

ANALYSIS

Department of Transportation Commercial Driver License Compliance

Analyst: Michelle Deister

Request: Approve the submission of a federal grant application to the Federal Motor Carrier Safety Administration in the amount of \$1,010,000 to enhance skills testing and verify compliance with drug and alcohol testing.

Analysis: The Federal Motor Carrier Safety Administration 2023 is offering an opportunity to apply to apply for a Commercial Driver License (CDL) Program Implementation grant to aid states in achieving and maintaining compliance with CDL regulations. The grant application is due on April 4, 2023 and no matching funds are required.

Oregon must modernize its testing system to resolve outstanding findings from federal reviews of its CDL program. Without improvements, ODOT faces a possible withholding of federal highway formula funds. ODOT is applying for \$440,000 to update CDL skills test examinations, technology innovations within the motor carrier industry, and safety maneuvers, along with updates to manuals for both applicants and examiners. ODOT's application also includes applying for \$570,000 to support updating information technology; the update will enable DMV to be able to query a federally required Drug and alcohol clearinghouse to ensure that applicants have complied with drug and alcohol testing regulations before a CDL is issued.

Examiner training will be contracted out to a professional services provider. ODOT needs to make these improvements regardless, but the grant provides an opportunity to leverage federal funds that can be utilized to cover project costs, should the application be successful.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval.

Oregon Department of Transportation

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Request: Authorization to apply for a \$1,010,000 Federal Motor Carrier Safety Administration 2023 Commercial Driver License Program Implementation grant that would allow Oregon to comply with the national Commercial Driver License (CDL) regulations, as well as modernize the existing CDL skills test.

Recommendation: Approve the request.

Discussion: The Oregon Department of Transportation (ODOT), Driver & Motor Vehicle Services (DMV) Division is responsible for the Commercial Driver License (CDL) program and compliance reporting activities for the state. The Federal Motor Carrier Safety Administration (FMCSA) announced on January 31, 2023 the opportunity to apply for financial assistance to improve the national CDL program. Overall, the federal program goal is to reduce the number and severity of commercial motor vehicle crashes in the United States, by ensuring qualified drivers receive and retain a CDL. The grant application is due by April 4, 2023. There is no state match requirement. The grant awards are expected to be announced by October 1, 2023, with federal funding to be fully expended by September 30, 2025.

ODOT's 2023 grant application would propose two projects. The first project would implement a modernized CDL skill test that was developed by the American Association of Motor Vehicle Administrators. The second project would implement the recent federal ruling requiring states to query the Drug and Alcohol Clearinghouse (DACH) for compliance with the FMCSA drug and alcohol testing regulations prior to issuing a commercial driving privilege. The federal DACH final rule was published in October 2021 and requires state compliance by November 18, 2024. Noncompliance could result in withholding Oregon's federal-aid highway funds by approximately \$27 million (4 percent) in the first year and approximately \$54 million (8 percent) in the second year. The project costs for both projects are listed below:

Project	Grant Amount
CDL DACH Implementation	\$ 440,000
CDL Skill Test Modernization	\$ 570,000
Total Project Costs	\$1,010,000



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

February 23, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Driver & Motor Vehicle Services Division (DMV) requests permission to apply for a Federal Motor Carrier Safety Administration (FMCSA) 2023 Commercial Driver License Program Implementation (CDLPI) grant in the amount of \$1.01 million to assist in complying with federal commercial driver license regulations and modernization of the commercial driver license (CDL) skills test.

AGENCY ACTION

The FMCSA CDLPI grant program provides financial assistance to states to improve the national CDL program, which is regulated by the FMCSA. The goal of the program is to reduce the number and severity of commercial motor vehicle (CMV) crashes in the United States by ensuring that only qualified drivers are eligible to receive and retain a CDL. Grant funds may be used to support the development, implementation, and maintenance and operations of the CDL program. Grants assist states in achieving and sustaining compliance with the provisions of FMCSA's CDL regulations, codified in 49 CFR parts 383 and 384.

The 2023 Oregon grant application for CDLPI Grant funds will address two projects. The first is the implementation of a modernized CDL Skills Test developed by the American Association of Motor Vehicle Administrators (AAMVA). The second is the implementation of the federally required Drug and Alcohol Clearinghouse (DACH) final rule.

The FMCSA approved the modernized CDL Skills Test developed by AAMVA on August 11, 2022. The new test model addresses evolving technologies within the industry, increases focus on critical safety components, and incorporates maneuvers linked to crash causality.

Implementation of the AAMVA modernized CDL Skills Test will require DMV and Third-Party examiner training and compliance evaluations. Materials, including Oregon Commercial Driver Manual and CDL Examiner manual, will be updated to align with the modernized CDL Skills Test.

The federal DACH final rule was published in October 2021 and requires states to query the Clearinghouse to verify compliance with FMCSA drug and alcohol testing regulations prior to issuing a commercial driving privilege. Federal regulations require compliance by November 18, 2024.

Noncompliance with the federal regulations could result in the withholding of up to four percent (approximately \$27 million) the first year and up to eight percent (approximately \$54 million) the second year of non-compliance Oregon's Federal-aid highway funds.

The implementation of the DACH final rule will involve creating an interface between the DMV driver licensing system and the Drug and Alcohol Clearinghouse. Changes to DMV's system will include the required query and appropriate actions against a person's commercial driving privilege.

Project	Grant Request	Required Matching Funds	Total Project Cost
CDL Program Implementation	\$ 440,000	\$0	\$ 440,000
CDL Skills Test Modernization	\$ 570,000	\$0	\$ 570,000
Total	\$1,010,000	\$0	\$1,010,000

No matching funds are required for this grant. FMCSA determines awards based on its priorities and compliance with the Federal Motor Carrier Safety Regulations. The modernized test system will resolve several outstanding findings from Oregon's annual FMCSA program reviews and increase compliance with the federal regulations. Additionally, this grant will fund Oregon's implementation of the required DACH final rule.

The notice of funding availability for the CDLPI Grant was announced on January 31, 2023, with an application deadline of April 4, 2023. Funds are obligated upon execution of an agreement with FMCSA and must be expended by September 30, 2025. If grant funds are not received for these two projects, ODOT will have to find alternative funding to meet the federal requirements and may not meet the federal deadlines. The use of operational funds will have a negative impact on DMV operations already impacted by significant budget reductions over the next 2 biennia.

ACTION REQUESTED

ODOT requests approval to submit a grant application to the Federal Motor Carrier Safety Administration for \$1.01 million in Commercial Driver License Program Implementation grant funds.

LEGISLATION AFFECTED

None.

Sincerely,



Kristopher W. Strickler
Director