter into an agreement with DVS to provide services.

As recommended by the independent expert review, DVS staff conducted a careful review of these agreements and determined there is nothing in the contract that prevents or disincentivizes an agent to provide more or fewer services. Rather, the driving force behind an agent being only a limited provider rather than a full-service provider is related to the proximity rules that prevent agents from operating their business too close to one another. (See Minnesota Rules Chapters 7404 and 7406.) The reason for these rules is to protect the business for each agent and ensure that there are enough customers and transactions available in their area to maintain profitability.

In 2023, the legislature increased the filing fees agents are paid for their work and expanded the services full-service providers offer and charge. For example, full-service providers can now charge a fee to provide copies of driver, vehicle and crash records. In addition, the legislature allocated money to reimburse agents who buy cameras and vision equipment to become full-service providers and shifted the costs for maintenance of this equipment to DVS. These financial incentives may increase the number of agents who will become full-service providers, assuming they are not barred by the proximity restrictions in Minnesota Rules.

DVS has implemented this recommendation.

Implement data and reporting practices

The independent expert review recommended that DVS use data and reporting practices to assist in making decisions focused on the residents of the state. With the launch of the MNDRIVE system, DVS has seen monumental gains in the amount of data that can be reviewed and utilized to determine effectiveness of DVS services. DVS calls this project "Data Driven DVS" and uses reporting features in MNDRIVE to track data in real time, as well as map changes over time and determine whether service delivery goals are being met.

DVS creates and publishes an internal dashboard every two weeks to show the current service delivery times for several DVS services and whether that service delivery time meets DVS service delivery goals. The dashboard includes printing times for driver's licenses and identification cards and processing times for vehicle titles. DVS also reports the wait times for calls received by the Public Information Center (PIC) and the time to respond to emails received

by the PIC. This dashboard allows DVS to track and measure the average customer experience in a variety of service categories over time. In addition to the internal dashboard, DVS publishes current turnaround times for services like driver's license and identification printing and title processing on the public website.

DVS also utilizes data and reporting to design the appointment system for examinations and inspections. After a careful review of data on cancellations and no-show appointments across the examination stations, DVS determined that allowing appointments beyond 30 days greatly increased the chances of cancelled or no-show appointments. In addition, staffing was less certain beyond 30 days out. Following this review, DVS standardized the appointment system for exams and now releases appointments 30 days in advance, increasing the likelihood that the customer will be able to attend, and that DVS will have the necessary staff to conduct the examination.

DVS has implemented this recommendation.

Conduct a staffing review and establish performance standards

The independent expert review recommended that DVS conduct a staffing review that balances staff quantity and quality, leverages technology automations and configurations, and establishes performance standards and targets that meet the needs of the state. Rather than conduct a single static staffing review, DVS has taken a dynamic approach utilizing Data Driven DVS to assess where more staffing resources are needed. When a staffing vacancy occurs, DVS uses data to determine how best to allocate those resources within the current employment landscape to achieve the best service outcomes.

DVS also utilizes data and reporting functions in MNDRIVE to forecast the demand for various services, including skills exams, title reviews and driver's license and identification application audits. This data provides DVS with an estimated number of employees needed to meet the customer demand. This is one of many considerations that DVS can use to allocate staffing appropriately and plan for the future to ensure adequate staffing levels.

DVS has set performance standards for several business processes, including issuing of driver's licenses and identification cards, issuing vehicle titles and time to answer phone calls and emails submitted to the PIC. In addition, DVS has implemented several efficiencies in the MNDRIVE system to automate processes where appropriate and is continually reviewing capacity in MNDRIVE to find even more efficiencies.

DVS has implemented this recommendation.

Identify performance and service standards for deputy registrars and driver's license agents

The independent expert review also recommended that DVS identify performance and service standards and create a deputy registrars and driver's license agent performance scorecard that monitors user performance to ensure a consistently positive experience for Minnesotans. Currently, DVS staff regularly visit deputy registrars and driver's license agents and conduct

annual inventory audits. Any issues identified during these visits or audits are addressed with individual deputy registrar or driver's license agent offices. Data Driven DVS can determine the error rate for deputy registrars and driver's license agent transactions. Both DVS and agents have access to this data. DVS staff can augment the audit process with this error rate data to address specific concerns or identify areas for training within the offices.

DVS also investigates all reports of customer service issues at deputy registrars and driver's license agent offices. This includes meeting with the offices and ensuring that any issues are addressed through training or other corrective action. DVS staff will also continue to monitor any concerns in future site visits. DVS does not currently utilize a performance scorecard for deputy registrars or driver's license agents, but DVS does track error rates for work completed at their offices. These error rates are made available to deputy registrars and driver's license agents. DVS also conducts regular training sessions that are available to all deputy registrars and driver's license agents to ensure a more consistent experience for customers.

DVS has implemented this recommendation.

Create rapid response communication for immediate support

The independent expert review recommended that DVS provide a rapid response communication method for situations where deputy registrars or driver's license agents need immediate support. Deputy registrars and driver's license agents meet with customers in person to process their transactions. In some cases, the agent may encounter an issue where they need assistance to process the transaction. Creating a rapid response communication method between agents and DVS staff can ensure that the customer receives assistance in a timely manner and that the agent is able to collect the fee that compensates them for their work. DVS has a dedicated phone line for deputy registrars in the PIC that provides them with a contact if a specific customer issue needs a quick response.

DVS has also created a process whereby deputy registrars contact a designated group of individuals at DVS when they encounter a problem in MNDRIVE. DVS then alerts their Incident Response Team who immediately begin investigating the reported issue and searching for a solution. The Incident Response Team is made up of MNDRIVE subject matter experts who immediately prioritize investigation of these reports to determine the source of the problem and find a solution as quickly as possible. Another critical piece of the rapid response is an email notification system that alerts all deputy registrars and driver's license agents of the reported problem. Regular updates are sent via email until the issue is resolved and a final email when the issue is fixed. This same notification and alert system will be implemented for driver's license agents in 2024.

Rather than focus solely on responses to problems, DVS has taken a proactive approach to this recommendation by putting more emphasis on training and creating resources for deputy registrars and driver's license agents on the transactions they encounter. Over the last year, DVS has continued to see record attendance at training session for agents and receives positive feedback about their effectiveness. In addition to training and resources, DVS leadership holds

a monthly meeting open to all deputy registrars and driver's license agent offices to update them on developments within DVS, changes to MNDRIVE or processes and new legislation. The meeting also provides an open forum for questions.

DVS has implemented this recommendation.

Accelerate background checks of new employees

Another recommendation of the independent expert review that has been fully implemented within DVS is to explore ways to accelerate background checks of new employees at DVS and deputy registrars and driver's license offices. Employees who process and handle data that is related to applications and issuing of driver's licenses and identification cards that comply with the federal REAL ID act must undergo and pass a fingerprint background check prior to processing that data. These employees are also required to complete a fraud training. Because any fingerprint background check must be done in compliance with federal requirements and involves multiple steps, it can slow down the process of getting a new employee trained and working to process driver's license and identification card applications.

To make this process more efficient, DVS has dedicated weekly appointments at the Bureau of Criminal Apprehension (BCA) where new employees can obtain their fingerprints. While the fingerprint background check is pending, these employees receive limited access to MNDRIVE to begin processing standard driver's license and identification card applications. This allows new employees to start employment sooner and become familiar with MNDRIVE and the application process before starting to process the more complicated REAL ID compliant applications.

DVS has implemented this recommendation.

Promote the preapplication process

The independent expert review recommended that DVS promote the preapplication process and expand the use of preapplications to all feasible areas. The preapplication process for all types of driver's licenses and identification cards is extremely beneficial to DVS, driver's license agents and customers. It speeds up the process by reducing the need for data entry at the time of application and makes the customer aware of the documentation they will need to present at the time of the transaction. All types of applications have a preapplication process that customers can access through e-services on the DVS website. Information about the preapplication process is also listed on all renewal notices. DVS recently updated the paper application for driver's licenses and identification cards and added a QR code with a link to the online preapplication to encourage applicants to use the preapplication even when they have already arrived in an office.

DVS has implemented this recommendation.

Determine if mandatory preapplications are appropriate

The independent expert review recommended that DVS evaluate and make recommendations to the legislature on areas where it is appropriate to make preapplications mandatory. DVS has carefully considered this recommendation and determined that preapplications should not be mandatory. Requiring individuals to apply online to obtain a driver's license or identification card creates disparities as there are applicants who do not have access to a secure internet connection where they could complete the preapplication. In addition, Wi-Fi is not available in all exam stations or driver's license agent offices so some individuals would be unable to complete the application in a driver's license agent office. DVS recommends that the legislature not mandate preapplication. Instead, DVS will continue to provide the preapplication and promote its use.

DVS has completed this recommendation.

Automate transactions where possible

The independent expert review recommended that DVS adjust policies and practices to automate as many approval transactions as possible. DVS continues to work closely with FAST to leverage the technology available in MNDRIVE to assist in processing transactions as efficiently as possible. DVS also works with our counterparts in other states utilizing the FAST system to find efficiencies applicable to Minnesota's processes. MNDRIVE is a dynamic system that has a lot of capability to automate transactions, and DVS is committed to using the system to its full capability while maintaining integrity of transactions.

DVS has implemented this recommendation.

Utilize differentiated user levels in MNDRIVE

The independent expert review recommended that DVS determine the proper user level field needed by transaction type and explore additional differentiated user levels in MNDRIVE. DVS has created a standard user profile in MNDRIVE for individuals who have been hired but cannot yet process REAL ID compliant credentials. Once the fingerprint based criminal background check is completed, the user can be changed to add access to process REAL ID applications. DVS has recently engaged a consultant to report on the expansion of identity access management in MNDRIVE and is currently reviewing the results. DVS plans to use the information from this report to further develop differentiated user levels in MNDRIVE.

DVS has implemented this recommendation.

Include deputy registrars in the MNDRIVE enhancement process

The independent expert review recommended that DVS allow deputy registrars and driver's license agents to have increased visibility to and influence on the MNDRIVE enhancement process. DVS leadership holds a monthly meeting with leadership from all deputy registrar and driver's license agent offices where DVS provides an update on the status of active requests for programming changes in MNDRIVE, known as SQRs. DVS also maintains four priority slots dedicated to SQRs requested by deputy registrars and driver's license agents. The deputy registrars and driver's license agents also have representation through their respective

associations in a monthly meeting where the agents can determine which SQRs they want to prioritize and receive status and progress updates on outstanding SQR projects. These meetings and SQR projects are the result of extensive collaboration between deputy registrars and driver's license agents, FAST developers, DVS MNDRIVE staff, the training team and DVS leadership. This work has improved communication between agents and DVS and helps ensure more efficient processing in MNDRIVE.

DVS has implemented this recommendation.

Provide additional training and guidance regarding permissible use of records

The independent expert review recommended that DVS provide additional training and clear guidance regarding permissible use of records and enable in-application notation of usage other than for paid transactions. Prior to legislative change in 2023, individuals who improperly accessed data in MNDRIVE were subject to permanent revocation of their MNDRIVE access. This severe penalty led the independent expert review team to recommend that DVS provide additional information to users of MNDRIVE to ensure they were properly accessing data.

In November 2021, DVS created a frequently asked questions (FAQ) document about proper access of DVS data. In December 2021, DVS implemented the ability for MNDRIVE users to add a notation to a record while viewing the record. This feature allows users to provide an explanation for their access of the data, particularly useful in cases where a transaction is not completed. DVS also created an option for MNDRIVE users to link their security profile to their driver's license or identification card number to prevent self-lookups, a common misuse of data.

In addition to these specific changes, DVS has several ongoing processes to ensure MNDRIVE users are aware of the data access requirements. This includes a quarterly reminder sent to all users noting the consequences of misusing data and providing information on the relevant policies, statutes and the FAQ. DVS sends an annual reminder to all users to read and review the data access policy and attest that they have read, reviewed and understand the policy. DVS also provides an opportunity at every training session for MNDRIVE users to submit questions they may have regarding data access. Following the legislative change that required full-service providers to provide driver, vehicle and crash records effective Jan. 1, 2024, DVS has provided additional data practices training in these specific areas.

In October 2023, new legislative changes took effect regarding consequences for misusing data and providing a limited appeal process for individuals who were permanently revoked under the previous statute. As a result of these legislative changes, DVS created new policies and procedures and updated the FAQ. Under the current law, DVS must impose disciplinary action for misuse, but is not required to permanently revoke in every case.

DVS has implemented this recommendation.

Consider appropriate security measures at deputy registrar and driver's license agent offices

The independent expert review recommended that DVS consider what security measures are appropriate at each deputy registrars or driver's license agent location, including the possible need for a security officer or for cameras with recording capabilities. Because deputy registrars and driver's license agent offices are run by a mix of counties, cities and privately owned businesses, there is variety in the security needs of each location. To assist deputy registrars and driver's license agents, DVS has created a security team that provides regular reviews of potential security concerns and suggests ways to solve those security issues. In 2023, DVS successfully passed legislation to make it a crime to interfere with the official duties of a DVS employee or a deputy registrars or driver's license agent employee. DVS also created templates for deputy registrars and driver's license agent offices to notify customers of behavior expectations and consequences. DVS also makes staff available to provide guidance to deputy registrars and driver's license agent offices regarding specific situations.

DVS has implemented this recommendation.

Offer training in de-escalation and negotiation techniques to public facing staff

The independent expert review recommended that DVS offer training in de-escalation and negotiation techniques to all public-facing staff. In 2019, DVS provided mandatory training for all employees on de-escalation. DVS makes de-escalation materials, including the 2019 de-escalation training, available to all deputy registrars and driver's license agent offices on shared drives that can be accessed any time. DVS also gives reminders and information about de-escalation and the available materials as part of the training DVS provides to deputy registrars and driver's license agents. DVS is currently exploring options to offer a new de-escalation training to all employees, deputy registrars and driver's license agent offices.

DVS has implemented this recommendation.

Recommendations from 2021 Office of the Legislative Auditor Report on Examination Stations

In March 2021, the Office of the Legislative Auditor (OLA) issued a report regarding the DVS exam stations.¹ The report contained recommendations for DVS and legislators designed to improve the process for driver exams in Minnesota. This section of the report will detail the status of the recommendations in the OLA report specific to DVS.

DVS should strive to meet the statutory goal for road test appointments within 14 days

The OLA report recommended that DVS continue to strive to meet the statutory 14-day goal on road-test appointments and measure next available appointment at the time a customer schedules an exam. To assist with meeting this 14-day requirement, DVS proposed a legislative

¹ The OLA report is available at: <https://www.auditor.leg.state.mn.us/ped/pedrep/driverexams.pdf>

change to allow for the charging of a no-show fee for individuals who fail to show up for appointments. The legislature passed this provision into law in 2021 and it has resulted in more individuals attending their appointments or providing notice to DVS when they are unable to attend. DVS also standardized the appointment availability across all exam stations to open appointments 30 days in advance which ensures staffing for the appointments and decreases customer cancellations. Customers also receive email reminders of scheduled appointments and can also sign up to be notified via email when an appointment becomes available if they have not found an appointment at their desired location.

DVS has been working to meet the 14-day appointment requirement, but demand for appointments continues to far outpace the resources available to conduct those exams.² DVS has added staffing and continues to maintain 93 exam stations which means some examiners continue to spend significant portions of their day travelling to exam sites that are only open a few days a week or month. As is discussed later in this report, DVS supports consolidating to 46 exam stations to allow all stations to be open every business day with appointment availability throughout the day and provide better geographical balance to population throughout the state. Under this model, for DVS to meet the demand for appointments within the 14-day requirement, DVS would need 95 additional examiners.

DVS has implemented this recommendation.

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

The OLA recommended that DVS develop a robust method to regularly forecast demand for Class D road tests. Since the full implementation of MNDRIVE in October 2018, DVS has the capability to use on-demand reporting in MNDRIVE to forecast the demand for skills tests. For example, MNDRIVE reporting shows the number of individuals who have held a permit for the required number of days and are old enough to qualify for a Class D road test, as well as where they live. This data allows DVS to know the number of individuals in the queue who will likely be seeking a Class D road test soon and forecast which exam station the individual is closest to. DVS can also determine the percentage of individuals who obtain a permit and do not ultimately seek a driver's license.

In addition to the MNDRIVE reporting tools, DVS has implemented an employee time tracking tool that provides information on staff availability and allows employees and supervisors to plan for employee time off and better respond to unanticipated sick time. Although DVS has the tools and the data to effectively forecast demand for Class D road tests, the data continues to show significantly higher demand than there is staffing to meet that demand. Without additional resources for more examiners, DVS will continue to have fewer appointments available than individuals who are seeking an exam.

² See Exam Station Plan for additional analysis of exam demand.

DVS has implemented this recommendation.

Identify alternatives to extensive, long-term staff overtime

The OLA recommended DVS identify alternatives to extensive, long-term staff overtime. At the time of the OLA report, DVS was working to begin providing road tests following the closure of exam stations due to the COVID-19 state of emergency. At the time of reopening, DVS utilized staff overtime extensively to manage the backlog of appointments from the COVID-19 closures. In the current DVS system, staff overtime is minimal, although it continues to be utilized at the three exam stations in the Twin Cities Metro Area. Because the highest demand for exams is in the metro area, DVS has made the decision to make appointments available seven days a week, which requires the use of some overtime.

To reduce the need for overtime in other areas, DVS has standardized appointment availability across all exam stations by opening appointments 30 days in advance. This increases confidence that necessary staffing will be available and reduces customer no-shows. With the current staffing levels, DVS is unable to meet the existing demand for Class D road tests and will need some staff overtime while it continues to identify efficiencies in the process. DVS is confident that modifying the exam station model by reducing the number of exam stations while increasing the number of appointments will better meet demand and improve customer experiences. DVS will also continue to track how other jurisdictions are utilizing innovation and technology to improve efficiencies and outcomes.

DVS has implemented this recommendation.

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

In its March 2021 report, the OLA recommended that DVS strategically reopen the exam stations that were closed during the temporary consolidation of exam stations due to the COVID-19 state of emergency. In June 2021, the legislature allocated funding and required that DVS reopen all 93 exam stations through June 30, 2023. Immediately following the passage of this legislation, DVS developed a strategic reopening plan. Reopening the exam stations was a large undertaking and required DVS to find new locations and negotiate new leases at several locations and hire and train 34 new examiners. All 93 exam stations were open by the end of January 2022.

DVS has implemented this recommendation.

Future Plan for Driver Examination Stations

The legislature required that DVS provide the plan for the locations, schedule and staffing allocation for driver exam stations as a part of this report. After a thorough review of available data, careful analysis of the geography and demographics of Minnesota and a review the legislative requirements regarding driver exams in Minnesota, DVS supports a reduction to 46

exam stations. To determine where to locate exam stations, DVS relied on several assumptions. First, the independent expert review recommended that DVS reduce to somewhere between 40 and 50 exam stations. In addition, DVS is required by law to offer customers an exam in either the county where they reside or in an adjacent county at a reasonably convenient location. (*see Minn. Stat. 171.13, subd. 1(c)*) DVS also started with the assumption that most current hub exam stations (stations that are open five days per week) would remain open and exam stations would only be in cities with at least 5,000 residents. After reviewing the exam station locations using these criteria, DVS determined two additional stations would need to be located in cities with a population less than 5,000 in order to ensure that all counties have access to exam stations. Those two cities are Grand Marais and Roseau.

Under this plan, 30 exam stations would be open full time and 16 exam stations would continue to operate as satellite locations open one day per week, two days per month or once per month. *See Figure 1.*

The hub stations would be located in the following cities:

- Anoka
- Arden Hills
- Buffalo
- Eagan
- Hastings/Woodbury
- Plymouth
- Chaska
- Brainerd
- Cambridge
- St Cloud
- Austin
- Rochester
- Winona
- Fairmont
- Faribault
- Mankato
- Alexandria
- Detroit Lakes
- Moorhead
- Marshall
- Hutchinson
- Willmar
- Worthington
- Duluth
- Grand Rapids
- Virginia
- Bemidji

- Thief River Falls
- St. Paul – Town Square*
- Minneapolis – Midtown Global Market*

**Note. St. Paul - Town Square and Minneapolis - Midtown Global Market will remain knowledge test only sites.*

The satellite stations would be open less than the hub locations based on the data showing lower demand for exams in those areas. Demand is defined as the number of individuals who have held a permit for the required amount of time and meet the minimum age requirement to be eligible for a skills exam. Exam stations in the following cities would be satellite locations open for exams one day per week:

- New Ulm
- Red Wing
- Waseca
- Little Falls
- Chisago City/Lindstrom
- Montevideo
- La Crescent
- Redwood Falls
- Fergus Falls
- International Falls
- Albert Lea

Exam stations in the following cities would be satellite locations open for exams two days per month:

- Crookston
- East Grand Forks
- Morris
- Roseau

Exam station in the following city would be a satellite location open for exams once per month:

- Grand Marais

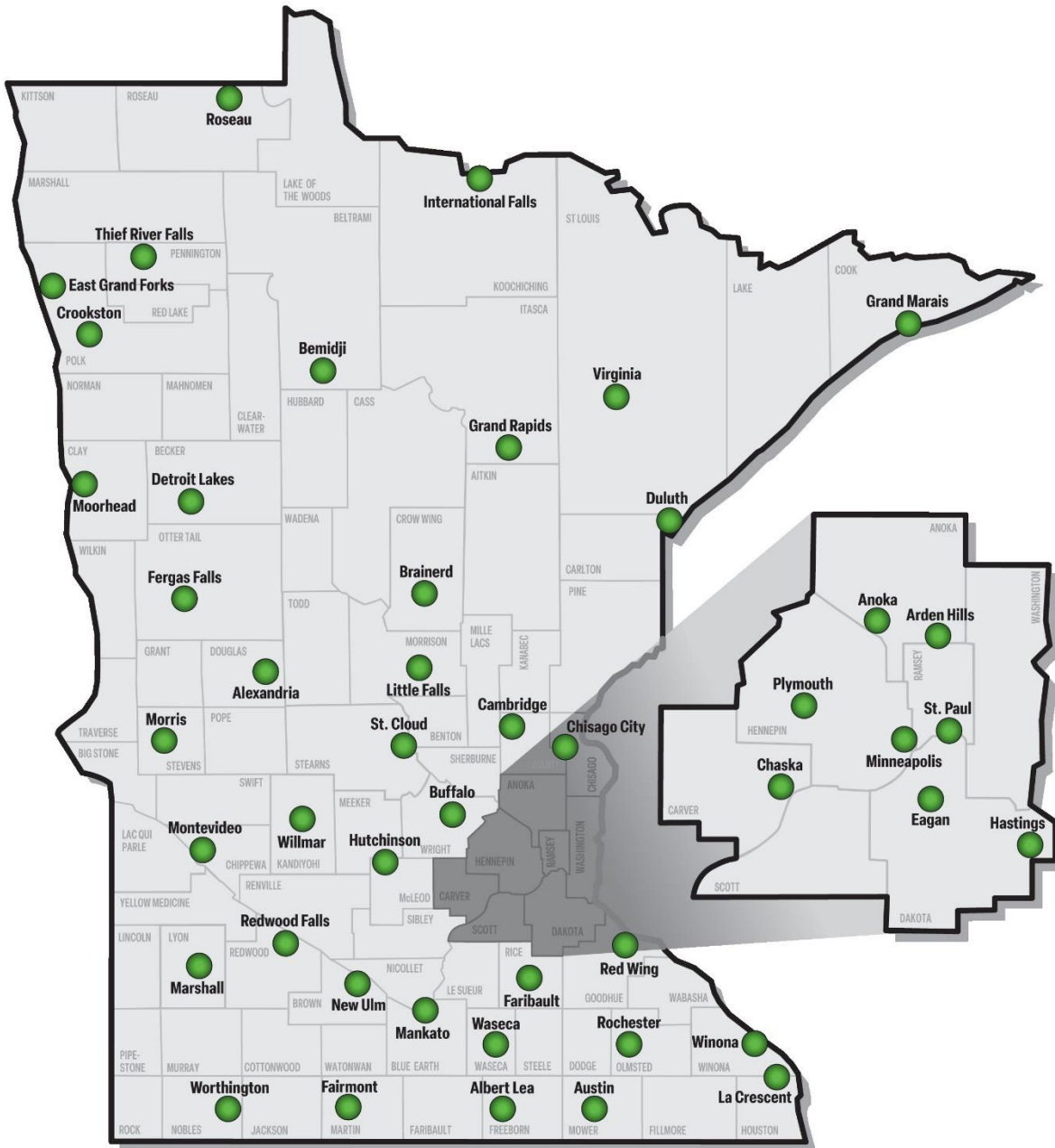


Figure 1. Map of Proposed Locations

There are several cities in Minnesota that have over 5,000 population. Under the proposed sites, all cities with over 5,000 population were accounted for by an existing or proposed exam station in that respective regional hub. The proposed 46 locations provide better geographic and population center balance by reducing stations in areas where there is lowest demand and lower numbers of exams are conducted annually. See Figure 2.

Proposed exam station closures	Exams completed 2023	Proposed exam station closures	Exams completed 2023
Ada	84	Milaca	567
Aitkin	417	Moose Lake	315
Bagley	117	Mora	666
Baudette	43	MSP Airport	-
Blue Earth	133	Olivia	663
Breckenridge	81	Ortonville	37
Caledonia	418	Park Rapids	139
Elbow Lake	130	Paynesville	729
Ely	40	Pine City	37
Foley	151	Pipestone	357
Gaylord	110	Preston	525
Glencoe	673	Sauk Centre	637
Glenwood	80	Slayton	515
Granite Falls	277	St. James	231
Hallock	85	St. Peter	128
Hibbing	252	Stillwater	1,479
Ivanhoe	139	Two Harbors	168
Jackson	102	Wabasha	426
Le Center	143	Wadena	375
Litchfield	600	Walker	334
Long Prairie	257	Warren	93
Luverne	396	Wheaton	149
Madison	105	Windom	432
Mahnomen	134		

Figure 2. Proposed closures, 2023 exam totals and distance to new service location.

In determining where to locate exam stations, DVS met with state demographers for information regarding population trends and to factor in birth rates and future demand for exams. Currently, approximately 60 percent of the demand for exams is within the Twin Cities Metro Area.

DVS has considered that this plan will require some Minnesota residents to drive further to take an exam than they might need to today. However, this is balanced against the fact that most individuals only need to pass the driving exam one time in their life. The average travel time from the exam stations that would close to the nearest exam station is 32 miles. In 2023, 20,593 customers traveled an average of 128 miles to an exam station outside the Twin Cities Metro Area to obtain an examination and 1,094 customers travelled an average of 75 miles into the Twin Cities Metro Area to obtain an examination due to the limited availability of appointments compared to demand in each geographic area.

All of the locations that are proposed to be closed under this plan are currently only open a few days per month. The proposed changes would reallocate resources to a smaller number of exam stations based on demand for exams within Minnesota. The resulting resource savings include reducing the size of the fleet of state vehicles, reduction in travel expenses and a reduction in the administrative burden required to develop schedules and plan appointments around travel requirements.

With fewer exam stations, examiners would no longer need to spend several hours of their day traveling to exam stations that are only open a few days per month, increasing the number of hours an examiner can spend conducting exams and increasing the number of exams available for customers. DVS has compiled and analyzed the data from MNDRIVE showing the demand for Class D exams. This data shows how many individuals currently hold a permit and are eligible to take an exam and where they live. DVS has used both the current data showing demand and compared it to recent trends to determine the exam station locations and staffing requirements to offer enough appointments to meet demand. Based on this data, in 2024, DVS forecasts demand for exams within the Twin Cities Metro Area in 2024 will be between 130,000 and 142,000, and demand will be between 85,000 and 95,000 outside the Twin Cities Metro Area.

Currently, DVS has allocated funding for 112 full-time examiners. In addition to CDL and Class D exams, DVS exam stations also provide additional services including knowledge exams and application processing. In 2023, with those 112 examiner positions and 93 exam stations, DVS completed 143,183 Class D exams; 13,438 CDL exams; 217,028 Class D knowledge exams and 90,197 CDL knowledge exams.

Under the 46 exam station plan with the same 112 examiners, DVS estimates that it would have completed approximately 8,000 additional Class D exams. This increase is based on the efficiencies gained with reduced travel time for examiners and distribution of exam stations and examiners to match the demand for exams.

While reducing to 46 exam stations improves efficiencies and increases the number of exams completed significantly, to meet the forecasted annual demand of between 214,000 and 236,000 Class D exams within the 14-days required by statute, DVS would need additional examiners, with the majority of the additional examiners allocated in the Twin Cities Metro Area. By fully staffing for the demand in the Twin Cities Metro Area, the need for customers to travel outside their geographic region would be reduced and allow customers to obtain appointments locally in each region.

Any change in exam station locations will have an impact on communities that would no longer have an exam station under this model. DVS will work closely with the legislature, local community leaders and other stakeholders before implementing any changes to the current 93 exam station model. These changes would likely be a multiyear process to wrap up current leases and allocate exam staffing resources to maximize appointment availability with a smaller

number of exam stations. Implementation of a 46 exam station model will improve exam appointment availability for Minnesota residents.

Proposed Statutory Changes

DVS has implemented the recommendations from 2022 independent expert review and the 2021 OLA report on exam stations, and thus, DVS recommends no statutory changes to assist in the implementation of these recommendations.

Conclusion

In the last few years, DVS has had the benefit of two outside reviews of its exam stations and processes. DVS has carefully reviewed all the recommendations from both the 2022 independent expert review and the 2021 OLA report on exam stations and implemented the recommendations where appropriate. While DVS does not recommend that customers be required to use preapplications, DVS has promoted the use of the preapplication and continues to look for ways encourage customers to use it. Of the other recommendations, DVS has implemented them all, including the increased use of data analytics to better plan for Class D exam appointments, to schedule staff and to automate transactions where possible.

Although DVS has taken many steps forward since all 93 exam stations reopened in January 2022, DVS is also aware that demand for exam appointments continues to far exceed the resources available to provide those appointments. One way to begin to address this issue is to improve efficiency by reducing the number of exam stations from 93 to 46. With 46 exam stations, all Minnesota residents will have access to an exam station in their county or the adjacent county. While some residents may have to travel further for a road test with fewer stations, many more appointments will be available due to the reduction in time DVS examiners will spend travelling to exam stations that are only open a few days per month.

DVS will continue to seek efficiencies in the MNDRIVE system and exam stations. DVS is confident that with a continued commitment to continuous improvement, legislative support for continued resources and the hard work of DVS employees and our deputy registrars and driver's license agent partners, DVS will provide an excellent customer service experience for the residents of Minnesota.

Appendix

- IER Report