

# CDL-02-002

INFORMATION: Commercial Driver's License  
Program (CDL); Calculation of  
Maintenance of Effort for CDL Grants

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/S/

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Chief, State Programs Division

MC-ESS

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As we concentrate our efforts to improve the effectiveness of the commercial driver's license (CDL) program through the awarding of CDL grants to the States for program enhancements, States must address their responsibility for calculating the maintenance of effort (MOE) as part of the CDL grant criteria.

The Grant Funding Availability for CDL Program Initiatives outlined in attachment A lists national priorities for CDL program improvement plus requirements for grant funding eligibility including State MOE limitations. States are not required to actually compute their CDL MOE in order to apply for grant funding. However, the State must submit the following certification in order to be eligible for a CDL grant:

I (name), (title), on behalf of the State (or Commonwealth) of (State), as requested by the Administrator as a condition of approval of a CDL grant do hereby certify as follows:

The State maintains an aggregate expenditure of funds by the State and its political subdivisions, exclusive of Federal funds, for CDL activities eligible for grant funding, at a level at least equal to the average expenditure for Federal or State fiscal years 1997, 1998, and 1999.

If the grant proposal involves an on-going project that exclusively benefits the CDL program, the MOE may be calculated simply by averaging the amount of funds that were allocated to the CDL activities eligible for grant funding during fiscal years 1997, 1998, and 1999. For example, if the State devoted the following resources to an ongoing CDL program:

|      |            |
|------|------------|
| 1997 | \$ 200,000 |
| 1998 | \$ 400,000 |
| 1999 | \$ 300,000 |

Total expenditure \$900,000/3 years  
The MOE is \$300,000 a year.

If the grant proposal involves a project, which could potentially benefit other groups in addition to CDL holders, the States should be given some flexibility in choosing a method of calculating the MOE. Whatever method is used must be clearly explained and documented.

One method of calculating the MOE in situations where a project could benefit both CDL and non-CDL users would be to take a percentage of the State driver licensing agency's personnel budget for the personnel directly involved in the project for a 12 month period, corresponding to the percentage of all licenses issued by the State for a 12 month period that are CDLs. This method assumes, for grant management purposes, that the participant salaries are constant for the three-year period. For example, the State proposes to do computer programming changes, which affect both CDL and non-CDL licenses using a computer manager and 2 computer programmers. The yearly salaries for the three persons directly involved in the project are as follows:

|                            |           |
|----------------------------|-----------|
| Computer Manager           | \$ 70,000 |
| Senior Computer Programmer | \$ 50,000 |
| Junior Computer Programmer | \$ 40,000 |

The total salary cost per year is \$ 160,000

If 10 percent of the total number of licenses issued by the State during a 12-month period is CDLs, the MOE for the CDL portion of the project is \$16,000. The State Programs Division will consider other MOE calculation methods on a case-by-case basis.

States should be able to document their MOE expenditures if requested to do so by FMCSA Division, Service Center, or Headquarters personnel.

If you have any questions, please feel free to contact Mr. Ronald Finn at (202) 366-0647. Please ensure the appropriate State licensing authority receives this information.

Attachment A

cc:

AAMVA

Eastern Service Center

Southern Service Center

Midwestern Service Center

Western Service Center

## Attachment A

### **Grant Funding Availability for CDL Program Initiatives**

This attachment describes national commercial driver's license (CDL) program priorities as well as information about state funding eligibility requirements, the state grant submittal and selection process, and the CDL program proposal requirements for \$15.1 million in available FY 2001 funds.

#### National CDL Program Priorities

The CDL grant program is the latest in a series of efforts by the DOT and FMCSA to enhance and improve the CDL program. Since implementation of the program in 1986, DOT has promulgated regulations addressing state compliance with CDL requirements; conducted a CDL Benefits and Effectiveness Study and program review; initiated outreach to the judiciary on CDL enforcement issues; established forums for driver licensing agencies and the commercial motor vehicle industry; developed and funded the CDL Driver History Initiative to assist states in the timely development and transmission of complete and accurate driver moving violation conviction information; launched an effort to expand and improve the CDL compliance review program; and most recently evaluated commercial driver's license program vulnerabilities through a study of the states of Illinois and Florida. All of these efforts have attempted to improve existing or potential weakness in the CDL program, both at the state and federal levels.

Based on the review of the CDL program administration in Illinois and Florida, eleven general conclusions were reached. Further, 26 general CDL program recommendations were made regarding state control and oversight of CDL, CDL program management, fraud prevention, data management and problem drivers, English language issues and federal control and oversight of CDL. Those conclusions and recommendations are directed to all jurisdictions that administer CDL programs. You may read the Illinois and Florida CDL report at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov). States would benefit themselves to seriously consider the recommendations made in this report and those contained in the CDL Benefits and Effectiveness Study and the various Office of the Inspector General (OIG) reports when developing a proposal for CDL program improvements.

The state CDL compliance reviews have uncovered problem areas in state CDL programs that need to be resolved. During the last couple of months, FMCSA notified 38 states regarding specific CDL program deficiencies discovered by the OIG, and requested the state prepare a strategy to correct those deficiencies. While the Agency has not yet promulgated the rules to implement the Motor Carrier Safety Improvement Act, some of the program deficiencies identified by the OIG jeopardize the intent of the CDL program and bring into question the states' compliance with existing CDL regulations. Clearly these deficiencies must be resolved, and activities to correct those state deficiencies as well as the problem areas uncovered during state CDL compliance reviews are clearly high priorities for the CDL grant funding.

Other national priorities for CDL program improvements include the following:

1. Projects to enhance the accuracy, speed, and completeness of driver history information exchange among the various components of the system, including law enforcement, prosecutors, the courts, and driver licensing agencies, both within the state and between states. Such projects may include CDL system improvements involving the electronic transmission of citation, conviction and disqualification data from the roadside through the courts to the state licensing agency and between state licensing agencies.
2. Projects to improve the states' control and oversight of CDL program activity, particularly state licensing agency and third party testing facilities.
3. Projects to develop CDL program management control procedures and oversight practices, including use of program trend data and statistical reports to detect areas of weakness, suspicious or

fraudulent activities of both state personnel and third-party testing facilities.

4. Outreach and training to the judicial community on the CDL program in general and specifically, the importance of proper adjudication and sanctioning.

#### **State Funding Eligibility Requirements**

All of the states and the District of Columbia are eligible to receive CDL program grant funds directly from the FMCSA. Each state must meet the following seven conditions to qualify for CDL program grant funds:

1. Assume responsibility for improving motor carrier safety and adopting and administering state safety laws and regulations that are compatible with the Federal CDL requirements (49 CFR parts 383 and 384).
2. Designate in its CDL program proposal the lead state CDL agency responsible for implementing the plan.
3. Maintain the aggregate expenditure of funds by the state and its political subdivisions, exclusive of Federal funds, for commercial drivers license activities eligible for funding under this part, at a level at least equal to the average expenditure for Federal or state fiscal years 1997, 1998 and 1999.
4. Put up a matching share of 20 percent of the eligible project costs. In-kind contributions are acceptable in meeting the state's matching share if they represent eligible project costs.
5. Prepare and submit to FMCSA, upon request, quarterly reports on project progress, status and expenditures and a final report at the end of the project.
6. Adopt and use the reporting standards and forms required by the FMCSA to record work activities performed under the CDL program proposal.
7. Coordinate the CDL program proposal, data collection and information systems, with state MCSAP and highway safety programs.

#### **State Grant Submittal and Selection Process**

1. The lead CDL agency must submit the state's performance-based CDL program proposal request to the State Director, FMCSA.
2. The State Director will review the plan and forward it to the State Programs Division within one week of receiving the proposal with his/her written comments and recommendations.
3. The State Programs Division will convene a technical review panel to prioritize the state proposals for funding, based on the proposal's quantifiable need, adherence to state eligibility requirements and support of national CDL priorities.
4. Funding will be awarded to states that demonstrate the greatest impact on the effectiveness of the CDL program in improving highway safety and potential for reducing commercial motor vehicle related fatalities through a performance-based proposal which identifies state-specific CDL program challenges or risks and how the state will address those high risks.

**Note:** While there is no cut off date for submitting proposals, the states should be encouraged to submit their proposals as soon as possible. Proposals will be evaluated as they are received and will be accepted for consideration as long as there are funds available.

#### **CDL Program Proposal Contents**

The state's request for CDL Program funding will be made through submission of a performance-based CDL program proposal. Rather than measuring activity levels or input, a performance-based proposal focuses program effort on outcomes such as reduction in commercial vehicle crashes, fatalities and injuries or increases in the number of drivers convicted and disqualified. While requiring a "big picture" view to measure the CDL program success by the reduction in the number of crashes, an effective CDL program removes problem drivers from the road—the same drivers who are involved in the majority of commercial vehicle crashes. The approved and funded proposal will serve as the basis for monitoring and evaluating the state's performance.

While providing flexibility to states, grant proposals must meet certain criteria. The grant proposal criteria are designed to ensure that project proposals will enhance CDL programs in the state and that key state agencies and organizations participate in approved grant activities. CDL programs involve law enforcement, courts, prosecutors, and driver licensing agencies. To be effective, CDL program improvement projects should reflect the expertise and commitment of all participants needed to make the project work. Consequently, grant applications must specify that all relevant participants in the process are involved in the project. A thorough evaluation design is another key requirement.

The CDL program plan must contain the following eight items:

1. Certification that the state meets the eligibility requirements listed above, including identification of the lead agency for the project.
1. While not required at this time, it is recommended that the state identify an interdisciplinary working group within the state, including but not limited to, representation from the motor vehicle licensing agency, court system, prosecutors, state law enforcement, Governor's Highway Safety Representative, and State Motor Carrier Safety Assistance Program (MCSAP) agency.
3. A definition of areas requiring attention or improvement. The grant proposal should define, analyze, and document user procedures, including projected barriers to project success, such as any statutory limitations that may affect communication and recording of convictions on the system.
4. A detailed, performance-based plan for implementing the project, including time lines for completion, for each problem or risk to be addressed by the project, as outlined in the attached Problem Statement and Objective form (See Attachment B). Each problem plan will contain the following sections:
  - (a) A definitive problem statement for the objective to be achieved by the plan. The plan must identify the source of the data, and who is responsible for its collection, maintenance and analysis.
  - (b) A performance objective, stated in quantifiable terms, to be achieved through the plan. Objectives must include performance measures. The objective may also include documented improvements in other programs areas (e.g., legislative or regulatory authority, enforcement results, or resource allocations).
  - (c) Strategies to be employed to achieve performance objectives. Strategies may include education, enforcement, legislation, use of technology, and improvements to infrastructure.
  - (d) Specific activities intended to achieve the stated strategies and objectives and their relationship to national CDL program priorities discussed at the beginning of this attachment along with specific quantifiable performance measures.
  - (e) A description of the state's method for ongoing monitoring of the progress of its plan. This should include who will conduct the monitoring, the frequency with which it will be carried out, and who will be responsible for preparing quarterly reports.
5. A plan for preparing a final report, including the evaluation findings and recommendations for

other states regarding the strengths and weaknesses of the project. All grant recipients will be required to provide quarterly progress reports on funded projects and agree to share project results with other jurisdictions.

6. A detailed budget which supports the plan, describing the expenditures for allocable costs such as personnel and related costs, equipment purchases, printing, information system costs, and other eligible costs. These costs must be consistent with the following seven types of expenses to be eligible for reimbursement:
  - (a) Personnel expenses, including recruitment and screening, training, salaries and fringe benefits, and supervision.
  - (b) Travel expenses, including per diem, directly related to carrying out the objectives of the project.
  - (c) Equipment expenses, including computer hardware and software, directly related to carrying out the objectives of the project.
  - (d) Indirect expenses for facilities used exclusively to house project staff and equipment to the extent they are measurable and recurring (e.g., rent and overhead).
  - (e) Expenses related to data acquisition, storage, and analysis that are specifically identifiable as project-related to monitoring progress and developing final project findings and recommendations.
  - (f) Clerical and administrative expenses, to the extent necessary and directly attributable to the project.
  - (g) Expenses related to the improvement of real property (e.g., installation of cooling system for computer hardware), directly related to carrying out the objectives of the project. Acquisition of real property, land, or buildings are not eligible costs.

The budget must be sufficiently detailed so that it may be evaluated on the costs assigned to each proposed task, the allocation of resources to complete the tasks, the procurement of hardware and/or software (if applicable), staff hours (broken out by labor category), and other costs (e.g., travel, printing, etc.). The budget should closely correspond to the tasks outlined in the implementation plan.

7. Executed Motor Carrier Safety Assistance Program form, MCSAP-1 (See Attachment B).

#### **Additional Information**

If you have any questions or you need additional information, please contact Bob Redmond at 202-366-5014 or e-mail him at [robert.redmond@fhwa.dot.gov](mailto:robert.redmond@fhwa.dot.gov).