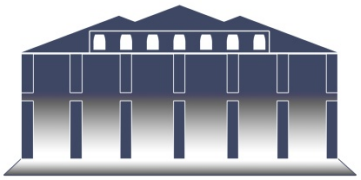
Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program

Final Report to the Joint Legislative Program Evaluation Oversight Committee

Report Number 2014-02

March 19, 2014



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March 19, 2014

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Honorable Co-Chairs:

The 2013–15 Program Evaluation Division work plan directed the division to provide an overview of actions taken by the State Board of Education and the Department of Public Instruction regarding driver education following the publication of PED's North Carolina Accountability Report (NCAR) on the program in 2010 as well as the passage of driver education reforms by the General Assembly in 2011.

I am pleased to report that the Superintendent of Public Instruction, the Department of Public Instruction, the Department of Transportation's Division of Motor Vehicles, and the UNC School of Government cooperated with us fully and were at all times courteous to our evaluators during the evaluation.

Sincerely,

John W. Turcotte
Director

PROGRAM EVALUATION DIVISION
NORTH CAROLINA GENERAL ASSEMBLY

March 2014 Report No. 2014-02

Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program

Summary

This evaluation examines driver education in North Carolina as administered statewide by the Department of Public Instruction (DPI) and conducted by local education agencies (LEAs). In response to a 2010 review by the Program Evaluation Division, the General Assembly passed reforms to the program in 2011. DPI allots over $26 million annually to LEAs in State highway funds for driver education, supplemented by fees.

While comprehensive and generally responsive to the 2011 reform law, the DPI strategic plan for driver education lacks objectives and quantitative performance indicators for measuring program activity and effectiveness. The strategic plan for driver education should have contained statewide measures for North Carolina, for each LEA, and for each high school's driver education program within each LEA, including inputs, processes, outputs, outcomes, and efficiency measures.

Management deficiencies and lack of accountability stem from State Board of Education delegation to LEAs without sufficient DPI oversight. DPI does not collect sufficient and reliable data to determine the efficiency and effectiveness of driver education, does not have a uniform method to deliver driver education statewide, performs no monitoring of LEA instructors, and failed to conduct a valid pilot project for testing the relative effectiveness of online versus traditional instruction. DPI has not collected sufficient data on costs or student participation and has not had the capacity to use data available for measuring driver education outcomes. From 2007 to 2013, 46% of students failed the DMV test, including those making multiple attempts. LEAs are allowed to use a variety of instructional methods including contracting, yet DPI does not know which methods are cost-effective.

North Carolina's teen accident and fatality rates have declined since the implementation of graduated driver licensing but remain high. Geographic and demographic conditions contribute to North Carolina's higher teen traffic fatality rates. Nevertheless, parents and teens need to be aware of the elevated risk of traffic accidents.

To address these findings, the General Assembly should require

- statewide performance measures for driver education;
- a data-driven outcome monitoring system for student drivers completing driver education;
- a feasibility study on offering uniform online classroom driver education; and
- standards established by the School of Government at the University of North Carolina at Chapel Hill for legislatively-directed pilot projects including but not limited to driver education.

Purpose and Scope

The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to evaluate driver education in North Carolina as administered statewide by the Department of Public Instruction (DPI) and conducted by local education agencies (LEAs).[1] This report is the first in a series of reports evaluating oversight and management functions within the department.

Four central research questions guided the evaluation:

1. How is driver education administered and financed in North Carolina?
2. Have the State Board of Education and Department of Public Instruction implemented driver education reforms passed in 2011 by the General Assembly in response to recommendations from a 2010 PED North Carolina Accountability Report review?
3. What factors affect teen traffic crash rates in North Carolina?
4. How effective is the driver education component of North Carolina's Graduated Driver Licensing law in reducing teen traffic crashes? [2]

The Program Evaluation Division collected data from several sources, including

- findings from a 2010 North Carolina Accountability Report review of driver education in public high schools;[3]
- presentations made to the Joint Legislative Program Evaluation Committee related to driver education between November 2010 and May 2013;
- review of graduated driver licensing laws in North Carolina and other states;
- statistical data on motor vehicle accidents involving teens available from national databases and from the North Carolina Department of Transportation;
- statistical models for estimating reductions in teen traffic fatalities and collision claims by changing variable components of State graduated driver licensing programs;
- scholarly articles and technical literature addressing teen driver safety;
- administrative queries and interviews of Department of Public Instruction and Division of Motor Vehicles staff; and
- site visits to five local school driver education programs.

[1] Joint Legislative Program Evaluation Oversight Committee Approved 2013–15 Work Plan, as amended August 19, 2013.

[2] Throughout the report the term "graduated driver licensing" or GDL is used to refer to phased entry into full driving privileges. GDL laws vary from state to state but generally involve imposing restrictions on young drivers regarding privileges such as driving alone, driving at night, and driving with passengers who are not family members. Restrictions are removed upon reaching certain age minimums, though gaining privileges is generally also contingent on factors such as completion of driver education, academic standing, and avoidance of moving violations and other infractions.

[3] Program Evaluation Division. (2010, November). *North Carolina Accountability Report: Driver Education in Public High Schools.* Report to the Joint Legislative Program Evaluation Oversight Committee. Raleigh, NC: General Assembly.

Background

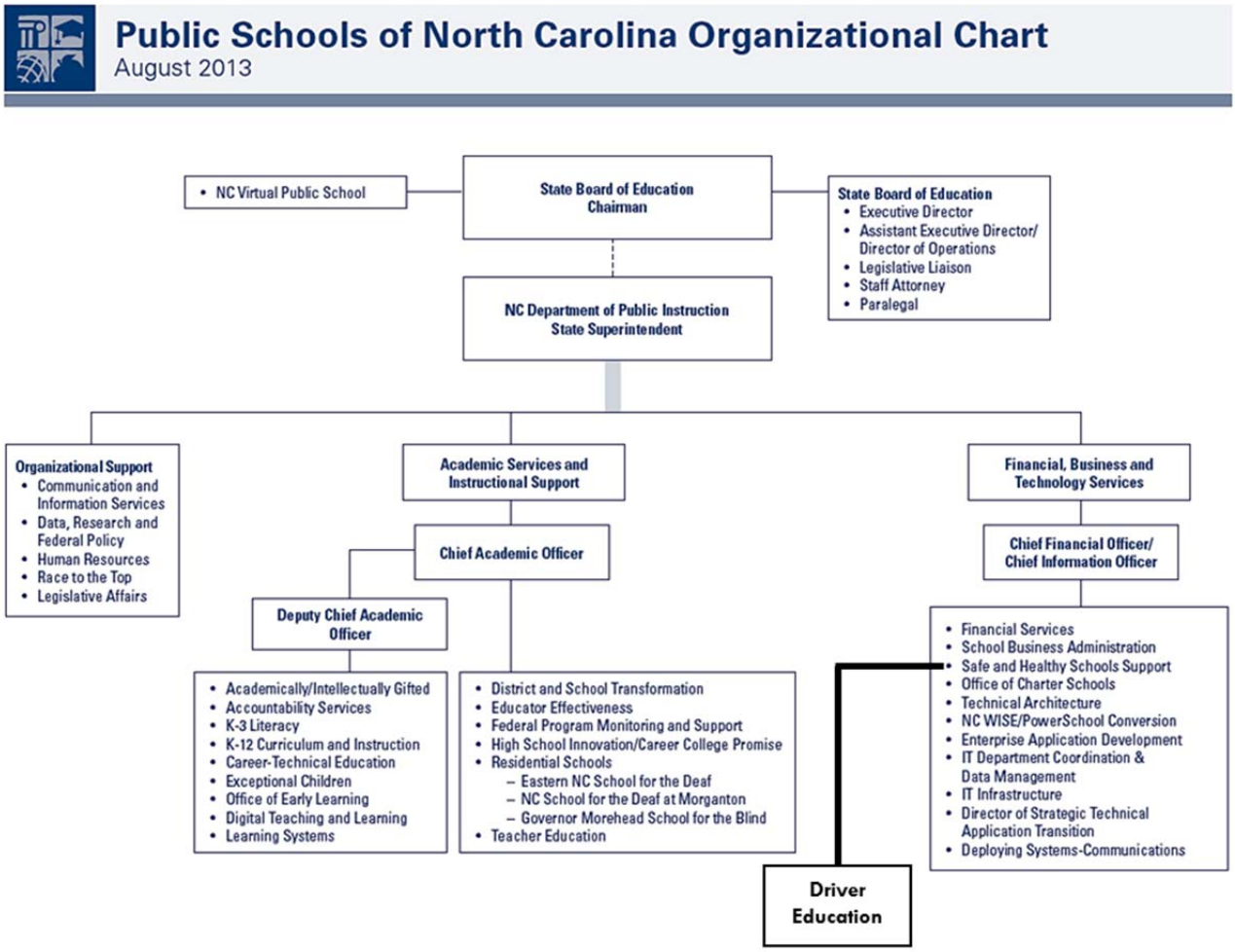
Public schools in North Carolina have provided driver education since 1927 when the General Assembly first required instruction in traffic safety. Continuing into the 1940s, an increasing number of schools began offering courses consisting of classroom and behind-the-wheel instruction until World War II diverted attention. Activity resumed post-war and the Department of Public Instruction (DPI) faced increasing statewide demand for a uniform State course and technical assistance. Local sources of funding paid for instruction until the 1957 General Assembly enacted G.S. 20-88.1, which required motorists to pay an annual automobile registration tax of $1.00 and earmarked the proceeds for driver education. In 1958, the State Board of Education adopted the first rules and regulations governing the program. Currently, the General Assembly appropriates just over $26 million annually in State highway funds to DPI for driver education. In addition, Local Education Agencies may charge students a driver education fee of up to $55.

State law requires a uniform statewide program. North Carolina Gen. Stat. §115C-215 provides a framework for a statewide program of education for teenage drivers to be administered in the public schools. The law requires the State Superintendent of Public Instruction to organize and supervise a program of driver instruction in accordance with criteria and standards approved by the State Board of Education. The law intended there to be a central, State-directed program with local education agencies conducting instruction in accordance with State standards.

Driver education is one of ten services currently housed within DPI's Division of Safe and Healthy Schools Support (see Exhibit 1). DPI has one full-time Driver Education Consultant position, established in January 2013. The person in this position serves as the statewide driver education coordinator performing all statewide oversight and reporting as well as technical assistance and professional development for driver education instructors.[4] In Fiscal Year 2013–14, the certified budget for this position and expenses is $154,485 including $103,837 for salary, longevity and benefits and $50,648 for travel and other operating costs.

[4] The Department of Public Instruction created this position in January 2013.

Exhibit 1: Public Schools of North Carolina Organizational Chart



Source: Department of Public Instruction.

State fund allocations for driver education. As shown in Exhibit 2, the General Assembly appropriated $26.1 million for FY 2013–14 and $26.7 for FY 2014-15 in State highway funds to DPI for allocation to local driver education programs. Once DPI receives the highway funds, the department applies State Board of Education policies to determine allotments to the 115 local education agencies (LEAs).[5] The board deducts a State administrative reserve, currently $13,500 and any other State-level costs specified by law, such as the $7,780 deduction for the cost of the pilot project to measure cost effectiveness of online instruction of driver education. DPI determines individual LEA allotments by multiplying each LEA's total 9th grade average daily membership (ADM) by a "funding factor," which was $199.10 in Fiscal Year 2011–12, $201 in 2012–13, and $191.09 in 2013-14.

Student fees. In 2011, the appropriations act authorized LEAs to assess fees of up to $45 per participating student beginning in Fiscal Year 2011–12 and reduced State highway funding by $5.7 million per year to offset

[5] *North Carolina State Board of Education Allotment Policy Manual FY 2012-13*, 32-33.

estimated fee collections.[6] In 2013, the General Assembly authorized LEAs to increase fees by $10 to an optional $55 per participating student for FY 2013–14. The legislature subsequently reduced State highway funds by an additional $1.7 million annually to account for this fee increase as well as an adjustment in projected ninth grade ADM.[7] Together, these changes have resulted in a reduction of $6.9 million annually. However, in Fiscal Year 2012–13 LEAs reported collections of only $2,471,582 in participating student fees.[8] Thus, LEAs have not been able to offset the full amount of State fund adjustments.

Exhibit 2 shows total available driver education funding from Fiscal Year 2004–05 through Fiscal Year 2014–15 from State allocations and other funding. In Fiscal Year 2012–13, LEAs had $29,305,967 available for driver education—$26,834,385 in State highway funds and $2,471,582 from optional participating student fees. LEAs spent a total of $28,775,972—$26,304,390 in State highway funds, $10,923 in local funds, and $2,471,582 in student fees. Collectively, LEAs did not spend $529,995 of allotted State highway funds.

Exhibit 2: State Allocations and Other Funding for Driver Education

Fiscal Year	Allotment of State Highway Funds	Unexpended Balance	State Highway Funds Expended	Unexpended as % of State Allotment	Local Fees Collected	Total State Allotment and Fees Available
2004-05	$ 31,939,945	$1,806,917	$ 30,133,028	**5.7%**	**None**	**$ 31,939,945**
2005-06	31,984,826	1,780,950	30,203,876	**5.6%**	**None**	**31,984,826**
2006-07	32,985,745	1,833,006	31,152,739	**5.6%**	**None**	**32,985,745**
2007-08	33,507,876	1,359,492	32,148,384	**4.1%**	**None**	**33,507,876**
2008-09	34,286,309	2,526,695	31,759,614	**7.4%**	**None**	**34,286,309**
2009-10	32,884,992	1,348,625	31,536,367	**4.1%**	**None**	**32,884,992**
2010-11	32,006,964	1,109,746	30,897,218	**3.5%**	**None**	**32,006,964**
2011–12	26,824,688	345,373	26,479,315	**1.3%**	**N/A**	**N/A**
2012–13	26,834,385	529,995	26,304,390	**2.0%**	**$2,471,582**	**$ 29,305,967**
2013–14	26,138,808					
2014–15	26,682,132					

Notes: Beginning FY 2011–12, Section 31.1 of SL 2011-145 authorized local education agencies (LEAs) to impose a fee for driver education of up to $45 per participating student. The Department of Public Instruction did not collect data on Fiscal Year 2011–12 fee collections from LEAs but did collect data for fees collected in Fiscal Year 2012–13. 2013 N.C. Sess. Laws, 2013-360, Section 34.20 increased the per student fee to $55 effective Fiscal Year 2013–14. The General Assembly reduced allocations from highway funds to adjust for projected LEA fees. S.L. 2013-360 Section 8.14 allows LEAs to transfer driver education and other formerly restricted funds to other education purposes, but not for central office administration.

Source: Program Evaluation Division based on data from the Department of Public Instruction and Fiscal Research Division.

[6] 2011 N.C. Sess. Laws, 2011-145, Section 31.1.
[7] 2013 N.C. Sess. Laws, 2013-360, Section 34.20(a).
[8] Ninety-four out of 115 local education agencies responded to a survey administered by the Department of Public Instruction.

LEA responsibilities to eligible students. DPI provides funding to LEAs based on 9th grade ADM and not on actual driver education enrollment or participation. LEAs serve all driver education students in all grades enrolled in public, private, and home schools and not previously enrolled in the program. Students also have the option to pay a private driver education commercial school, which does not have the local school system contract, to take the classroom and behind-the-wheel instruction.

A 2010 Program Evaluation Division North Carolina Accountability Report found the State's driver education program could not demonstrate results. Although administering a statewide driver education is a clear responsibility of the State Superintendent of Public Education dating back to 1991,[9] DPI had provided only limited technical assistance to schools in addition to serving as a fiscal agent allocating highway funds appropriated for driver education to local education agencies.

In April 2010, the Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to conduct a review of driver education using the North Carolina Accountability Report (NCAR) approach.[10] Based on a review of program documentation, the report rated the driver education program as "Results Not Demonstrated" for the following reasons:

- **DPI did not provide any documentation of program design, implementation, or evaluation for the driver education program.** Although the State Board of Education and DPI have responsibility for organizing and administering driver education statewide, the board delegated program design and operations to local education agencies (LEAs). As a result, each LEA set its own driver education curriculum and determined how instruction would be delivered, either through LEA employees or by using contractors. DPI did not have a strategic plan or clearly defined goals for the program.
- **Driver education lacked a standard curriculum.** The DPI representative responding to the 2010 PED findings before the Joint Legislative Program Evaluation Oversight Committee said that the State Board of Education had authority by law to delegate curriculum responsibility through board rule. The representative contended that the board had established standards by accepting the DMV driver handbook content as the curriculum. The DPI representative said that the standards were established:

  > …around the process of making sure the kids have the capability of taking and passing the driver training test, which is built around the model that the DMV has developed related to requirements, which is the text that students need to know when driving.[11]

[9] 1991 N.C. Sess. Laws, 1991-689, Section 32.

[10] The North Carolina Accountability Report process assesses program design, strategic planning, management, and evidence of results and is adapted from the U.S. Office of Management and Budget website, www.ExpectMore.Gov, which operated from 2006 until 2008.

[11] Philip Price, Chief Financial Officer for the Department of Public Instruction, in response to a question by Senator Fletcher Hartsell during Joint Legislative Program Evaluation Oversight Committee meeting, November 17, 2010.

The delegation of responsibility contributed to curriculum fragmentation that was apparent from a 2010 Governor's Office of State Budget and Management survey, which found at least eight different curricula in use among LEAs. This decentralized organizational approach gave the appearance of there being no State lead agency conducting oversight of a major public school program. In addition, DPI had no process for comparing instructional approaches to determine which were most cost-effective and if any portion of instruction would be delivered through traditional classroom or through online instruction.

- **DPI did not adequately oversee and monitor the organization, administration, and delivery of driver education.** Because the State Board of Education delegated the organization, administration, and delivery of driver education to individual LEAs, DPI conducted little centralized technical oversight of the program. Until January 2013, the only DPI employees assigned to driver education worked part-time and had limited experience implementing or monitoring similar programs. Some LEA district offices conducted technical oversight of school-level programs, but there was no formal "lessons learned" process to share findings with other LEAs. LEAs also conducted sole oversight of contracted services; however, DPI did not provide any guidance on contracting procedures or contractor cost analysis to identify the most efficient or best-practice model for the program.
- **DPI provided minimal fiscal oversight.** DPI operated as the fiscal agent for the driver education program and distributed funds to LEAs. However, it conducted only limited review of expenditures, which resulted in annual reversion of funds. DPI had not established financial efficiency or effectiveness goals and offered minimal fiscal oversight. Although DPI repeatedly referred to itself as a fiscal agent in documents submitted for the review, this role was not identified or defined by statute.
- **The driver education program did not measure results.** DPI could not provide formal documentation of programmatic or fiscal goals and outcomes for the program such as the number and percentage of students completing the novice education component successfully or whether students completing the program had fewer crashes. The program did not have a guiding statement and DPI had no screening or approval process for locally administered programs. In addition, DPI did not require LEAs to report program deficiencies or corrective actions and did not maintain a central repository from which "lessons learned" or best practices might be gleaned and shared with LEAs. As a result, the driver education program lacked statewide data on program participation and outcomes.

Based on the NCAR review, the Program Evaluation Division recommended that the General Assembly

- strengthen statutes requiring the State Board of Education and DPI to conduct fiscal and technical oversight of the driver education program and affirm the existing statutory requirement for the board to establish a standardized curriculum;

- require DPI to develop a strategic plan with goals and performance indicators and provide it to the General Assembly including number of program participants, adoption of the standardized curriculum, program expenditures, and student driver test success rate;
- require DPI to seek the most cost-effective method to deliver driver training; and
- clarify the roles of the State Board of Education and the State Superintendent of Public Instruction in establishing program criteria and taking responsibility for program curriculum and administration to ensure that these responsibilities were not delegated to LEAs.

The Joint Legislative Program Evaluation Oversight Committee considered the NCAR findings and recommended reform legislation. The recommended legislation confirmed the existing mandate that the State Superintendent of Public Instruction and DPI administer a uniform statewide program within a framework of criteria and standards approved by the State Board of Education. In response, the 2011 General Assembly enacted N.C. Sess. Laws, 2011-145, Section 28.37, which reaffirmed the responsibility of DPI to administer the driver education program and to address other findings from the Program Evaluation Division's 2010 report. This report examines what steps DPI and the State Board of Education have taken since legislation was enacted.

Findings

Finding 1. While comprehensive and responsive to most requirements of the 2011 reform law, the Department of Public Instruction strategic plan for driver education lacks objectives and quantitative performance indicators for measuring program activity and effectiveness.

Driver education reform required the Department of Public Instruction (DPI) to play a more active role in overseeing driver education.[12] Specifically the legislation mandated

- a statewide program organized and administered by DPI;
- a strategic plan for driver education consisting of, at minimum, information on
    - the implementation of a statewide standard curriculum,
    - performance indicators,
    - the number of participants compared to those projected,
    - expenditures for the program, and
    - the success rate of participants in receiving a driver's license;
- an advisory board of DPI and Division of Motor Vehicle representatives and stakeholders with specific roles;
- a board-adopted salary range for instructors who are not licensed teachers;
- paying instructors holding teacher certificates employed for the same hours as other classroom teachers according to the teacher salary schedule;

[12] 2011 N.C. Sess. Laws, 2011-145, Section 28.37.

- the adoption of State Board of Education rules authorizing LEAs to contract with public or private entities to provide instruction; and
- setting requirements for instructors, but specifying that instructors shall not be required to hold teacher certificates.

In February 2013, the State Board of Education approved the strategic plan for driver education. The plan describes program assessments conducted by the Program Evaluation Division and Governor's Office of State Budget and Management, both of which recommended a strategic plan as well as outlined the information elements lacking at the time that a plan would need to address. The plan is a necessary first step in renewing a stronger State role in driver education. Specifically, the plan outlines these action steps to strengthen DPI administration:

- establishes DPI as the single, lead agency and continues DPI administration of the program;
- creates a permanent State Driver Education Administrator;
- creates the Driver Education Advisory Committee;[13]
- initiates DPI compliance audits for local education agencies (LEAs) with funding and State guidelines;
- initiates twice-yearly evaluations of driver education instructors by LEA personnel;
- proposes to measure program success by comparing the number of eligible students to the number of successful license applicants as reported by the Division of Motor Vehicles;
- establishes a statewide mandated curriculum for classroom and behind-the-wheel phases based upon the American Driver and Traffic Safety Education Association;
- distributes an approved textbook list and learning/instructional guides for classroom and behind-the-wheel phases; and
- requires any online instruction to meet the mandated curriculum requirements with DPI approval and administration in conjunction with the LEAs.

As shown in Exhibit 3, the strategic plan is a comprehensive framework for improvement but lacks performance indicators as required by the reform law. The plan lists nine goals that provide a comprehensive framework for program administration and resources needed. However, each goal is missing a series of measurable objectives, which taken together would allow the driver education community to determine if the goal has been accomplished, and to what extent accomplishment improves the ability of teens to safely and efficiently operate a motor vehicle. The proposed goals are also process-focused and not outcome-focused, meaning that they address administrative processes without linking them to improved teen driving behavior. State law required DPI to adopt performance indicators including a measure of the number of participants compared to those projected. However, the strategic plan lacked these required elements.

[13] The State Board of Education formally created this committee in September 2013.

Exhibit 3

Driver Education Reform Has Been Partially Implemented

Driver Education Reform Law Mandate	Implementation
A statewide program organized and administered by DPI	●
A strategic plan for driver education consisting of at minimum information on	●
• the implementation of a statewide standard curriculum,	●
• performance indicators	○
• the number of participants compared to those projected	◖
• expenditures for the program	◖
• the success rate of participants in receiving a driver's license	○
An advisory board of DPI and Division of Motor Vehicle representatives and stakeholders with specific roles	●
A board-adopted salary range for instructors who are public school employees and who are not licensed teachers	●
Paying driver education instructors who are public school employees and who are licensed teachers according to the teacher salary schedule	●
State Board of Education rules authorizing LEAs to contract with public or private entities to provide instruction	●
Establishing requirements for instructors, but not requiring instructors to hold teacher certificates	◖
● = Fully implemented; ◖ = Partially Implemented; ○ = Not implemented	

Notes: The State Board of Education is considering requiring a criminal background check for driver education instructors.

Source: Program Evaluation Division based on review of documents from the Department of Public Instruction.

The strategic plan for driver education should have contained statewide measures for North Carolina, for each LEA, and for each high school's driver education program within each LEA. Those measures and supporting data would describe how programs are implemented and how they work. Performance measures consist of information about program operations that document students served, program inputs, activities, and program outcomes.[14] These components of performance measures are further defined below.

- *Inputs* are resources available to deliver activities, such as funding, staff, or facilities.
- *Processes* describe how the program works, such as who does what and how activities are delivered.

[14] Program Evaluation Division (2011, February). *Programs for Children, Youth, and Families Need a Guiding Framework for Accountability and Funding*. Raleigh, NC: General Assembly.

- *Outputs* consist of numerical counts to describe activities actually provided, such as number of sessions or services, participant attendance, or items distributed.
- *Outcomes* capture whether or not the program achieves intended goals.
- *Efficiency measures* determine whether the agency is administering a program in a cost-efficient manner.

Exhibit 4 provides examples of performance measures (not intended as a complete set of measures) the strategic plan could have contained with those in *italics* denoting measures for which DPI has or could readily obtain data.

Exhibit 4: Suggested Performance Measures for North Carolina's Driver Education Program

Input Measures
• *Total funding by source for the school year (federal, State highway funds, other State funds, local funds, and student driver education fees)*
• *Total expenditures by categories (salaries and benefits, contracted services, etc.) by source of funds for the school year*
• Number of instructors employed and number of contractor instructors
• Number and percentage of instructors holding teacher certificates
• *Number of students for the school year eligible for driver education*
Output Measures
• *Number of students enrolled in driver education and as a percentage of 9th grade average daily membership*
• Number of students completing classroom requirements
• Number of students completing behind-the-wheel requirements
• Total student clock hours of classroom instruction
• Total student hours of behind-the-wheel instruction
Outcome Measures
• *Number of students enrolled in driver education as a percentage of number eligible*
• Number of students participating in classroom instruction as a percentage of number enrolled
• Number of students successfully completing classroom instruction as a percentage of number participating
• Number of students participating in behind-the-wheel instruction as a percentage of number participating
• Number of students completing behind-the-wheel requirements as a percentage of number participating
• Number and percentage of students completing driver education attempting DMV test for limited learner permit
• Number and percentage of students completing driver education and licensed committing moving traffic violations; involved as a driver in a traffic crash; involved as a driver in an injury crash; or involved as a driver in a fatality crash, reported separately for ages 16, 17, and 18
• Number and percentage of students age 18-25 completing driver education and licensed committing moving traffic violations; involved as a driver in a traffic crash; involved as a driver in an injury crash; or involved as a driver in a fatality crash compared to drivers age 18-25 who did not complete driver education
Efficiency Measures
• Cost per student enrolled compared to statewide standard established by State Board of Education or statewide average, peer LEA average, and lowest cost statewide and lowest cost peer LEA
• Cost per student completing driver education compared to statewide standard established by State Board of Education or statewide average, peer LEA average, and lowest cost statewide and lowest cost peer LEA

Note: Performance measures in italics denote measures for which DPI has or could readily obtain data. LEA stands for local education agency.

Source: Program Evaluation Division.

In sum, the driver education reform law required DPI to play a more active role in directing driver education. The strategic plan adopted by the State Board of Education confirms DPI responsibility to organize and implement a statewide program for driver education by establishing the need for a standard curriculum; proposing action steps to measure the success rate of

participating students in obtaining a driver's license; and creating the statutorily required advisory committee. However, the plan lacks performance indicators to measure progress made on goals.

Finding 2. The Department of Public Instruction has not collected sufficient and reliable data to determine the efficiency and effectiveness of driver education. As required by the driver education reform law, DPI has reasserted its oversight role of the program. Before the reform law, DPI had performed a passive role consistent with the State Board of Education's policy of delegation to Local Education Agencies. To support its more active management of driver education, DPI needs data on program revenues and expenditures and a variety of data on student participation, progression, DMV exam passage, and driver safety. As of March 2014, DPI was not collecting sufficient and reliable data from local education agencies (LEAs) to determine the effectiveness or efficiency of the driver education program.

DPI does not collect sufficient data to determine the total cost of driver education. Most of the funding for driver education comes from the highway fund. In Fiscal Year 2012–13, the fund provided $26.9 million, $13,500 of which DPI used for administrative reserves, with the remainder going toward the State allotment for LEAs. Additional funding for driver education is generated by an optional student participation fees. Although LEAs have been authorized to collect this optional fee since Fiscal Year 2011–12, DPI does not routinely collect information on revenues from fees charged to students. In response to this study, DPI surveyed all LEAs to determine receipts from student fees in Fiscal Year 2012–13. Ninety-four of 115 LEAs responded and reported collections of $2,471,582. However, this amount underestimates the total fee revenue generated because 21 LEAs did not respond to the survey.[15]

Although DPI tracks expenditures of State highway funds for driver education, the department does not collect data on expenditures funded by student fees, local funds, or other sources. Because LEAs request reimbursement of authorized expenditures from allotted State highway funds for driver education by State budget codes, DPI is able to record expenditures from each LEA's allocation of State highway funds for the specified categories of salaries and benefits, contractual services, vehicles, maintenance, insurance, and instructional supplies. However, DPI does not track how LEAs spend proceeds from fees charged to students. In addition, expenditure data does not account for LEA expenditures from funds available from local sources or from other State or federal funds. If a LEA spends its entire allotment of State highway funds, but then spends more on driver education than State funds have allotted and reports that spending, DPI records such expenditures as a negative expense. For example, in Fiscal Year 2012–13 two LEAs reported negative expenditures—Alexander County, with $3,038 for instructional supplies and Currituck County, with $7,885 for vehicles. These additional expenditures could be

[15] Local education agencies not responding survey were: Alamance-Burlington, Asheville City, Brunswick, Carteret, Edenton-Chowan, Elkin City, Granville, Haywood, Jones, Lee, Macon, Moore, Mount Airy City, Northampton, Swain, Thomasville City, Weldon City, Whiteville City, Wilson, Yadkin, and Yancey.

made up from other revenues from any non-driver-education State, federal or local source available to the LEA. However, DPI does not require LEAs to report the source of funding used. Data on the total cost of the driver education program and the available funding sources for the program are needed to determine program efficiency. However, this information remains unknown.

Due to a recent change in State law, tracking funds spent on driver education has become more important. The 2013–14 appropriations act removed a restriction for the 2013–15 biennium that had prohibited LEAs from transferring State driver education funds for other school purposes.[16] This change could hinder future determinations of program efficiency and may result in wider variation in resources among LEAs. The law also allows for the transfer of other formerly restricted funds. The removal of the restrictions for driver education funds and other formerly restricted funds means that beginning July 1, 2013; these funds may be used for other educational purposes in order for LEAs to have additional flexibility. The portion spent and not spent on driver education will not be known until LEAs report spending to DPI at the end of the 2013–14 fiscal year.

State driver education funds, as with all other LEA funds, are subject to annual audits by CPA firms, but financial audits are not designed to detect inefficiency or ineffectiveness. DPI publishes detailed written standards[17] for the audits, which instruct auditors on necessary procedures, tests, and applicable legal or regulatory criteria. Auditors audit all LEA funds including driver education funds. The guide requires auditors to report "questioned costs" found through testing samples of driver education fund transactions for compliance with

- requirements that eligible 9th grade students (the basis for the allotment) were offered driver education year-round;
- restrictions for using funds only for general program purposes;
- uniform State school accounting standards;
- State purchasing laws;
- qualifications of instructors and certified teachers;
- prohibition of contracting with State disbarred or disqualified contractors;
- a 10% limitation on computer purchases;
- disposition of funds from sales of surplus driver education cars; and
- proper recording of assets including moveable equipment in the LEA fixed asset system according to the LEA capitalization policy.

Financial compliance audits provide notice to administrators that transactions they initiate could be tested for compliance. However, financial audits will not detect every instance of non-compliance. They also do not determine if a program is efficient, economical, or effective, although some audits may include a separate management letter describing matters that were not significant or were not questioned, but that require the attention of LEA management.

[16] 2013 N.C. Sess. Laws, 2013-360, Section 8.14.

[17] North Carolina Department of Public Instruction. (2013, April). *C-4 DPI-8 Driver Training State Public School Fund (SPSF)—PRC 012 (Local Education Agencies)*. Retrieved from https://www.nctreasurer.com/slg/State%20Compliance%20Supplements/DPI-8-2013.pdf.

DPI has not collected data systematically on the number of students enrolled in driver education, an important output measure. DPI determined student enrollment numbers included in this report through a survey of all 115 LEAs and reported those numbers to the Program Evaluation Division on January 14, 2014. As mentioned earlier in the finding, 94 of 115 LEAs provided data in response to the survey. Exhibit 5 shows the total number of students taking at least one day of driver education, the number of students completing classroom instruction, and the number of students completing the behind-the-wheel training.

Exhibit 5

Students Enrolling in Driver Education and Completing Classroom Instruction and Behind-The-Wheel Training

	2012–13 9th Grade ADM	Enrolled in Driver Education, Any Grade	Students Completing Classroom Instruction	Students Completing Behind-the-Wheel Training
Number of students	126,680	98,393	90,281	86,726
Percentage of 9th Grade ADM		78%	71%	68%

Notes: ADM stands for average daily membership or the average number of students enrolled each day.

Source: Program Evaluation Division based on survey of Local Education Agencies.

The State Board of Education and DPI are not fully informed as to the number of students actually receiving driver education. Driver education costs stem from actual student participation in classroom and behind-the-wheel instruction. However, DPI has not established a relationship between actual costs and the basis upon which LEAs receive State funds. DPI bases allotment of State highway funds to LEAs upon projected 9th grade ADM, but participation in driver education will include high school students from all grade levels in traditional, charter, home, and private schools within the LEA's service area. Also, many 9th grade students in the ADM count will not elect to enroll in driver education. Thus 9th grade ADM does not reflect student demand or workload.

The total number of students and school grade and location can also be used to monitor effectiveness and efficiency of the program. Combined with the total cost of the driver education program, student data can be used to calculate the cost per student enrolled in driver education and cost per student completing driver education. These indicators can be used as a standardized performance measure to compare the efficiency of LEAs.

DPI has no mechanism for requiring LEAs to report timely and accurate data for student participation or program costs. The lack of complete and accurate data on total costs and student participation means that DPI cannot measure or report the effectiveness and efficiency of the driver education program. Prior to the 2013–14 school year, DPI surveyed LEAs to get information on student participation and non-State funds and fees spent on driver education, but LEA officials were not required to certify the accuracy of data provided. Thus, DPI did not have a high degree of certainty that the survey data reflected the true costs and participation of the driver education program. Beginning with the 2013–2014 school year,

DPI has requested LEAs to report data on student participation by type of school (traditional, charter, private, home, and federal) including initial enrollment and pass/fail numbers for students completing classroom work and behind-the-wheel training. However, DPI is not authorized to penalize an LEA if it chooses not to provide this crucial data. The State Board of Education can authorize DPI to penalize any non-reporting LEA, but it has not done so for information related to driver education.

DPI has not had the capacity to use available data for measuring driver education outcomes. Until the General Assembly and Governor's Office determined in 2010 that there was no statewide strategic direction for driver education and the General Assembly subsequently enacted 2011 reform legislation compelling the State Board and DPI to act, the State Board of Education demonstrated limited interest in how driver education was performing statewide. The board did not require DPI to collect its own data or compile other available data. As a result, the board did not know how many students completed driver education; how completing students fared on licensing tests and were progressing through graduated licensure; and how many students received traffic citations or experienced crashes.

Data have been readily available from the Department of Transportation's Division of Motor Vehicles (DMV) and the UNC Highway Safety Research Center (UNC-HSRC). DMV collects and reports a wide variety of statistical data on driver licensing and highway safety by age and by county.[18] DMV maintains all of the data collected from student drivers as they progress through graduated licensure. UNC-HSRC routinely uses DMV data and data the center collected for interdisciplinary research aimed at reducing deaths, injuries, and related societal costs of roadway crashes.

The number and percentage of students who pass the driver knowledge and sign tests administered by DMV represent immediate outcomes for driver education. After a student driver passes a final examination and has received either a certificate of eligibility or a high school diploma from a local high school, the student may apply at a DMV office to undergo a vision test and to attempt the DMV knowledge test and traffic sign identification tests necessary to receive a learner permit. DMV collects data by recording each step taken toward obtaining a license, including whether the student becomes ineligible due to a moving violation. DMV issues full driver licenses and is able to determine whether the applicant has participated in graduated licensure. Finally, because DMV maintains safety records on all drivers, it is feasible for DMV to track citation and crash involvement data on a driver education student as long as that driver is driving.

With some slight modification of forms, DMV would be able to identify the schools with the best immediate outcomes (passing rates) and ultimate outcomes represented by accident rate experience.

46% of students attempting the DMV license test have failed over the past six years—including students making multiple attempts. Exhibit 6

[18] The most complete collection of data appears in the annual *North Carolina Crash Facts* report, which includes statewide data and data by county and city. Retrievable from https://connect.ncdot.gov/business/DMV/Pages/Crash-Facts.aspx.

displays DMV data on failure rates of students attempting the DMV knowledge test between FY 2007–08 and FY 2012–13. All students failing the license test previously passed an examination to complete driver education. Failure rates averaged 46% and varied from 59% to 33%. The failure rates include students taking the test multiple times before passing. Failures rates would be higher if reflecting only first attempts.

Exhibit 6

High Student Failure Rates on DMV Knowledge Test for Driver Licensing

Testing Period	Tests Administered	Failed	Failure Rate
2007-08	137,506	81,249	59%
2008-09	169,589	82,755	49%
2009-10	186,193	82,149	44%
2010-11	190,544	83,524	44%
2011-12	190,929	83,567	44%
2012-13	126,217	42,242	33%
Six-Year Totals and Average	**1,000,978**	**455,486**	**46%**

Source: Program Evaluation Division calculation of data from Table I, page 9 of DPI Report to the North Carolina General Assembly: DPI/DMV Knowledge Testing Review required by 2013 N.C. Sess. Laws. 2013-360, Section 34.20.(b), (March 1, 2014).

Failure rates declined as fewer students attempted the DMV test. 126,217 students attempted the test in FY 2012–13 compared to 190,929 the previous fiscal year—a 34% reduction. DPI suggested fewer students are participating in driver education and taking the DMV test because 2012–13 was the first year LEAs were allowed to charge participation fees to students. PED suggests the lower failure rate may also be associated with a higher rate of self-selection, i.e. students less motivated to drive would be the first to forego driver education as well as other phases of graduated driver licensing (GDL), preferring to wait for licensure at age 18 when the law allows licensure without GDL. Fewer less motivated students taking the test before age 18 results in lower rates of failure.

Better student outcome data may be available in the future. As required by 2013 state law, DPI and DMV have collaborated and reported a series of actions in process to ensure there will be a single, uniform knowledge base incorporated into the statewide driver education curriculum.[19] DPI suggested that as a result of the discussions with DMV, all LEAs will eventually use the same knowledge base in classroom instruction with assurance that it demonstrates what DMV expects for licensure. Currently, students take two strategic tests—an exam at the school to pass driver education and another at DMV to receive a license. After DPI and DMV have achieved full standardization and alignment of the curriculum with DMV testing criteria, DPI and DMV recommend that students begin taking a

[19] *DPI Report to the North Carolina General Assembly: DPI/DMV Knowledge Testing Review* (March 1, 2014), as required by 2013 N.C. Sess. Laws, 2013-360, Section 34.20.(b).

single test upon completion of classroom instruction that, if passed, would grant the student licensure by DMV.

In sum, DPI tracks State funds spent on driver education but does not require LEAs to report data on revenues generated from the optional student participation fee or revenues and expenditures from non-State sources. Although voluntarily submitted by LEAs, DPI is just beginning to collect data on the number of students enrolled in and completing novice training. These data are crucial to understanding the total cost of the program and determining the effectiveness and efficiency of driver education programs statewide.

Finding 3. The Department of Public Instruction does not have a uniform method to deliver the driver education curriculum statewide, is not monitoring or requiring in-service education of instructors employed by LEAs, and failed to conduct a valid pilot project for testing the relative effectiveness of online versus traditional instructional approaches.

The North Carolina Driver Education Strategic Plan states there should be a statewide, mandated curriculum that meets national content standards.[20] [21] To accomplish this goal, the plan requires the Department of Public Instruction (DPI) to

- approve and administer online education in conjunction with local education agencies (LEAs);
- ensure online education meets curriculum standards;
- maintain a list of approved textbooks; and
- distribute learning and instructional guides.

Although the plan intends for all student drivers to be taught from the same curriculum, DPI allows driver education to be delivered in a variety of ways. Each LEA in North Carolina in compliance must offer driver education in some form to its high school students who have not previously enrolled including students in home schools, public or private high schools, and in charter schools.[22] State law provides guidelines for program implementation and flexibility that allows LEAs to use their own employees or enter into contracts with public or private entities to provide the program. All instructors are required to use the uniform curriculum. As described in Exhibit 7, LEAs used four methods for providing driver education instruction in Fiscal Year 2012–13.

- **In-house (51%).** Under this arrangement, LEAs use their own teachers and instructors to provide classroom and behind-the-wheel training to students, with all expenses paid for by funds administered by the LEA. Most LEAs used this method of delivery.
- **Contractor (13%).** Under this arrangement, one or more private contractors employ the instructors who conduct classroom and

[20] Driver Education Advisory Committee of the State Board of Education (2012, June). *North Carolina Driver Education Strategic Plan.* Report to the Joint Legislative Education Oversight Committee and the Joint Legislative Program Evaluation Oversight Committee. Raleigh, NC: General Assembly.

[21] The American Driver and Traffic Safety Education Association is the professional association that represents traffic safety educators throughout the United States and abroad and sets driver education curriculum standards.

[22] N.C. Gen. Stat. § 115C-215.

behind-the-wheel training, with all supply and equipment expenses paid to the contractor directly from funds administered by the LEA.

- **Contractor with LEA-furnished vehicles and supplies (22%).** Under this arrangement, the LEA provides vehicles and supplies to one or more private contractors that employ the instructors who conduct classroom and behind-the-wheel training.
- **Combination (14%).** Under this arrangement, individual schools within an LEA use a combination of contractor, contractor/LEA-supported, or in-house arrangements for instruction and behind-the-wheel training.

The number of LEAs using direct contractor and contractor/LEA supported arrangements has increased from 29 in 2007–08 to 40 in 2012–13, while the use of combination arrangements declined from 28 to 16 during the same period.

Exhibit 7

The Four Methods of Delivering Driver Education Differ in Cost

Driver Education Delivery Method	Number of LEAs	Percentage of LEAs	Number of LEAs Reporting Cost Per Student	Delivery Method Cost Per Student
In-house	59	51%	50	$298.44
Contractor	15	13%	10	$256.35
Contractor with LEA-furnished vehicles and supplies	25	22%	21	$255.16
Combination	16	14%	13	$309.41
Statewide	**115**	**100%**	**94**	**$292.24**

Note: LEA stands for local education agency. Delivery Method Cost Per Student is based on information from LEAs reporting the number of students completing classroom instruction.

Source: Program Evaluation Division based on data from the Department of Public Instruction.

DPI does not know if LEAs are using the most cost-effective method of delivering the driver education curriculum, as cost per student varies widely among LEAs. State law allows LEAs considerable leeway to contract all or part of instruction or perform instruction in-house using school employees. This leeway means that LEAs of similar size and resources could provide driver education at vastly different costs per student.

To examine the difference in costs associated with each method of delivery, the Program Evaluation Division used unaudited data and data reported through the DPI accounting system to calculate the average cost per student completing driver education classwork in Fiscal Year 2012–13. LEAs that contracted out driver education had a lower average cost per student than LEAs using in-house instructors or a combination of in-house staff and contractors. However, cost per student differed among LEAs using the same method of delivery. For example, the cost of delivering driver education among LEAs that provided vehicles and supplies to contractors

ranged from $168 per student in Camden County to $458 per student in Edgecombe County. Appendix B lists the driver education instruction method, total student enrollment, driver education expenditures, and cost per student for each LEA.

Contracting out instruction and behind-the-wheel training represents a risk that requires expert management and standardization. Nearly half of all LEAs are using contract arrangements for instruction and/or behind-the-wheel training. Contracting for such services, if not performed well by LEAs and undertaken without sufficient State oversight, could result in wide variations in performance among LEAs at State expense. Variations are apparent from the wide range of contract costs per student noted previously; even among schools within an LEA. PED was unable to determine the actual contract management processes used by the LEAs that use contractors because of the lack of information maintained centrally by DPI. DPI has not established uniform standards for contracting and lacks capacity to develop and administer them. While LEAs may be performing this responsibility well, contract administration represents a high-risk area that could be costly to the State if not handled carefully.

Because neither DMV nor DPI monitors or requires in-service training of instructors or certified teachers conducting driver education instruction in LEAs, there is no assurance that all students are receiving the same caliber of instruction. LEAs that responded to a Governor's Office of State Budget and Management survey reported they employed 1,608 driver education educators as of October 2010. There are three types of educators:

- certified teachers employed by LEAs;
- instructors employed by LEAs; and
- instructors employed by private contractors under contract to LEAs.

Driver education educators in North Carolina generally receive their credentials in one of three ways:

- Completion of a DPI add-on certification based on successfully completing 12 semester hours of college-level course work at East Carolina University;
- Completion of a DMV two-week, 80-hour course that focuses on understanding key driver education concepts; or
- Completion of a commercial driving school course similar to the DMV course, except the course is taught by DMV-certified instructors employed by the commercial schools.

The DPI strategic plan for driver education identified a weakness in DPI and LEA oversight of non-certified instructors (emphasis added by PED):

> DMV offers an 80 hour Driver Education instructor training course for commercial driving school instructors and LEA Driver Education instructors. General Statutes 20-322 through 20-325 require DMV to test, certify, and monitor driving instructors for commercial driving schools. Further, theses instructors must be observed in the classroom and behind the wheel by the DMV staff within 90 days after completing the course, and passing the final exam before they are certified Driver Education instructors. The commercial driving school instructors must also receive 64 hours of continuing education credits every 4 years. As of September 2010, DMV was monitoring 69 commercial Driver Education schools and 808 certified

> commercial Driver Education instructors. **In contrast, LEA driving instructors are not monitored by DMV or DPI once they complete DMV's driver training course or any other driving courses. Further, the LEA instructors are not required to take any continuing education credits to maintain their driving instructor certifications.**[23]

Without instructor monitoring, DPI has no means to correct instructors whose students experience high failure rates. Similarly, DPI has no means to identify teaching practices of instructors with low failure rates.

DPI did not properly design or execute a pilot program to test the effectiveness of online instruction compared to other approaches. The driver education reform law required the State Board of Education to conduct a pilot project of online driver education instruction in at least five LEAs.[24] The law allowed the board to finance the pilot project from highway funds appropriated to DPI for driver education in Fiscal Year 2011–12. The State Board of Education allocated $7,780 to fund the pilot and approved DPI's brief proposal. DPI provided a written progress report on the pilot project to the Joint Legislative Program Evaluation Oversight Committee (JLPEOC) on February 14, 2012. DPI asserted its report required by the reform law would include:

- participants that completed the 30 hour on-line course;
- participants that completed the behind-the-wheel component;
- participants who received a certificate of eligibility to take the licensing exam; and
- a DMV report of participants that have passed the exam and have been issued a license.

DPI noted that it would submit its report to the committee by June 15, 2012, but noted a "more complete assessment" could be provided by August 15, 2012 because many participants would opt to complete the behind-the-wheel component once school was out for the summer.

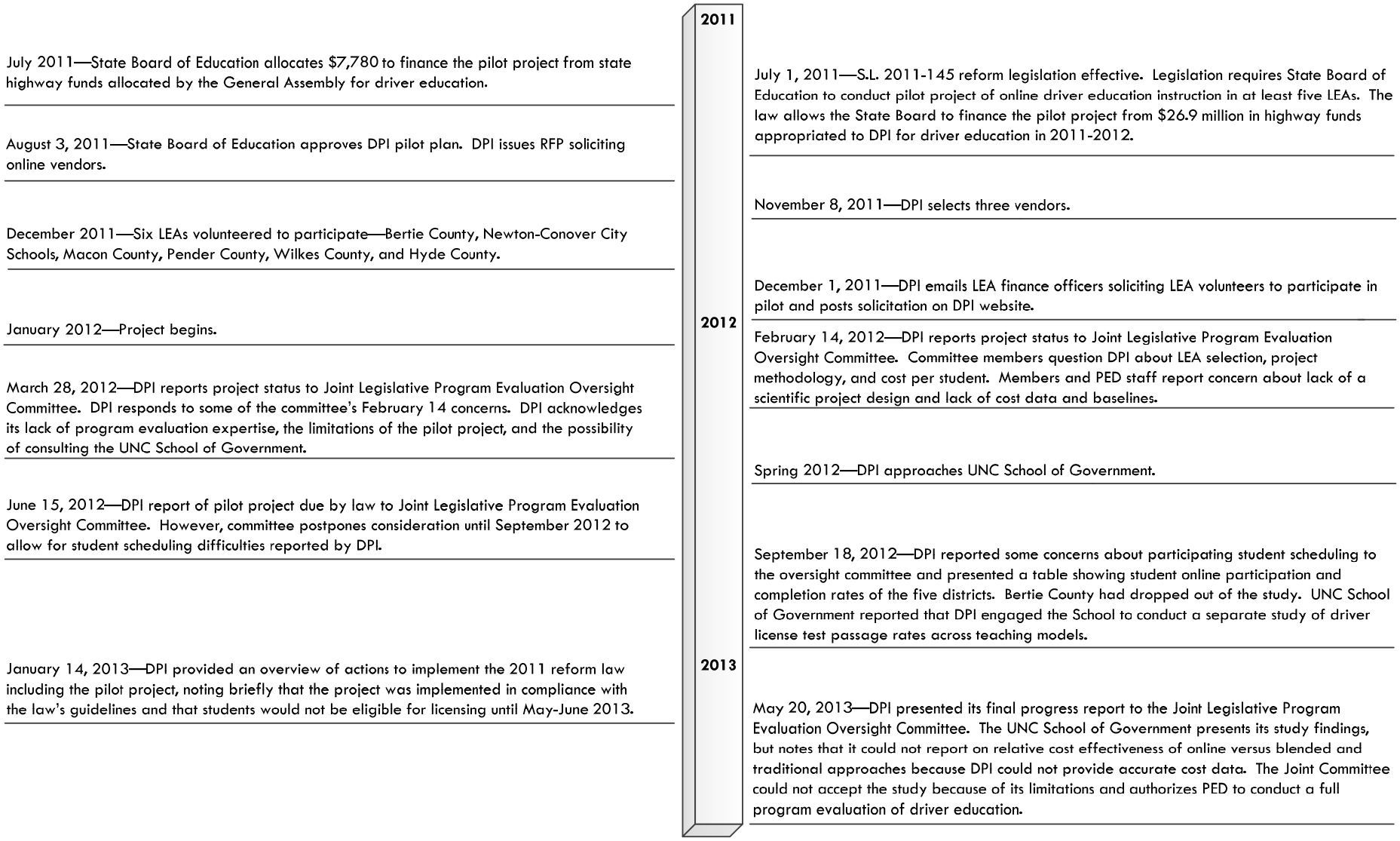
DPI reported several problems with the execution of the pilot project. At the September 18, 2012 JLPEOC meeting, DPI reported there were 532 students participating in the pilot with 63% completing the online course as of the date of the report. DPI noted that although the pilot plan and project specifications had required all vendors to conform to requirements for offering online coursework through the North Carolina Virtual School, the State Board of Education had not adopted the virtual school course requirements even though DPI had initiated solicitations for vendors in September 2011 and solicited LEA volunteers in December 2011. DPI noted many student scheduling complications that had not been anticipated. Finally, DPI reported that the two vendors selected noted that they could not offer the course online in the future to other LEAs after the end of the pilot for the $20 per student allocated for the pilot project.[25] Exhibit 8 displays the timeline of events for the failed pilot project.

[23] *North Carolina Driver Education Strategic Plan, 7.*

[24] The five LEAs participating in the pilot project were Hyde, Macon, Newton-Conover, Pender, and Wilkes.

[25] North Carolina Department of Public Instruction. (2012, June). *Report to the North Carolina General Assembly on Driver Education Reform, SL 2011-145, sec. 28.37 (h,i)*, as presented to the Joint Legislative Program Evaluation Oversight Committee on September 18, 2012.

Exhibit 8: Pilot Project Timeline



Source: Program Evaluation Division based on information provided to the Joint Legislative Program Evaluation Oversight Committee.

The UNC School of Government noted problems with the design of the DPI study. In the spring of 2012, DPI engaged the UNC School of Government to conduct a comprehensive study of the relative effectiveness of traditional classroom, online, and blended (classroom and online) driver education teaching models. The study examined 471,313 records of student license test results statewide matched to school and type of driver education teaching model. Despite being a comprehensive study, it was not designed to be the pilot project as intended by the reform law.

The study found little difference in overall pass rates, test scores, or test frequencies for students taking the driving knowledge test when comparing students receiving traditional classroom instruction to those receiving blended instruction (classroom and online). The results had to exclude DPI's online pilot project because not all students completed this mode of instruction. Furthermore, the study could not assess cost per student across the three teaching modes because of concerns over the comparability of the available cost information. As a result of the pilot project failure and the lack of data available from DPI for use by the School of Government in its study, DPI still does not know the relative cost-effectiveness of online approaches for ensuring improving teen driving behavior.

Online education provides an opportunity for the State to deliver an alternative method of driver education instruction. The Program Evaluation Division found that six states allow online driver education instruction for teens: California, Georgia, Nevada, Ohio, Texas, and Utah. Administrative rules in these states authorize and establish standards for online, distance, or virtual online driver education instruction. Two states, Georgia and Texas, certify or license online driver education schools that are authorized to instruct students under the age of 18.

In sum, the North Carolina Driver Education Strategic Plan states there should be a statewide, mandated curriculum. However, LEAs are allowed to deliver driver education in a variety of ways. Contracting driver education partially or entirely costs less than other methods, but is currently conducted by LEAs without DPI standards and oversight. DPI conducted a pilot project to determine whether online instruction costs less than traditional or blended instruction methods, but problems with the design and implementation of the project hampered results. Thus, DPI does not know which method of instruction is the most cost-effective for providing driver education.

Finding 4. North Carolina's teen accident and fatality rates have declined since the implementation of graduated driver licensing but remain high.

Motor vehicle crashes are the leading cause of death for 15- to 20- year-olds. Data from the National Center for Injury Prevention and research cited by the Center reveal the gravity of the teen traffic injury problem in the United States. In 2010, 2,700 teens age 16-19 were killed and almost 282,000 were treated for injuries resulting from traffic crashes.[26] In North

[26] Centers for Disease Control. (2012, October). Teen Drivers: Fact Sheet. Washington, DC: National Center for Injury Prevention and Control, Division of Unintentional Injury Prevention, U.S. Centers for Disease Control and Prevention. Available online: http://www.cdc.gov/motorvehiclesafety/teen_drivers/teendrivers_factsheet.html

Carolina, crashes killed 116 teen drivers in 2010[27] and injured 21,732.[28] In 2013 there were 111 teen crash fatalities and 19,132 injuries in the state.

The relative rate of occurrence of fatal and injury-involving accidents in the teen population is more demonstrative of the problem. Teen drivers age 16-19 are three times more likely than drivers age 20 and older to be in a fatal crash. The fatality rate for male drivers and passengers age 16-19 is nearly double the rate for females in that age group. Other risk factors for teens include:

- being an inexperienced driver;
- failing to recognize or underestimating dangerous situations;
- the presence of multiple teen passengers;
- less prevalent seat belt use;
- speeding and following too closely; and
- driving at night.

Furthermore, research indicates that teen drivers continue to be overrepresented in traffic fatalities, albeit not to the extent that existed before states enacted graduated driver licensing. A 2011 study by the North Carolina Division of Public Health indicated that while 13% of North Carolina traffic fatalities in 2009 were among drivers age 16-20, this age group represented only 7% of the North Carolina population. This overrepresentation in traffic fatalities was shared only by the age 21-25 population, which was nearly identical. Except for individuals over age 66, all other age groups are underrepresented in proportion.[29]

North Carolina and other states have enacted graduated driver licensing (GDL) programs aimed at reducing teen crash injuries and fatalities. (GDL) programs are characterized by a phased entry into full driving privileges in which driving restrictions are gradually decreased until teen drivers reach age 18 (or higher in some jurisdictions). Restrictions and conditions typically include:

- minimum age of entry for the learner license;
- supervision by a parent or older adult;
- night driving restrictions; and
- limited driving with passengers.

In North Carolina, drivers under the age of 18 must go through the GDL process. To obtain a limited learner permit, teens must be at least age 15 and must have completed an approved driver education course and present a Driving Eligibility Certificate issued by the public school system or present a high school diploma or its equivalent. Under State law, the driver education component serves teens beginning at age 14. However, teens cannot begin driving legally until 15 and then only with restrictions.

[27] North Carolina State Center for Health Statistics. Retrieved January 14, 2014 from http://www.schs.state.nc.us/schs/data/lcd/lcd.cfm.
[28] Based on injury statistics from the North Carolina Department of Transportation's Division of Motor Vehicles Traffic Records Branch.
[29] Injury and Violence Prevention Branch (2011, February). *The Burden of Motor Vehicle Traffic-related Injuries.* Raleigh, NC: Division of Public Health, Department of Health and Human Services, 10-11.

Exhibit 9 details the three levels of North Carolina's GDL requirement for drivers under 18 years of age.

- **Limited learner permit.** Drivers must be at least 15 to obtain a permit and can only drive with a supervised driver in the vehicle. To move to the next license level, drivers must hold the permit for at least 12 months, maintain a conviction-free driving record for 6 continuous months, acquire a minimum of 60 hours of adult-supervised driving, and submit a log documenting this driving to DMV.
- **Limited provisional license.** Individuals with this intermediate license can drive without supervision only between the hours of 5 a.m. and 9 p.m. unless driving to or from work, and cannot have more than one passenger under the age of 21. To move to the next license level, drivers must maintain a conviction-free driving record for 6 continuous months and complete a log documenting 12 hours of adult-supervised vehicle driving.
- **Full provisional license.** Drivers completing levels one and two can drive without restrictions on number of passengers or times when they can drive.

Individuals 18 years of age and older can obtain a regular driver's license in North Carolina without having participated in either driver education or graduated licensure.

Exhibit 9: North Carolina's Graduated Licensing Requirements for Drivers Age 15–18

	Level One Limited Learner Permit	Level Two Limited Provisional License	Level Three Full Provisional License
Age minimum	• At least 15 years old but less than 18 years old	• At least 16 years old but less than 18 years old	• At least 16 ½ years old
Proof of eligibility	• Driver Education Certificate • Driving Eligibility Certificate or high school diploma or its equivalent	• Must hold the Level One Limited Learner Permit for at least 12 months prior to applying for Limited Provisional License • Drivers log signed by the supervising driver	• Must hold the Level Two Limited Provision Licenses for at least six months prior to applying for Full Provisional License • Drivers log signed by the supervising driver
Driving time restrictions	• Between the hours of 5 a.m. and 9 p.m. for first six months with supervising driver • After six months, no driving time restrictions with supervised driver	• Can drive without supervision between the hours of 5 a.m. and 9 p.m. and any time when driving directly to or from work	• None
Driving log	• Minimum of 60 hours of operations, including at least 10 hours of driving during nighttime hours • No more than 10 hours of operations per week	• Minimum of 12 hours of operations, including at least six hours of driving during nighttime hours	• None
Passenger restrictions	• Only supervising driver allowed in the front seat • All passengers restrained by seat belt or child safety seat	• Supervising driver must be seated beside the driver • All passengers restrained by seat belt or child safety seat • Only one other passenger under the age of 21, unless all passengers under 21 are immediate family or live in the same household	• None
Supervising driver	• Parent, grandparent or guardian of the permit/license holder or a responsible person approved by the parent or guardian • Supervising drivers must hold a valid driver license and be licensed for at least five years	• Parent, grandparent or guardian of the permit/license holder or a responsible person approved by the parent or guardian • Supervising drivers must hold a valid driver license and be licensed for at least five years	• None
Other restrictions	• No use of mobile telephones or additional technology while operating a motor vehicle	• No use of mobile telephones or additional technology while operating a motor vehicle	• No use of mobile telephones or additional technology while operating a motor vehicle
Driving record	• N/A	• No convictions of motor vehicle moving violations or seat belt/mobile telephone infractions in the previous six months	• No convictions of motor vehicle moving violations or seat belt/mobile telephone infractions in the previous six months

Source: Program Evaluation Division based on the North Carolina Driver's Handbook.

Geographic and demographic conditions in North Carolina contribute to higher teen traffic fatality rates compared to other states. Comparing North Carolina's teen accident rates to other states may be misleading. Factors beyond the control of drivers, including population density, road conditions, mass transit alternatives, and terrain, may affect traffic crash rates, limiting the value of making comparisons among states. The United States Centers for Disease Control and Prevention note that higher traffic fatality rates are more prevalent in the southern United States than in states such as California, Massachusetts, New Jersey, and New York. CDC explains:

> …Previous research has shown that sprawl is more common in the southern United States, and that MVC (Motor Vehicle Crash) death rates are higher in sprawling metropolitan areas than in compact metropolitan areas. A growing body of literature examines urban development and its association with MVCs. For example, urban sprawl has been associated with greater driving exposure (i.e., number of miles driven)….[30]

Thus, lower traffic accident rates in states with large and compact metropolitan areas may be associated more with driving less, driving shorter distances, or using public transit, and not with safer driving practices.

Nevertheless, parents and teens need to be aware of the elevated risk of traffic accidents in North Carolina. Between 1999 and 2010, the traffic fatality rate of drivers age 15-18 in North Carolina was 26.11 deaths per 100,000 teens and ranked 32th in the country. Eighteen states ranked worse than North Carolina. The national rate for the period was 19.87. New Jersey, which does not allow driving until age 17, had the lowest teen fatality rate (9.95 deaths per 100,000 teens) and Mississippi had the highest rate (39.70 deaths per 100,000 teens). Exhibit 10 displays these rankings.

[30] Kegler, S.R., Beck, L.F., & Sauber-Schatz, S.K. (2012, July). *Morbidity and Mortality Weekly Report. 61(28), 523-528.*

Exhibit 10: North Carolina Had Higher Teen Traffic Fatality Rates than Other States for the 1999-2010 Period

1999–2010 Unintentional Traffic Fatality Rates Age 15-18

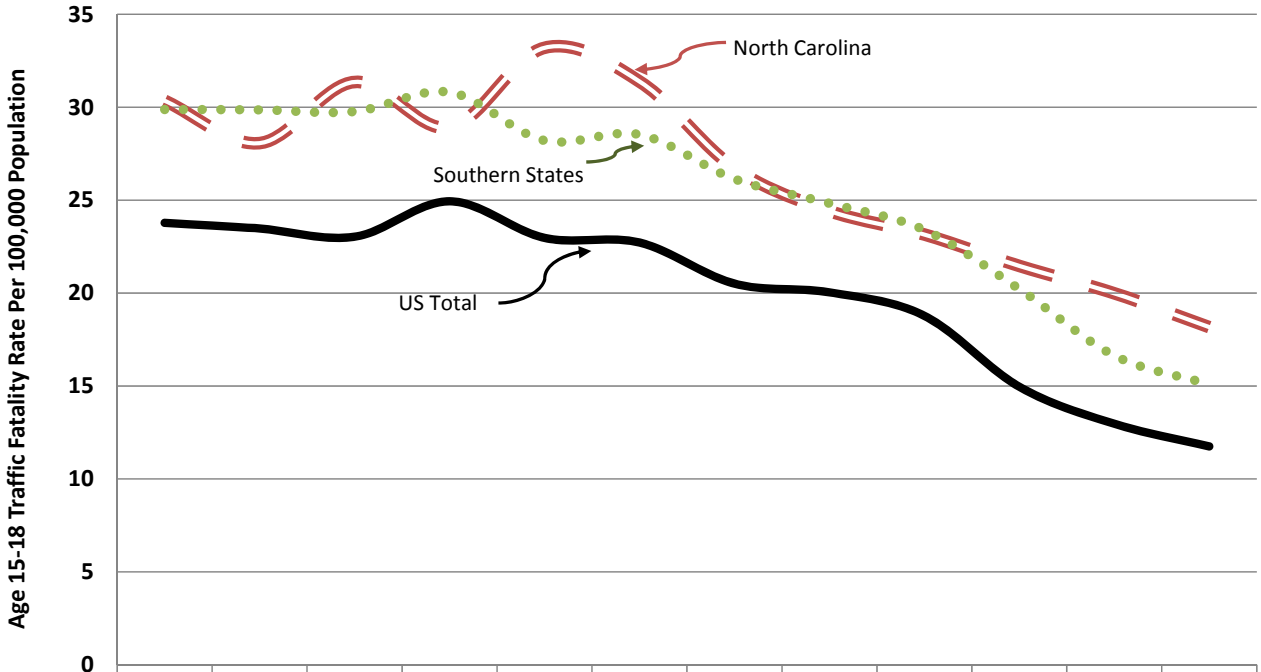
State	Rate	State Rank	State	Rate	State Rank
New Jersey	9.95	1	Iowa	22.49	26
New York	10.32	2	Arizona	22.76	27
Massachusetts	11.02	3	Maine	22.82	28
Rhode Island	12.48	4	Indiana	23.02	29
Connecticut	12.72	5	Georgia	23.08	30
California	13.22	6	Delaware	23.28	31
New Hampshire	14.43	7	**North Carolina**	**26.11**	**32**
Hawaii	14.50	8	Louisiana	26.20	33
Illinois	15.24	9	New Mexico	27.12	34
Washington	15.51	10	Idaho	27.48	35
Maryland	16.62	11	Kansas	28.71	36
Utah	17.06	12	Nebraska	28.95	37
Alaska	17.20	13	Kentucky	30.01	38
Minnesota	17.35	14	North Dakota	30.32	39
Ohio	17.53	15	Oklahoma	30.92	40
Michigan	17.54	16	West Virginia	31.21	41
Oregon	17.98	17	Missouri	31.57	42
Pennsylvania	18.05	18	Tennessee	31.73	43
Virginia	18.85	19	South Carolina	33.03	44
Nevada	19.31	20	Wyoming	33.71	45
Colorado	20.73	21	Alabama	33.95	46
Wisconsin	21.15	22	South Dakota	35.18	47
Texas	21.39	23	Montana	35.71	48
Vermont	21.91	24	Arkansas	35.86	49
Florida	22.14	25	Mississippi	39.70	50
National Average = 19.87					

Source: Program Evaluation Division based on data from WISQARS system data compiled by Statistics, Programming and Economics Branch, National Center for Injury Prevention and Control, Centers for Disease Control NCSH National Vital Statistics System for numbers of deaths as of February 4, 2014; US Census Bureau for Population Estimates.

Teen traffic injury and fatality rates have declined substantially nationwide and in North Carolina in the past fifteen years. This trend is largely the result of other states following North Carolina's lead as one of the first two states implementing GDL in 1997. As shown in Exhibit 11, there was a steady and favorable downward trend in the actual number of traffic fatalities and injuries in North Carolina between 2002 and 2013 for teen drivers age 15-18. The teen traffic fatality rate peaked in 2004 at 190 deaths, and then decreased by 62% to 73 in 2013. The number of injuries followed a similar favorable downward trend, increasing from 2002 to a peak of 23,464 in 2003 but then decreasing every year to 13,122 in 2013.

North Carolina age 15-18 fatality rates declined 40%, from 30.35 per 100,000 in 1999 to 18.17 in 2010, but not as rapidly as the overall national or southern state rates. The national rate declined 51% from 23.78 in 1999 to 11.75 in 2010, while states in the South declined 49% from 29.88 to 15.09.

Exhibit 11: North Carolina Teen Traffic Fatality Rates Have Declined, But Not As Rapidly as in Other States



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
North Carolina	30.35	28.07	31.36	28.91	33.2	31.39	26.72	24.42	23.15	21.46	19.99	18.17
Southern States	29.88	29.86	29.77	30.81	28.21	28.53	26.14	24.83	23.4	20.22	16.64	15.09
United States	23.78	23.47	23.03	24.94	22.97	22.72	20.51	20.04	18.78	14.96	12.97	11.75

Source: Program Evaluation Division based on data from WISQARS system data compiled by Statistics, Programming and Economics Branch, National Center for Injury Prevention and Control, Centers for Disease Control NCSH National Vital Statistics System for numbers of deaths as of February 4, 2014.

Research shows that GDL has had a strong beneficial effect on crashes and fatality rates for drivers ages 16 and 17. The rate of decline for this age group was more rapid than the existing overall lower accident rates for drivers age 30 and above. Several studies have focused on the North Carolina system and found it very effective.[31, 32]

Research on driver education found that while novice driver training is part of GDL, other GDL components are responsible for lowering teen crash rates. Due to the success of GDL, researchers have examined which of its components have been most closely associated with the decline in teen traffic accident rates. These studies have questioned the effectiveness

[31] Foss, R.D., Feaganes, J.R., & Rodgman, E.A. (2001). Initial Effects of Graduated Driver Licensing on 16-Year-Old Driver Crashes in North Carolina. *JAMA, 286(13)*.
[32] Foss, R.D. (2009). Using Research to Drive Public Policy: The Case of the North Carolina Graduated Driver Licensing System, Duke University Center for Child and Family Policy.

of novice driver training and suggest accident reductions are more associated with delaying unsupervised teen driving, increasing hours of mature adult supervised behind-the-wheel experience, limiting nighttime driving, and limiting teen drivers to no more than one teen passenger.[33]

The North Carolina young driver licensing system requires specified hours of parental or adult supervision of teen drivers during the Level 1 (learner permit) and Level 2 (limited provisional) stages of licensure. [34] In order to advance from Level 1 to Level 2, the teen must submit a driving log on a form detailing a minimum of 60 hours of supervised driving. In order to advance from Level 2 to Level 3 (full provisional license), the teen must submit a log detailing a minimum of 12 hours of supervised driving. The driver log must be submitted in writing on a paper form approved by the Division of Motor Vehicles.

North Carolina can improve the integration of parents into the young driver licensing process by better guiding and supporting their role in helping teens learn to drive safely. The University of North Carolina Highway Safety Research Center's Center for the Study of Young Drivers has developed a smartphone application, *Time to Drive*, to improve parental supervision of teen driving practices and help parents ensure teens get enough practice driving in challenging situations (night, rural roads, and heavy traffic). *Time to Drive* costs $3.99 and generates a printable log of driving times, conditions, and hard stops as well as a map of past trips.[35]

In sum, North Carolina's teen accident and fatality rates have declined since the implementation of graduated driver licensing but remain high. Geographic and demographic conditions contribute to North Carolina's higher teen traffic fatality rates, limiting the value of other state comparisons. Nevertheless, parents and teens need to be aware of the elevated risk of traffic accidents. North Carolina can improve the integration of parents into the young driver licensing process by better guiding and supporting their role in helping teens learn to drive safely.

[33] *Overview of the NC Graduated Driver Licensing System*, UNC Highway Safety Research Center. Retrieved December 15, 2013 from http://www.hsrc.unc.edu/safety_info/young_drivers/gdl_overview.cfm.
[34] N.C. Gen. Stat. § 20-11(d)(5),(f)(4).
[35] UNC Highway Safety Research Center *2013 Annual Report*, pp. 8-9. See also http://www.timetodriveapp.com/

Recommendations

Recommendation 1. The General Assembly should strengthen the accountability of the driver education program by requiring statewide performance measures to assess its effectiveness and efficiency.

As explained in Finding 1, the strategic plan for driver education failed to provide performance measures to assess the effectiveness and efficiency of driver education programs administered by local school administrative units. Driver education weaknesses described in this report stem from State Board of Education "delegation" of program responsibility and authority to LEAs contrary to legislative intent and without DPI oversight. Effective oversight requires data-driven oversight.

The General Assembly should require the Department of Public Instruction (DPI) to collect necessary data from the LEAs needed to develop and implement statewide performance measures for the driver education program. As directed in the 2011 driver education reform legislation, the performance measures should include statewide indicators for North Carolina, for local school administrative units, and for high school driver education programs within local school administrative units. DPI should be directed to consult with the University of North Carolina Highway Safety Research Center and the Division of Motor Vehicles on performance indicator design, data collection procedures, and reporting methodologies. At a minimum, the indicators should document who is served, program inputs, activities, and program outcomes.

The General Assembly should require DPI to begin collecting data from LEAs and utilizing data available from DMV to complete development of the performance measures by March 1, 2015. To ensure the performance measures meet the legislative mandate, DPI should be required to provide an interim report to the Joint Legislative Program Evaluation Oversight Committee on the data collection effort and proposed performance measures on or before October 1, 2014, and a final report by March 15, 2015.

Recommendation 2. The General Assembly should direct the Department of Public Instruction and the Division of Motor Vehicles to jointly develop and implement a system for monitoring the performance of student drivers completing driver education.

As explained in Findings 1 and 2, the Department of Public Instruction (DPI) has not collected sufficient and reliable data from local school administrative units to determine the effectiveness and efficiency of the driver education program. Until required by 2013 state law to do so, DPI had not coordinated with the Division of Motor Vehicles (DMV) to monitor the performance of student drivers who complete driver education and receive a driver's license even though DMV collects and annually reports information on teen drivers. The lack of reliable information from local school administrative units and coordination with DMV, means that DPI cannot monitor the effectiveness of the driver education program.

The General Assembly should direct DPI and DMV to jointly develop and implement a system for monitoring the performance of student drivers completing driver education. In developing the system, DPI and DMV should

ensure data and information is confidential, not open to general public inspection, and maintained and disseminated in a manner that protects the identity of teen drivers from general public disclosure.

The proposed system represents a formal sharing of existing information already compiled by DMV and does not require the creation of a new computer system. At a minimum, the monitoring system should track student drivers completing driver education until they reach age 22 and include information on licensure test passage rates, progress through Graduated Driver Licensing requirements, citations, traffic accidents, and fatalities. The monitoring system should identify the local school administrative unit that provided driver education for each driver tracked. This information is currently available because each student must present a driver education certificate issued by an LEA that includes the student's county of residence when applying for licensure. The General Assembly should direct DPI and DMV to collect and share the information needed to monitor the performance of student drivers. DMV should be directed to include information captured through the monitoring system in its annual traffic accident report, including a comparison of citation and accident rates of students completing driver education with other drivers age 22 and younger who obtained a driver license without participating in driver education.

State workforce tracking provides a precedent and model for the proposed system. The recommended system would be nearly identical to the North Carolina Department of Commerce's Labor and Economic Analysis Division (LEAD) follow-up information management system for tracking performance measures related to current and former participants in State job training, education, and placement programs.[36]

DPI needs authority to penalize LEAs for not submitting data. To ensure that DPI receives the necessary information from local school administrative units, the General Assembly should authorize DPI to withhold 10% of a local school administrative unit's annual funding allotment for driver education for any unit not submitting driver education data for the previous fiscal year until the unit submits the required information.

Recommendation 3: The General Assembly should direct the Department of Transportation, in consultation with the Department of Public Instruction, to study the feasibility of offering uniform online classroom driver education.

As explained in Finding 3, the Department of Public Instruction (DPI) does not have a uniform method of delivering the driver education curriculum statewide, and the agency has previously failed to properly execute a mandated pilot program to test the effectiveness of online instruction in comparison to other approaches. DPI and its North Carolina Virtual School have existing regulatory and program mission conflicts of interest that may hinder objectivity in identifying cost-effective practices for online delivery of driver education. Aside from its traditional placement within public schools, driver education is a non-academic program that is not a high

[36] NC Gen. Stat. § 96-32.

school graduation requirement. The State Board of Education and State Superintendent also do not have the inherent responsibility for driver education that they hold regarding the constitutionally-required free public education program.

The Department of Transportation (DOT) has the necessary expertise to conduct a study of online classroom driver education because Division of Motor Vehicles (DMV) issues driver licenses and oversees the Graduated Driver Licensing program. Moreover, because DOT/DMV currently licenses and oversees some driver education instructors and all commercial driving schools, DOT has sufficient program expertise.

The General Assembly should direct the DOT, in consultation with DPI, to study the feasibility of offering the State Board of Education-approved classroom curriculum for driver education online. The scope of the proposed study should include

- the cost-effectiveness and feasibility of statewide online delivery of the classroom component of driver education;
- recommendations for improving statewide administration of driver education including the possibility of transferring administration of the program to the Department of Transportation; and
- the respective future roles and responsibilities, if any, of the State Board of Education, State Superintendent of Education, Department of Public Instruction, and Local Education Authorities.

DOT should be directed to issue a Request for Qualifications (RFQ) to be completed by organizations interested in providing online delivery of the classroom component of the driver education curriculum statewide. A Request for Qualifications is a type of formal solicitation that presumes no binding commitment by either party and is not a competition for a contract award. The RFQ should require potential providers to

- document their experience providing online driver education to students in states similar to North Carolina including demonstration of driver license passage rates for students;
- demonstrate the capacity to provide on-demand online instruction throughout the state 24/7;
- describe the extent of contact required with the student by an instructor to monitor and assess student work and progress in the curriculum and if this could be performed via technology;
- ensure online instruction at a minimum will meet the State Board of Education curriculum standards for driver education and knowledge requirements measured by the DMV licensing exam; and
- describe the capacity of the proposed system for producing accurate and timely data and reports to DPI, students, parents, instructors, school principals, local school administrative units, and researchers with regards to time duration, time of day, and frequency of student interaction with the system, as well as controls to prevent student manipulation, falsification, or hacking.

To ensure DOT has the technical expertise to prepare the RFQ and evaluate vendor responses, the General Assembly should authorize use of highway funds for DOT to contract for the services of a technical advisor. This advisor should have expertise in online education in order to assist in

preparation of specifications for the RFQ and with analysis of proposals submitted by vendors. The technical advisor must not be a provider or potential provider of online driver education.

The General Assembly should also require the director of the University of North Carolina Highway Safety Research Center's Center for the Study of Young Drivers and the Department of Public Instruction's driver education coordinator to provide assistance to DOT with developing the RFQ and evaluating proposals submitted by vendors. DOT should be authorized to request and receive assistance from other stakeholders as identified by DOT. DPI and local school administrative units should be directed to cooperate with information requests from DOT in a timely fashion.

Given the difficulties experienced by DPI in administering the program, the study should provide recommendations for improving statewide administration of driver education including the possibility of transferring administration of the program to the Department of Transportation Ultimately, while the General Assembly may wish to maintain the State Board of Education's responsibility for the driver education curriculum, the Department of Transportation/DMV could be a more appropriate administrator for any statewide online instruction consistent with that curriculum as well as behind-the-wheel skill training because of DOT expertise in driver licensing and traffic safety.

The study should also address the number of instructors who may be required at the local level to provide hands-on student assistance as students progress through online classwork, behind-the-wheel training, and driver license testing and any associated paperwork. The report should include any potential cost savings and compare the number of driver education instructors under the proposed method utilizing online delivery compared to the existing number of instructors.

The General Assembly should also require DOT to consult with the Joint Legislative Program Evaluation Oversight Committee by December 1, 2014 before finalizing the report.

Recommendation 4: The General Assembly should require State agencies and institutions initiating pilot projects at the direction of the legislature to adhere to standards established by the School of Government at the University of North Carolina at Chapel Hill.

As shown in Finding 3, the State Board of Education initiated the review of electronic instruction of driver education as directed by the General Assembly, but DPI initiated the pilot without sufficient technical guidance on how to design the project. As a result, the pilot program could not provide valid policy guidance on future expansion and costs of online instruction.

To ensure that pilot programs or projects initiated by legislature are properly designed to provide results, the General Assembly should require State agencies or institutions to utilize standards prepared by the School of Government at the University of North Carolina at Chapel Hill when directed by the legislature to complete a pilot project, field trial or other temporary experiment.

The General Assembly should require the School of Government at the University of North Carolina at Chapel Hill, in cooperation with other universities and researchers, to develop and publish the standards. The standards should provide a range of optional methods for accomplishing projects that would consider resources and time available. The initial standards should be finalized only after consultation with the Joint Legislative Program Evaluation Oversight Committee. The School of Government should be required to present the standards to the Chairs of the Joint Legislative Program Evaluation Oversight Committee and to the Director of the Program Evaluation Division by January 1, 2015. If the joint committee does not hold a meeting within 90 days of receiving the submission of the standards, the consultation requirement is satisfied. Thereafter, all pilot programs, field trials, or other temporary experiments initiated by the legislature would be required to adhere to these standards unless the General Assembly specifically exempts a pilot program from the requirement. The School of Government should be also authorized to update the standards as it deems necessary.

Appendix

Appendix A: Driver Education Expenditures and Expenditures Per Student by Local Education Agency

Agency Response

A draft of this report was submitted to the Department of Public Instruction, Division of Motor Vehicles, and the UNC School of Government to review and respond. DPI and School of Government responses are provided following the appendices. DMV chose not to respond.

Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact John W. Turcotte at john.turcotte@ncleg.net.

John W. Turcotte is the director of the Program Evaluation Division.

Appendix A: Total FY 2012-2013 Driver Education Expenditures and Expenditures Per Student by Local Education Agency

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Alamance-Burlington	Combination		$ 410,914				$ 410,914	N/A
Alexander County	In-house	420	$ 85,959	$ 15,130	$ 3,038	$ 18,168	$ 104,127	$ 247.92
Alleghany County	In-house	151	$ 21,490				$ 21,490	$ 142.32
Anson County	In-house	218	$ 64,268				$ 64,268	$ 294.81
Ashe County	In-house	220	$ 60,854				$ 60,854	$ 276.61
Asheboro City	Contractor with LEA-furnished vehicles and supplies	263	$ 49,407				$ 49,407	$ 187.86
Asheville City	Contractor		$ 82,545				$ 82,545	N/A
Avery County	In-house	160	$ 39,967				$ 39,967	$ 249.79
Beaufort County	Combination	479	$ 127,733	$ 21,555		$ 21,555	$ 149,288	$ 311.67
Bertie County	Contractor with LEA-furnished vehicles and supplies	167	$ 64,268				$ 64,268	$ 384.84

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Bladen County	In-house	310	$ 85,034				$ 85,034	$ 274.30
Brunswick County	Contractor with LEA-furnished vehicles and supplies		$ 215,044				$ 215,044	N/A
Buncombe County	Contractor with LEA-furnished vehicles and supplies	2,163	$ 479,602	$ 30,240		$ 30,240	$ 509,842	$ 235.71
Burke County	In-house	1,061	$ 221,324				$ 221,324	$ 208.60
Cabarrus County	In-house	2,441	$ 513,543	$ 75,754		$ 75,754	$ 589,297	$ 241.42
Caldwell County	Contractor	837	$ 206,863				$ 206,863	$ 247.15
Camden County	Contractor with LEA-furnished vehicles and supplies	140	$ 23,520				$ 23,520	$ 168.00
Carteret County	Combination		$ 156,051	$ 9,715		$ 9,715	$ 165,766	N/A
Caswell County	In-house	175	$ 46,996				$ 46,996	$ 268.55
Catawba County	Combination	1,219	$ 302,546				$ 302,546	$ 248.19

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Chapel-Hill/Carrboro City	Combination	844	$ 211,058				$ 211,058	$ 250.07
Charlotte-Mecklenburg County	Combination	9,753	$ 2,845,877	$ 429,885		$ 429,885	$ 3,275,762	$ 335.87
Chatham County	In-house	646	$ 146,813				$ 146,813	$ 227.26
Cherokee County	In-house	290	$ 61,256				$ 61,256	$ 211.23
Clay County	In-house	102	$ 18,264				$ 18,264	$ 179.06
Cleveland County	In-house	1,236	$ 285,190	$ 41,985		$ 41,985	$ 327,175	$ 264.70
Clinton City	In-house	176	$ 45,189	$ 7,920		$ 7,920	$ 53,109	$ 301.76
Columbus County	Combination	467	$ 113,674				$ 113,674	$ 243.41
Craven County	Combination	730	$ 254,254	$ 35,955		$ 35,955	$ 290,209	$ 397.55
Cumberland County	In-house	3,145	$ 976,275	$ 144,585		$ 144,585	$ 1,120,860	$ 356.39

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Currituck County	Combination	294	$ 63,264		$ 7,885	$ 7,885	$ 71,149	242.00
Dare County	Contractor with LEA-furnished vehicles and supplies	314	$ 69,412	$ 16,020		$ 16,020	$ 85,432	$ 272.08
Davidson County	In-house	1,757	$ 367,333	$ 71,623		$ 71,623	$ 438,956	$ 249.83
Davie County	In-house	668	$ 103,231	$ 18,000		$ 18,000	$ 121,231	$ 181.48
Duplin County	In-house	421	$ 154,091				$ 154,091	$ 366.01
Durham County	In-house	1,786	$ 644,921	$ 81,135		$ 81,135	$ 726,056	$ 406.53
Edenton-Chowan County	Contractor		$ 45,590				$ 45,590	N/A
Edgecombe County	Contractor with LEA-furnished vehicles and supplies	284	$ 123,737	$ 6,205		$ 6,205	$ 129,942	$ 457.54
Elizabeth City/Pasquotank Cnty	Contractor with LEA-furnished vehicles and supplies	251	$ 101,423				$ 101,423	$ 404.08
Elkin City	Contractor		$ 17,071				$ 17,071	N/A

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Franklin County	Contractor with LEA-furnished vehicles and supplies	696	$ 144,525				$ 144,525	$ 207.65
Gaston County	Contractor with LEA-furnished vehicles and supplies	1,868	$ 576,860				$ 576,860	$ 308.81
Gates County	Contractor with LEA-furnished vehicles and supplies	165	$ 29,860				$ 29,860	$ 180.97
Graham County	In-house	76	$ 19,059	$ 1,900		$ 1,900	$ 20,959	$ 275.78
Granville County	In-house		$ 164,687				$ 164,687	N/A
Greene County	In-house	230	$ 58,645	$ 58		$ 58	$ 58,703	$ 255.23
Guilford County	Contractor with LEA-furnished vehicles and supplies	5,044	$ 1,170,509				$ 1,170,509	$ 232.06
Halifax County	In-house	151	$ 61,256	$ 6,795		$ 6,795	$ 68,051	$ 450.67
Harnett County	In-house	1,172	$ 364,120	$ 65,115		$ 65,115	$ 429,235	$ 366.24
Haywood County	In-house		$ 146,210				$ 146,210	N/A

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Henderson County	Contractor with LEA-furnished vehicles and supplies	967	$ 248,236	$ 39,735		$ 39,735	$ 287,971	$ 297.80
Hertford County	Contractor	202	$ 53,021				$ 53,021	$ 262.48
Hickory City	Contractor with LEA-furnished vehicles and supplies	289	$ 77,323	$ 300		$ 300	$ 77,623	$ 268.59
Hoke County	Contractor with LEA-furnished vehicles and supplies	385	$ 125,122				$ 125,122	$ 324.99
Hyde County	In-house	55	$ 10,644				$ 10,644	$ 193.53
Iredell-Statesville	In-house	1,825	$ 427,585	$ 79,748		$ 79,748	$ 507,333	$ 277.99
Jackson County	In-house	256	$ 59,850	$ 7,268		$ 7,268	$ 67,118	$ 262.18
Johnston County	In-house	1,006	$ 555,910	$ 101,865		$ 101,865	$ 657,775	$ 653.85
Jones County	Contractor		$ 13,140				$ 13,140	N/A
Kannapolis City	In-house	320	$ 94,183	$ 16,695		$ 16,695	$ 110,878	$ 346.49

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Lee County	In-house		$ 169,307				$ 169,307	N/A
Lenoir County	Contractor	657	$ 179,849				$ 179,849	$ 273.74
Lexington City	Contractor with LEA-furnished vehicles and supplies	115	$ 49,607				$ 49,607	$ 431.37
Lincoln County	Contractor	858	$ 215,499				$ 215,499	$ 251.16
Macon County	In-house		$ 82,344				$ 82,344	N/A
Madison County	Contractor	206	$ 43,984	$ 3,960		$ 3,960	$ 47,944	$ 232.74
Martin County	In-house	252	$ 62,260				$ 62,260	$ 247.06
McDowell County	In-house	478	$ 103,231	$ 21,300		$ 21,300	$ 124,531	$ 260.53
Mitchell County	Contractor	176	$ 39,364	$ 3,400		$ 3,400	$ 42,764	$ 242.98
Montgomery County	In-house	381	$ 65,674	$ 12,564		$ 12,564	$ 78,238	$ 205.35

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Moore County	In-house		$ 247,433				$ 247,433	N/A
Mooresville City	In-house	437	$ 103,030				$ 103,030	$ 235.77
Mount Airy City	Contractor with LEA-furnished vehicles and supplies		$ 29,110				$ 29,110	N/A
Nash-Rocky Mount	Contractor with LEA-furnished vehicles and supplies	1,292	$ 319,258				$ 319,258	$ 247.10
New Hanover County	In-house	1,326	$ 451,227	$ 33,181		$ 33,181	$ 484,408	$ 365.32
Newton-Conover City	In-house	192	$ 57,841				$ 57,841	$ 301.26
Northampton County	Contractor with LEA-furnished vehicles and supplies		$ 45,270				$ 45,270	N/A
Onslow County	Combination	1,673	$ 429,794				$ 429,794	$ 256.90
Orange County	In-house	510	$ 142,796	$ 10,825		$ 10,825	$ 153,621	$ 301.22
Pamlico County	Contractor with LEA-furnished vehicles and supplies	107	$ 26,912				$ 26,912	$ 251.51

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Pender County	In-house	614	$ 151,834	$ 27,630		$ 27,630	$ 179,464	$ 292.29
Perquimans County	Combination	126	$ 27,031	$ 120		$ 120	$ 27,151	$ 215.48
Person County	Combination	419	$ 98,820	$ 23,535		$ 23,535	$ 122,355	$ 292.02
Pitt County	Combination	1,491	$ 433,007	$ 59,640		$ 59,640	$ 492,647	$ 330.41
Polk County	Contractor	188	$ 43,783	$ 3,940		$ 3,940	$ 47,723	$ 253.85
Randolph County	In-house	1,365	$ 308,487	$ 55,620		$ 55,620	$ 364,107	$ 266.74
Richmond County	In-house	572	$ 135,967				$ 135,967	$ 237.70
Roanoke Rapids City	In-house	140	$ 54,425				$ 54,425	$ 388.75
Robeson County	In-house	1,122	$ 434,413	$ 14,175		$ 14,175	$ 448,588	$ 399.81
Rockingham County	In-house	1,115	$ 240,850	$ 21,075		$ 21,075	$ 261,925	$ 234.91

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Rowan-Salisbury County	In-house	1,469	$ 340,314				$ 340,314	$ 231.66
Rutherford County	Contractor	782	$ 169,307	$ 13,506		$ 13,506	$ 182,813	$ 233.78
Sampson County	In-house	655	$ 148,821				$ 148,821	$ 227.21
Scotland County	In-house	445	$ 111,465				$ 111,465	$ 250.48
Stanly County	Contractor with LEA-furnished vehicles and supplies	810	$ 164,687				$ 164,687	$ 203.32
Stokes County	In-house	502	$ 128,737	$ 21,060		$ 21,060	$ 149,797	$ 298.40
Surry County	In-house	679	$ 148,821	$ 22,960		$ 22,960	$ 171,781	$ 252.99
Swain County	In-house		$ 52,942			$ -	$ 52,942	N/A
Thomasville City	In-house		$ 46,014	$ 20,250		$ 20,250	$ 66,264	N/A
Transylvania County	Contractor	170	$ 63,633	$ 5,140		$ 5,140	$ 68,773	$ 404.55

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Tyrrell County	Contractor	33	$ 8,110				$ 8,110	$ 245.76
Union County	In-house	2,867	$ 738,683	$ 128,340		$ 128,340	$ 867,023	$ 302.41
Vance County	In-house	567	$ 157,055	$ 11,725		$ 11,725	$ 168,780	$ 297.67
Wake County	Combination	11,005	$ 2,846,022	$ 491,175		$ 491,175	$ 3,337,197	$ 303.24
Warren County	Contractor with LEA-furnished vehicles and supplies	199	$ 43,710				$ 43,710	$ 219.65
Washington County	Contractor with LEA-furnished vehicles and supplies	165	$ 30,728	$ 6,270		$ 6,270	$ 36,998	$ 224.23
Watauga County	In-house	345	$ 74,109	$ 21,000		$ 21,000	$ 95,109	$ 275.68
Wayne County	Contractor with LEA-furnished vehicles and supplies	1,354	$ 329,977				$ 329,977	$ 243.71
Weldon City	Contractor with LEA-furnished vehicles and supplies		$ 37,356				$ 37,356	N/A
Whiteville City	Combination		$ 47,799				$ 47,799	N/A

Local Education Agency (LEA)	Driver Education Delivery Method	Students Completing Classroom Instruction	State Highway Funds	Student Fees	Other Local Funds	Total Local Funds	Total State and Local Funds	Cost Per Student Completing Classroom Instruction
Wilkes County	In-house	657	$ 167,700	$ 30,215		$ 30,215	$ 197,915	$ 301.24
Wilson County	In-house		$ 231,333				$ 231,333	N/A
Winston-Salem/Forsyth County	Combination	3,470	$ 985,111	$ 83,790		$ 83,790	$ 1,068,901	$ 308.04
Yadkin County	In-house		$ 94,193				$ 94,193	N/A
Yancey County	Contractor		$ 38,762				$ 38,762	N/A
STATEWIDE TOTALS								
TOTAL NOT REPORTING Classroom STUDENTS	**21**		**$ 2,373,115**	**$ 29,965**	**$ 0**	**$ 29,965**	**$ 2,403,080**	
TOTAL REPORTING Classroom STUDENTS	**94**	**90,281**	**$ 23,931,275**	**$ 2,441,617**	**$ 10,923**	**$ 2,452,540**	**$ 26,383,815**	**$ 292.24**
GRAND TOTAL	**115**	**90,281**	**$ 26,304,390**	**$ 2,471,582**	**$ 10,923**	**$ 2,482,505**	**$ 28,786,895**	

PUBLIC SCHOOLS OF NORTH CAROLINA
DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

March 13, 2014

Mr. John W. Turcotte, Director
Program Evaluation Division
North Carolina General Assembly
Legislative Office Building, Suite 100
300 North Salisbury Street
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

The North Carolina Department of Public Instruction (DPI) appreciates the opportunity to review and comment on the Program Evaluation Division's (PED) study to evaluate driver education in North Carolina as administered statewide by the Department of Public Instruction and conducted by local education agencies (LEAs) as directed by the Joint Legislative Program Evaluation Oversight Committee. DPI staff involved in the review appreciates the professionalism and courtesy PED staff displayed during the review processes. DPI is committed to providing a superior state driver education program and has implemented all aspects of the legislative requirements proposed in SL 2011-145, Section 28.37, to meet the goals of the General Assembly.

Careful consideration has been given to the findings and recommendations in the report and responses to each recommendation are below.

Recommendation 1

The General Assembly should strengthen the accountability of the driver education program by requiring statewide performance measures to assess its effectiveness and efficiency.

DPI Response

The State Board of Education (SBE) is in the process of revising its overall strategic plan. As a part of that revision, the Department of Public Instruction will add performance indicators for driver education. Those measures will be in place by August 2014. Specifically, the SBE adopted the driver education strategic plan in 2013. To date, DPI has prepared a driver education performance matrix which provides the necessary objectives and accountability measures required by the legislation.

Enacted by SBE Policy in November 2013, the Driver Education Advisory Committee (DEAC) consists of various driver and traffic safety stakeholders who meet quarterly to oversee the driver education program. Prior to implementation of DEAC, a Driver Education Committee consisting of representatives from the Department of Public Instruction, Governors Highway Safety, Department of Transportation, East Carolina University, Local Education Agencies and Driver Education Commercial Schools began meeting in 2012, but was not specifically authorized by SBE policy. DEAC oversees the implementation of the driver education strategic plan, makes recommendations to the SBE for continuous improvement and reviews existing policies for recommended changes.

In September 2013, DPI communicated to all LEA Driver Education Coordinators and commercial driving schools that the driver education survey data will need to be reported at the conclusion of each fiscal year beginning in 2013-2014. DPI will provide data reporting workshops for LEA Driver Education Coordinators during a session at the North Carolina Driver and Traffic Safety Education Conference in April 2014 and in all regions through June 30, 2014, to ensure a comprehensive understanding of this request.

Survey data includes LEAs responses on more than 40 issues. A sample of the data requested in the report includes the number of students participating in classroom instruction and behind the wheel instruction, student grade level, type of driver education program, school designation (public, charter, private), fee collections and other specific data as part of the program. A complete list is available upon request. The Driver Education Program data will serve as the baseline for assessing the Driver Education Program through these measurable objectives and performance indicators.

DPI will collect Driver Education Program data from each LEA at the end of the 2013-14 school year. This data will provide sufficient information to establish a baseline for the program to assess the effectiveness and efficiency of the Driver Education program provided to all students taking the course. The data will be shared with the State Board of Education and DEAC as part of the ongoing oversight of the Program.

Recommendation 2

The General Assembly should direct the Department of Public Instruction and the Division of Motor Vehicles to jointly develop and implement a system for monitoring the performance of student drivers completing driver education.

DPI Response

LEA finance officers report DPI driver education expenditures monthly to the DPI Finance & Business Department. This information is available upon request. Driver Education Coordinators are expected to report program data yearly. During the 2013-14 fiscal year, DPI issued clear communication to LEA Coordinators on the expanded request for data due to DPI by the end of the fiscal year. DPI will continue to provide support and workshops to LEAs on the new data request to provide measurable objectives and indicators for the performance of the driver education program across North Carolina. The SBE and DPI goal is 100% survey participation by the LEAs.

During the past year, the DPI and the Division of Motor Vehicles (DMV) established a working relationship to support student drivers in NC and continue to raise the expectations for our student drivers. If the General Assembly passes legislation requiring DPI and DMV to implement a computer program to track NC students who still reside in the State to gather data to monitor student driver performance, a thorough analysis of applicable privacy protection laws must ensue. Additionally, both agencies would likely need additional funding to implement such a monitoring system.

Recommendation 3

The General Assembly should direct the Department of Transportation, in consultation with the Department of Public Instruction, to study the feasibility of offering uniform online classroom driver education.

DPI Response

State law provides every LEA with the flexibility to develop a driver education program. DPI provides a standardized state curriculum that all LEAs are expected to use for all students in the program. The State Board has four Driver Education Program policies that LEAs must follow.

In February 2014, DEAC reviewed SBE policies that include classroom and behind the wheel requirements. DEAC is currently in the process of reviewing the SBE driver education policy on instructor qualifications. DEAC is continuing to assess this issue to determine how to provide additional educational support to new and existing driver education teachers in the face of recent obstacles such as East Carolina University's decision to drop the driver education training program as well as the limited effective teacher training received with the DMV driver education instructor certification course.

DPI implemented the online pilot program as part of the 2011 legislation. There were only five LEAs who agreed to participate in the pilot project, and as a result, there was a limited amount of data produced. DPI provided support to each of the five LEAs who agreed to participate and worked with the evaluating agency to ensure the fidelity of the pilot project. DEAC also has a subcommittee, led by a UNC Highway Safety Research committee member, with which DPI will work closely in developing and analyzing future driver education pilots.

DPI will cooperate with DOT in an online driver education feasibility study, if directed by the General Assembly. DPI requests that the Driver Education Advisory Committee be involved in any online classroom instruction study since they are currently considering the possibility of increasing the driver education classroom hours from 30 to 45 and including an option for online instruction as a component in allowing the LEAs to meet this objective. DPI plans to pilot the potential offering with interested LEAs to determine the costs and effectiveness.

I take exception to the report's statement indicating that "DPI and its North Carolina Virtual School have existing regulatory and program mission conflicts that may hinder objectivity in identifying cost-effective practices for online delivery of driver education." Our virtual school is one the most efficient ways to deliver online instruction in a cost-effective manner.

Recommendation 4

The General Assembly should require State agencies and institutions initiating pilot projects at the direction of the legislature to adhere to standards established by the School of Government at the University of North Carolina at Chapel Hill.

DPI Response

The Department defers to the General Assembly for response to this recommendation but welcomes the opportunity to continue to work with the School of Government at the University of North Carolina at Chapel Hill.

Again, thank you for the opportunity to review and comment on the Program Evaluation Division's Report, "Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program." The Department of Public Instruction looks forward to working with the General Assembly in efforts to continue to improve the NC Driver Education Program. The State Board of Education, the Department of Public Instruction and the Driver Education Advisory Committee are committed to implementing the strategic plan and tracking its effectiveness with measurable objectives and performance indicators. The Driver Education Program, like all education initiatives in NC, continues to evolve and improve with the implementation of new policies and procedures as well as a standardized curriculum and strategic plan. The State Board of Education and the Department of Public Instruction are committed to working collaboratively with all driver and traffic safety stakeholders in the effort to reduce crashes and fatalities among our North Carolina Teen Drivers.

Sincerely,

June St. Clair Atkinson

June St. Clair Atkinson

JSA:RF:jlw

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MICHAEL R. SMITH
Dean

March 12, 2014

Mr. John W. Turcotte, Director
Program Evaluation Division
Legislative Office Building, Suite 100
300 North Salisbury Street
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to review and respond to selected portions of the Program Evaluation Division's (PED) report on Driver Education in North Carolina. In particular, we would like to comment on PED's draft recommendations that the General Assembly (1) require the UNC School of Government (School), in cooperation with other universities and researchers, to develop and publish project design standards and (2) mandate that state agencies or institutions utilize those standards in their pilot projects, field trials, or other temporary experiments directed by the legislature.

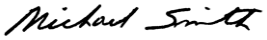
We appreciate PED enlisting the School in its effort to make agency pilot projects more rigorous in their experimental design, to ensure that data or other information generated by such projects is of sufficient quality for analysis and decision-making. We at the School are capable of researching pilot project design standards at various levels of government and in other sectors. We would consult outside experts and catalog best practices, then use these accepted norms and our knowledge of North Carolina state government to create general design standards to serve as methodological guidelines for agency project managers.

As the General Assembly considers these recommendations, we look forward to further discussions about scope of work, resources, and timeframes in order to ensure that we meet the legislature's expectations. This type of undertaking would require a significant investment by a faculty member and likely one or more staff members, in addition to independent review by relevant experts. Going forward, if the legislature's intent is for agency project managers to consult the School in a substantial way about their pilot projects' adherence to our design

standards, we would ask that the legislature or individual agencies include funding in project budgets to compensate this professional review whenever possible. This would allow the School to maintain its capacity to consult with agencies on their project designs and to update the design standards as appropriate.

Again, thank you for allowing us to comment on PED's draft recommendations. We value our relationship with PED and appreciate any opportunity to be of service to the General Assembly.

Sincerely,



Michael R. Smith
Dean