



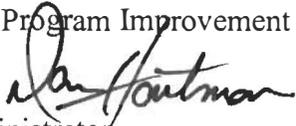
U.S. Department
Of Transportation
Federal Motor Carrier
Safety Administration

Memorandum

CDL-07-001

Subject: Commercial Driver's License
Program: Calculation of Maintenance of
Effort for CDL Program Improvement Grants

Date: DEC 22 2006

From: Dan Hartman 
Associate Administrator
for Enforcement and Program Delivery

Reply to
Attn. of: MC-ESL

To: Division Administrators
State Program Managers

This Commercial Driver's License (CDL) Policy Reference Guideline supersedes CDL-02-002. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users mandated that the Maintenance of Effort (MOE) for Commercial Driver's License Program Improvement (CDLPI) grants be calculated using the two State fiscal years ending before August 10, 2005 (49 U.S.C. 31313(a)(4)).

Prior to receiving a CDLPI grant, States must agree to maintain the total expenditures of amounts of the State and political subdivisions of the State, exclusive of amounts from the United States, for the State's CDL program at a level at least equal to the average level of that expenditure by the State and political subdivisions of the State for the last two fiscal years of the State ending before August 10, 2005. The MOE may be calculated on actual CDL program costs or as a pro rata portion of the overall driver's license program expenditures.

The following paragraph must be included on the reverse of the grant agreement before the State or the Division Administrator signs the agreement:

Maintenance of Expenditures: By signing this agreement, the recipient agrees that the total expenditure of amounts of the State and political subdivisions of the State, exclusive of amounts from the United States, for the State's CDL program will be maintained at a level least equal to the average level of that expenditure by the State, and political subdivisions of the State, for the last two State fiscal years ending before August 10, 2005.

The following is an example of an MOE calculation:

Department of Motor Vehicles (State agency) requests CDL program improvement funding to replace paper CDL knowledge tests with a computerized testing system that creates a unique test for each driver being tested. In fiscal year 2005, the State agency spent \$8,900,000 on the CDL program. In fiscal year 2004, the State spent \$8,700,000 on the CDL program.

In fiscal year 2006 the State agency is requesting CDL program improvement funding to develop a computerized CDL knowledge testing system and to field 110 testing stations. The Total cost to develop and field this system is estimated at \$300,000.

The State operates on a July 1st to June 30th fiscal year, which means fiscal years of 2004 and 2005 are the baseline. If the State operated on the same fiscal year as the Federal Government, the State fiscal year 2005 would end after August 10, 2005, and the State would use State fiscal years 2003 and 2004 to calculate the MOE.

Because the MOE is the average level of CDL program expenditures by the State for the last two fiscal years prior to August 10, 2005, the CDL program improvement MOE calculation would be \$17,600,000 divided by two, or \$8,800,000.

This would be shown as:

MOE Calculation:

2004 Expenditures = \$ 8,700,000

2005 Expenditures = \$ 8,900,000

Total = \$ 17,600,000

Average (Total/2) = \$ 8,800,000

MOE = \$ 8,800,000

For its fiscal year 2006 CDLPI program, the State agency would have to certify that it will maintain a level of expenditure of \$8,800,000 in fiscal year 2006. The State agency would now have a knowledge testing program with a total cost in fiscal year 2006 totaling \$300,000, all of which would be eligible for grant funding.

Should you have any questions or need additional information, please contact Lloyd Goldsmith at (202) 366-5014 or e-mail him at lloyd.goldsmith@dot.gov.