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Justification Review

Driver License-Related Activities
Performed by the Licenses,
Titles, and Regulations Program
Department of Highway Safety and Motor Vehicles

Report No. 01-02 January 2001

*Office of Program Policy Analysis
and Government Accountability*

an office of the Florida Legislature

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John W. Turcotte, OPPAGA Director



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



John W. Turcotte, Director

January 2001

The President of the Senate,
the Speaker of the House of Representatives,
and the Joint Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of driver license-related activities performed by the licenses, titles, and regulations program of the Department of Highway Safety and Motor Vehicles. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. This review was conducted by Cleo Johnson and Sibylle Allendorff under the supervision of Becky Vickers.

We wish to express our appreciation to the staff of the Department of Highway Safety and Motor Vehicles for their assistance.

Sincerely,

John W. Turcotte
Director

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Executive Summary

Justification Review of the Driver License-Related Activities Performed by the Licenses, Titles, and Regulations Program of the Department of Highway Safety and Motor Vehicles

Purpose

This report presents the results of our Program Evaluation and Justification Review of the driver license-related activities performed by the Department of Highway Safety and Motor Vehicles' Licenses, Titles, and Regulations Program. State law directs our office to complete a justification review of each state agency program that is operating under a performance-based program budget. Our office reviews each program's performance and identifies alternatives for improving services and reducing costs.

The Licenses, Titles, and Regulations Program is composed of two former programs (the Driver Licenses Program and the Motor Vehicles Program) that were combined by the 2000 Legislature. For purposes of reporting the results of our justification review, we are reporting on the program's driver license-related and motor vehicle-related activities in two separate reports.

Background

The Licenses, Titles, and Regulations Program's driver license-related activities are intended to increase consumer protection and public safety by licensing only those drivers who demonstrate the necessary knowledge, skills, and abilities to operate motor vehicles on Florida's roads; suspending and revoking licenses of drivers who abuse their driving privileges; monitoring drivers to ensure that they carry required insurance to be financially responsible for their actions; and maintaining driver history records that are provided to the courts, law enforcement agencies, insurance companies, attorneys, employers, state agencies, and private citizens. Driver license-related activities are divided into four service categories.

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- *Driver Licensure* provides licensing services that include issuing driver licenses and identification cards, answering telephones to resolve customer inquiries, and maintaining comprehensive driver history.
- *Motorist Financial Responsibility Compliance* ensures that licensed drivers comply with Florida automobile insurance laws.
- *Identification and Control of Problem Drivers* identifies and controls problem drivers through suspending, revoking, disqualifying, and canceling driving privileges; conducting administrative reviews for issuance of limited restricted licenses for offenders; and approving course curriculum and evaluating driver improvement-related courses.
- *Executive Direction and Support Services* administers general business functions, planning, resource management, and supports all driver license-related activities.

The department may authorize county tax collectors to serve as its agents for the purpose of providing driver licensing services. Twenty-one of Florida's 67 county tax collectors are approved as agents of the department to provide driver licensing services.

For Fiscal Year 2000-01, the program was allocated \$75,166,982 and 1,471 positions for driver license-related activities. The program's Fiscal Year 2000-01 revenues are budgeted to be distributed to the Highway Safety Operating Trust Fund (\$56,138,000), other state agency trust funds (\$2,525,000), and general revenue (\$66,045,000).

Program Benefit and Placement ---

The primary public benefits of the program's driver licensing activities are promoting public safety on state roads, providing citizens with a universally accepted form of identification, assisting citizens when this identification is stolen or used fraudulently, and serving as a significant source of state revenues. Abolishing these activities would eliminate the state's only option for taking away the driving privileges of persons who do not obey state driving laws, such as those who commit numerous traffic violations or drive under the influence of alcohol and drugs. As such, eliminating the program could endanger the public.

The activities associated with driver licensing are closely aligned with motor vehicle-related activities and fall within the mission of the Department of Highway Safety and Motor Vehicles. Keeping driver license, motor vehicle, and Highway Patrol activities within one agency promotes the coordination of these activities, such as when enforcing state motor vehicle insurance laws, investigating driver license and

identification card fraud cases, and promoting driver safety and education.

The Department of Highway Safety and Motor Vehicles and the Florida Department of Transportation have some similarities in mission and activities. The state might be able to reduce the executive direction and support costs of the Department of Highway Safety and Motor Vehicles by merging it with the Florida Department of Transportation. However, the resulting agency would be very large and thus might be difficult to administer. The Legislature should consider the option of merging the Department of Highway Safety and Motor Vehicles with the Florida Department of Transportation.

Program Performance

The program met most of its performance standards for driver license-related activities during Fiscal Year 1999-2000. However, the department has been inconsistent in including the driver licensing activities performed by county tax collectors in calculating program outputs.

Control of Problem Drivers

Graduated driver licensing. Although Florida's teenage driver crash rates have decreased following the implementation of graduated driver licensing, teenage drivers are still more likely than other age groups to be involved in traffic crashes. Florida may be able to further reduce the rate of crashes involving teenage drivers by restricting the number of passengers that these drivers may have in their vehicles. Therefore,

- the Legislature should consider amending statutes to restrict the number of passengers allowed in vehicles driven by teenagers affected by the graduated driver licensing system, and
- the Department of Highway Safety and Motor Vehicles should annually review the impact of the state's graduated driver licensing system on crash rates, including the impact of any legislative changes to the system, and make recommendations to the Legislature as to whether further restrictions are needed in Florida.

Elder drivers. As drivers age, they are increasingly at risk of being involved in traffic crashes. Analysis of crash data shows sharp increases in crash risk after drivers pass age 69. This increased risk is related to the impact of aging on health and a variety of physical and cognitive functions. Elder drivers who do not choose to restrict their driving when their functional abilities are impaired may risk their own safety, health, and life, as well as those of other drivers.

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Florida's driver licensing system is not prepared to address the challenges posed by a large and growing elder population. Drivers may renew their driver licenses for up to 18 years through mail-in renewals without any direct contact with a licensing agent who may identify possible impairments. Further, the Department of Highway Safety and Motor Vehicles' current approaches for assessing and screening elder drivers are inadequate for detecting many vision, physical, and cognitive problems that would impair one's driving ability. The department is in the process of pilot testing driver skill assessment methodology that may help it develop a better driver screening system.

To provide a more proactive driver licensing system addressing the problem of increased crash risk of elder drivers, the Legislature should

- at a minimum, revise statutes to eliminate the mail-in renewal option for drivers over a certain age,
- consider revising statutes to shorten renewal time periods for drivers 70 years of age and older, and
- require the Department of Highway Safety and Motor Vehicles to develop age-based driver skill and vision assessment requirements for driver license renewals.

Cellular telephone use while driving. Recent research shows that cellular phone usage while driving may increase the risk of being involved in a traffic crash. However, the state does not presently collect data needed to evaluate whether cellular phone usage is a significant factor in Florida's traffic crashes. The Department of Highway Safety and Motor Vehicles should

- modify its crash reporting system and database so that it compiles data indicating whether the use of cellular phones or other distractions such as route guidance systems were a factor contributing to crashes, and
- if its analyses indicate cellular phone usage or other items such as route guidance systems are a significant factor, make recommendations to the Legislature as to whether legislation is needed to regulate the use of these items while driving.

Driver improvement schools. The department's evaluation of driver improvement school courses based on sampling participating students is sporadic and not sufficient to help providers identify all under-performing schools. Since the department regularly receives electronic data from course providers on all of the students attending their courses, it has the information needed to assist providers in more thoroughly evaluating individual school performance. The department should

- discontinue evaluating driver improvement course providers on a sampling basis and instead evaluate their performance using crash data for all students attending the schools with which the provider

contracts. These evaluations should be conducted at least every three years.

Driver license testing. The department periodically revises its driver tests in response to changes in Florida's driving laws and requests made by various stakeholders. However, it has not established a system for continuously assessing and improving the tests' validity as predictors of a person's knowledge, skills, and ability to drive safely on Florida's roads. Accordingly, the department should

- establish a system for continuously assessing the validity of its driver tests as tools for determining whether individuals have the requisite knowledge, skills, and ability needed to drive safely on Florida's roads. As part of this system, department staff should analyze existing data to identify factors contributing to motor vehicle crashes and determine whether the driver tests adequately assess a license applicant's knowledge of these factors, and whether the applicant has the skills and abilities needed to avoid these situations. They should also conduct research to determine whether more extensive testing, such as conducting road tests in actual traffic conditions or adding more driver safety-related items to the tests, would be cost-beneficial in reducing crashes.

Privatization and Outsourcing

Further contracting of driver license-related services is feasible, especially expanding the use of county tax collectors as driver license agents and the use of third party testers. However, if the department increases its use of third-party testers, it will need to increase its training and monitoring of contractors to reduce the possibility of fraud and to maintain the integrity of the driver license system.

Other states' driver licensing programs have contracted with private entities to provide driver licensing services such as issuing driver licenses and identification cards. Current contracting has proved to be beneficial in that it has resulted in cost avoidance to the department and provided more available service areas for customers' convenience. It is thus likely that contracting with private entities to provide driver licensing services would create more options for consumers with little impact or a positive impact on state costs.

Accordingly, the Department of Highway Safety and Motor Vehicles should

- expand its contracting with county tax collectors to provide driver licensing services, especially in the areas where the department is considering closing field offices,

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- expand its contracting with third-party contractors to conduct road tests for regular driver licenses in addition to commercial driver licenses, and
- develop and implement analytical indicators to measure and assess contractor performance and evaluate and strengthen its monitoring and oversight practices to detect potential fraud with third-party contractors.

The Legislature should also amend statutes to

- authorize private entities contracted by the department to be driver license agents for the provision of specified driver licensing services,
- authorize the department to set a fee range contractors may charge for specified driver licensing services, and
- direct the department to pursue contracting with private entities on a pilot basis to provide driver licensing services to the citizens of Florida.

Uninsured Motorists

Insurance data errors and untimely reporting of insurance policy information continue to hinder the department's efforts to identify uninsured motorists. The department is unable to readily identify the companies that are in violation of the reporting laws. Identifying and reporting these insurance companies to the Department of Insurance is essential to bring the companies into compliance with statutory reporting timeframes.

To improve the accuracy and timeliness of insurance company policy data, the Department of Highway Safety and Motor Vehicles should

- provide ongoing training and workshops for department staff, county tax collector staff, and representatives of insurance companies that address reporting accurate and timely data;
- develop and maintain a computer program to identify insurance companies that untimely report insurance policy data;
- develop criteria for determining the degree of noncompliance that would warrant reporting insurance companies to the Department of Insurance as being out of compliance with reporting timeframes; and
- generate and submit a report identifying insurance companies that are not in compliance with reporting laws to the Department of Insurance on a quarterly basis.

The Department of Insurance should provide follow-up information to the Department of Highway Safety and Motor Vehicles as to actions taken to bring insurance companies into compliance with motor vehicle insurance reporting requirements.

Agency Response

The Executive Director of the Department of Highway Safety and Motor Vehicles and the Commissioner of the Department of Insurance provided a written response to our preliminary and tentative findings and recommendations. (See Appendices C and D, pages 51 and 59, for their responses.)

Introduction

Purpose

This report presents the results of our Program Evaluation and Justification Review of the Driver Licenses-Related Activities Performed by the Department of Highway Safety and Motor Vehicles' Licenses, Titles, and Regulations Program. The Government Performance and Accountability Act of 1994 directs OPPAGA to conduct a justification review of each program during its second year of operating under a performance-based program budget.¹

The Licenses, Titles, and Regulations Program is composed of two former programs (the Driver Licenses Program and the Motor Vehicles Program) that were combined by the 2000 Legislature. For purposes of reporting the results of our justification review, we have chosen to examine the program's driver license-related and motor vehicle-related activities in two separate reports.

Justification reviews evaluate program performance and identify policy alternatives for improving services and reducing costs. Appendix A summarizes our conclusions regarding the nine issue areas the law requires to be considered in a program evaluation and justification review.

Background

The Licenses, Titles, and Regulations Program's driver license-related activities are intended to increase consumer protection and public safety by licensing only those drivers who demonstrate the necessary knowledge, skills, and abilities to operate motor vehicles on Florida's roads; suspending and revoking licenses of drivers who abuse their driving privileges; monitoring drivers to ensure that they carry required insurance to be financially responsible for their actions; and maintaining driver history records that are provided to the courts, law enforcement agencies, insurance companies, attorneys, employers, state agencies, and

¹ The activities encompassed by the Licenses, Titles, and Regulations Program began operating under performance-based program budgets in Fiscal Year 1998-99.

private citizens. Driver license-related activities are divided into four service categories.

1. **Driver Licensure.** This service category provides licensing services that include issuing driver licenses and identification cards; answering customer inquiries over the telephone and Internet; and maintaining comprehensive driver history. Three bureaus within the department's Division of Driver Licenses carry out these responsibilities.
 - The Bureau of Field Operations is responsible for ensuring that only drivers who demonstrate the necessary knowledge, skills, and abilities are licensed to operate a vehicle on Florida's roads. Bureau staff are stationed in 116 field offices throughout the state and also use mobile units for delivering services. Staff issue driver licenses, which includes administering knowledge, skills, vision, and road tests to determine driver qualifications for operating a motor vehicle.² Staff also verify applicants' identities before issuing identification cards and evaluate information that shows proof that persons have obtained proper motor vehicle insurance. Other activities include administering the commercial driver license and motor voter programs and documenting contributions to four charitable organizations: Election Campaign, Organ Donor, Prevent Blindness Florida, and Florida Council on Blindness. *(977 full-time equivalent or FTE positions)*
 - The Bureau of Records is responsible for screening, verifying, correcting, and updating driver records and for providing copies of documents placed on microfilm and recorded electronically to fulfill public records requests, satisfy court actions, and complete administrative research. Bureau staff issue "valid without photo" and signature licenses to Florida drivers who are out-of-state, and issue "valid without photo" or signature identification cards to severely handicapped individuals who satisfy certain restrictive criteria. Bureau staff also provide driver history records to the courts, law enforcement agencies, insurance companies, attorneys, employers, state government agencies (within the state or out-of-state), and private citizens. In addition, bureau staff provide individual driver license or identification card photographs from a negative file and electronic database to law enforcement agencies in connection with investigations. Staff coordinate with and assist other states in resolving commercial driver record problems and transmitting driver records information to the National Driver Register.³ Bureau staff conduct a renewal and address change program utilizing mail-in, phone-in, and Internet services. Bureau

² The Department of Highway Safety and Motor Vehicles issues the following classes of licenses: Classes A, B, and C for drivers of commercial motor vehicles such as large trucks and buses, and Classes D and E for drivers of non-commercial vehicles.

³ The National Driver Register is a computerized database of information about drivers who have had their licenses revoked or suspended, or who have been convicted of serious traffic violations such as driving while impaired by alcohol or drugs.

staff also update individual driver history records and oversee the printing, distribution, retrieval, and accounting for over four million uniform traffic citations annually originating from approximately 480 law enforcement agencies and processed through the 67 county courts. (149 FTE positions)

- The Bureau of Customer Services assists customers in interpreting motor vehicle laws and requirements. The bureau's primary responsibility is to analyze and resolve inquiries regarding driving activities, which include driver license suspensions and revocations, and to provide general information regarding traffic laws and policies. For customers' convenience, this bureau provides telephone access for Florida's citizens, out-of-state drivers, and other state and local jurisdictions. (43 FTE positions)

2. **Motorist Financial Responsibility Compliance.** The Motorist Financial Responsibility Compliance service category is responsible for ensuring that licensed drivers comply with Florida automobile insurance laws and requirements to carry Personal Injury Protection (PIP) and Property Damage Liability (PDL) insurance coverage, and Bodily Injury Liability (BIL) coverage if required.⁴ Activities for carrying out this responsibility involve administering Florida's No Fault and Financial Responsibility laws; verifying insurance coverage; suspending driving privileges of persons for non-compliance with Florida's motor vehicle insurance laws; and reinstating suspended driving privileges upon compliance and payment of reinstatement fees. Other activities include updating driving history records and maintaining and distributing procedures and operational bulletins pertaining to forms and form filings to all fire and casualty insurance companies and agents licensed to do business in Florida. (60 FTE positions)
3. **Identification and Control of Problem Drivers.** This service category is responsible for identifying and controlling problem drivers through suspending, revoking, disqualifying, and canceling driving privileges, conducting administrative reviews for issuance of limited restricted licenses for offenders, and approving course curriculum and evaluating driver improvement-related course programs. Activities for carrying out these responsibilities are performed by three bureaus:

⁴ Personal Injury Protection (PIP) and Property Damage Liability (PDL) coverage is required by Florida's No-Fault Law and is mandatory for all vehicle owners and registrants of motor vehicles (Ch. 627, F.S.). Personal Injury Protection insurance coverage (\$10,000) provides compensation for injuries to insured drivers, dependents, and members of the same household, as well as other passengers in the insured's car, regardless of who is at fault in an accident. Property Damage Liability insurance coverage (\$10,000) covers damages to others regardless of who is at fault in an accident and for property damage to others when an insured driver is at fault. Bodily Injury Liability coverage is specified and required under the Florida Financial Responsibility Law (Ch. 324, F.S.), and pays for serious and permanent injury or death to others when the insured causes an accident involving his or her automobile. This coverage is only required for those who have been involved in crashes causing injuries, or who have been convicted of certain offenses or had a judgment against them following a crash.

Driver Education and DUI Programs, Driver Improvement, and Administrative Reviews.

- The Bureau of Driver Education and DUI Programs is responsible for approving and monitoring DUI (driving under the influence of alcohol or drugs) and motorcycle safety programs, training, and certifying community staff in all program areas, responding to customer inquiries, processing grievances, and handling appeals related to DUI offenders. Other activities include evaluating and approving driver improvement curricula and conducting research to develop improved education methods. The bureau is also responsible for licensing commercial driving schools. Bureau staff work with the judicial system to coordinate services. Staff also develop, train, and coordinate volunteers that assist in the monitoring of DUI programs. *(17 FTE positions)*
- The Bureau of Driver Improvement is responsible for identifying and sanctioning problem drivers, investigating fraudulent driver license and identification card activity, and functioning in a regulatory capacity to identify severely impaired drivers who are potentially dangerous. These activities are carried out through the bureau's driver services and medical sections. Driver services activities include enforcing revocation, suspension, cancellation, and disqualification sanctions imposed on problem drivers and independently investigating, analyzing, and resolving complaints and inquiries from the courts, driver license offices, law enforcement, and other state agencies relating to fraudulently obtained driver license and identification cards. Medical services activities include screening, reviewing, and evaluating drivers who may have a physical or mental disability that could interfere with their ability to safely operate a motor vehicle.⁵ *(65 FTE positions)*
- The Bureau of Administrative Reviews' functions include conducting driver license reviews to issue offender-restricted licenses, administering driver license hardship hearings for reinstatements, reviewing records, conducting formal and informal reviews for administrative suspensions and medical competency and financial responsibility reviews, and conducting field investigations that are requested by other service category entities.⁶ *(138 FTE positions)*

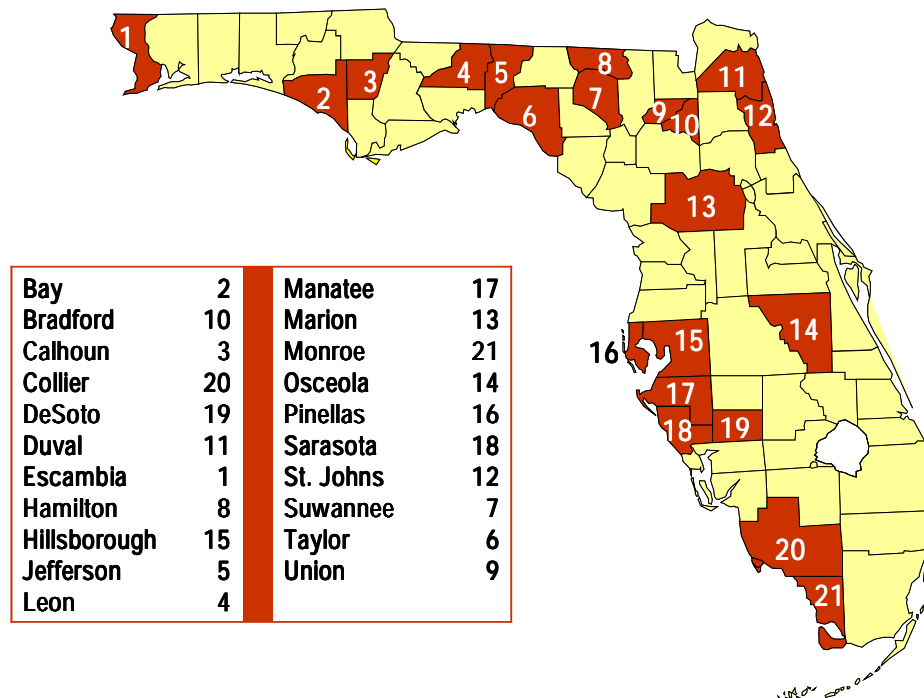
⁵ Types of medical conditions that could interfere with the ability to safely operate a motor vehicle include seizure disorders, loss of consciousness, severe cardiovascular impairments, drug and alcohol addiction, severe psychiatric disorders, impairments of memory or judgment, visual deficits, sleep apnea, severe head injuries, strokes, and uncontrolled diabetes.

⁶ An offender-restricted license is limited to use for business or employment purposes only. These licenses may be issued to persons whose licenses have been suspended, canceled, or revoked due to traffic violations.

4. **Executive Direction and Support Services.** This category administers general business functions, planning, resource management, and supports all driver license-related activities. (22 FTE positions)

In addition to state-provided services, the Department of Highway Safety and Motor Vehicles may authorize county tax collectors to serve as its agents for the purpose of providing driver license services.⁷ As shown in Exhibit 1, 21 of Florida’s 67 county tax collectors are approved as agents of the department to provide driver licensing services. Florida citizens may visit 30 office locations operated by these tax collectors, pay the appropriate fees, and obtain driver licensing services.⁸ Services provided by county tax collectors may include issuing driver licenses (originals, renewals, replacements, or duplicates) and identification cards; reinstating licenses that have been suspended or revoked, including those suspended or revoked for driving under the influence of alcohol; and providing visual examinations.

Exhibit 1
21 County Tax Collectors Are Approved as Agents of the Department of Highway Safety and Motor Vehicles to Offer Driver Licensing Services



Source: Department of Highway Safety and Motor Vehicles.

⁷ Section 322.135, *F.S.*, authorizes the department to approve county tax collectors to serve as its agents for the purpose of providing driver license services. Tax collectors desiring to serve as agents must submit an application to the department identifying facility operational structure, types of services to be provided, and the proposed startup date.

⁸ Taxpayers also have the option of renewing their driver license by mailing in the renewal fee or by telephone or over the Internet using a credit card or debit card to pay the renewal fee.

Introduction

The number of driver licenses and identification cards issued through the state's driver licensing system has increased by 18% over the past four years. During Fiscal Year 1999-2000, program staff and county tax collectors issued 5,001,770 driver licenses and identification cards, compared to 4,248,653 driver licenses and identification cards issued during Fiscal Year 1996-97.

Resources

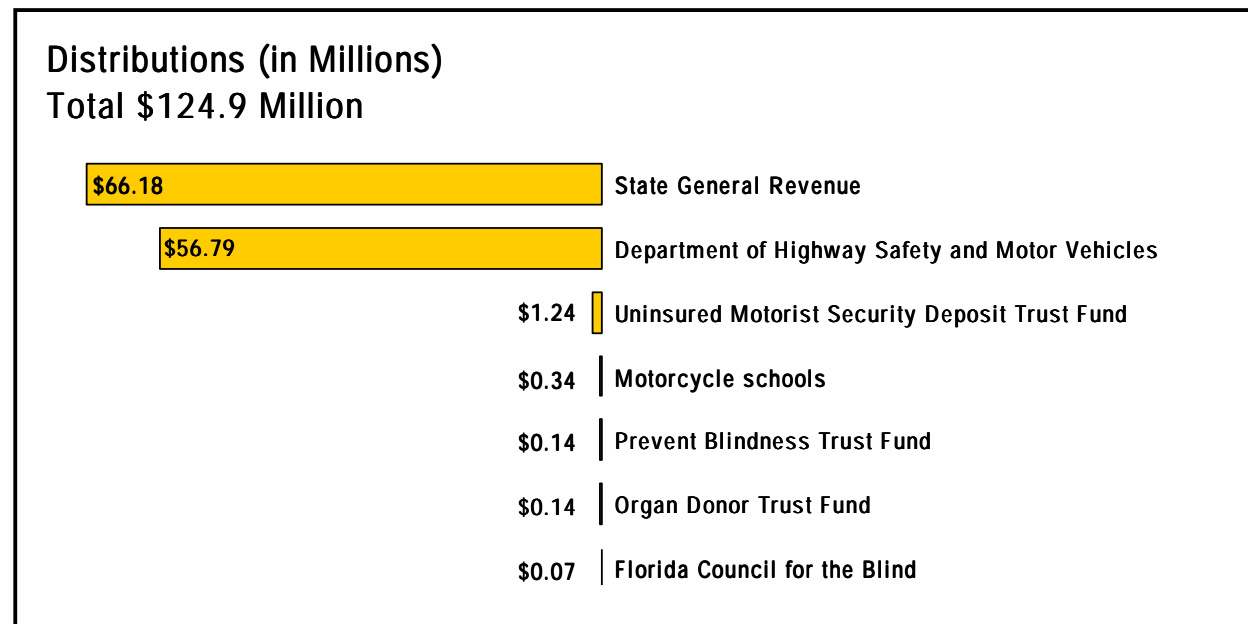
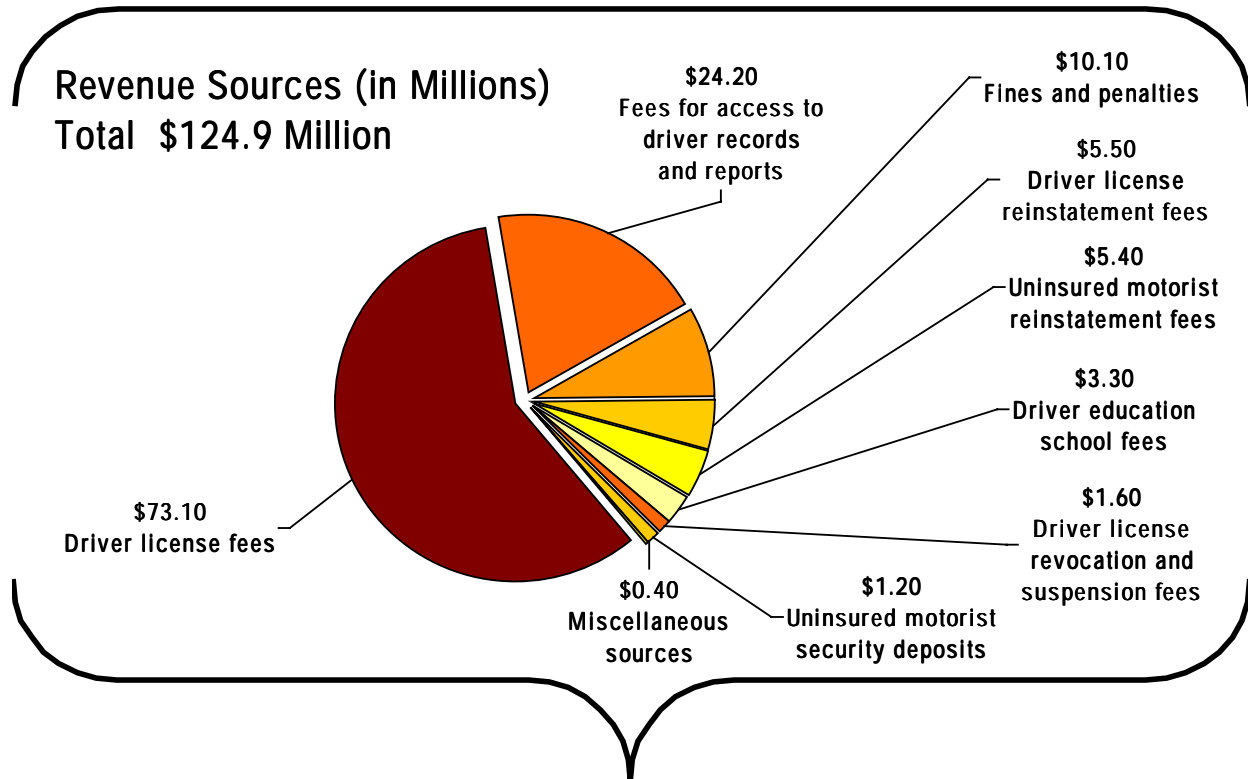
The Department of Highway Safety and Motor Vehicles administers the Licenses, Titles, and Regulations Program. The department's Division of Driver Licenses administers the program's driver license-related activities. For Fiscal Year 2000-01, the program was appropriated \$151,120,953 and 2,068 positions, of which \$75,166,982 and 1,471 positions were allocated to driver license-related activities.⁹ The Fiscal Year 2000-01 operating budget for each driver license-related service category is shown in Appendix B.

For Fiscal Year 2000-01, the program's driver license-related activities are funded from general revenue (\$17,253,368) and trust funds (\$57,913,614). Sources of driver license-related revenues are shown in Exhibit 2. The general distribution of driver license-related revenues for Fiscal Year 2000-01 are shown in Appendix B. As shown in Appendix B, the program's revenues are distributed to the Highway Safety Operating Trust Fund (\$56,138,000), other state agency trust funds (\$2,525,000), and general revenue (\$66,045,000).

Using department data available for Fiscal Year 1999-2000, we further analyzed the distribution of department revenues. As shown in Exhibit 2, program revenues are a major source of state contributions to general revenue, the Department of Highway Safety and Motor Vehicles Trust Fund, the Uninsured Motorist Security Deposit Trust Fund, and other state entities.

⁹ The remaining \$75,953,971 and 597 positions were allocated to motor vehicle-related activities.

Exhibit 2
 Driver Licenses Revenue Sources and Distribution for Fiscal Year 1999-2000



Note: Detailed amounts may not agree with totals due to rounding. Dollars are reported on a cash basis.

Source: Department of Highway Safety and Motor Vehicles.

Program Benefit and Placement

Program driver license-related activities are beneficial to state; Legislature may want to consider merger with DOT

Program benefit

The program's driver license-related activities benefit the state and should be continued. The purpose of these activities is to maintain an efficient and effective licensing program that assures that only drivers demonstrating the necessary knowledge, skills, and abilities are licensed to operate motor vehicles on Florida's highways. The program's primary public benefits are promoting public safety on state roads, providing citizens with a universally accepted form of identification, assisting citizens when this identification is stolen or used fraudulently, and serving as a significant source of state revenues.

The program promotes public safety, provides citizens with identification, and generates state revenues

- A person must obtain a driver license to drive any motor vehicle upon a highway in the state in order to demonstrate that he or she does not pose a risk to highway safety.¹⁰
- Driver licenses and identification cards have developed into one of the most recognized forms of identification nationwide. Citizens are often asked to present either form of identification when conducting business transactions ranging from cashing checks to buying a home or boarding an airplane. Consequently, the driver licensing system not only assures driver qualification, it provides a documented form of individual identity.
- Program staff work with the Florida Highway Patrol to investigate cases of driver license fraud, which occurs when identification has been stolen or used fraudulently. Local police, sheriffs' offices, and state attorneys refer these cases to the Florida Highway Patrol for criminal investigation.
- The program's driver license-related activities provide significant amounts of state general revenue and other funding. For Fiscal Year 2000-01, the program's revenues are projected to generate \$124,708,000, of which \$66,045,000 is projected to provide funding for

¹⁰ For purposes of this report, a motor vehicle is any self-propelled vehicle not operated upon rails or guideways, excluding vehicles moved solely by human power, motorized wheelchairs, and motorized bicycles.

general revenue and \$58,663,000 for trust funds used to finance driver license-related activities and other programs within the department such as the Organ Donor Trust Fund and Prevent Blindness Trust Fund.

Abolishing the program would negatively affect highway safety

Abolishing the program's driver license-related activities would not be in the state's best interest. Even though abolishment may reduce the size of state government, this action would eliminate the state's only option for taking away the driving privileges of persons who do not obey state driving laws, such as persons who commit numerous traffic violations or drive under the influence of alcohol and drugs. It is essential for the state to be able to suspend, revoke, and cancel individuals' licenses when traffic laws are violated to ensure the safety of all citizens. During calendar year 1999, there were approximately 13.4 million licensed drivers, of whom 1.1 million had their licenses suspended, revoked, cancelled, or disqualified due to traffic violations.

The state could lose federal funding by abolishing the program's commercial driver licensing activities. Federal rules provide that if the Federal Highway Administration is not satisfied with a state's commercial driver licensing efforts, the state may lose 10% of its federal highway funding. For Fiscal Year 1999-2000, Florida received \$1,028.7 million in federal highway funding; a loss of 10% would be approximately \$102.8 million.

Organizational placement

While program staff perform the majority of driver licensing activities, county tax collectors perform some driver licensing services such as issuing driver licenses and identification cards and reinstating suspended and revoked driver licenses. The program also contracts with other entities to provide driver licensing services such as third-party testers, secondary school districts, and private schools to perform skills/road-driving tests. Through an interagency agreement, the Department of Revenue processes all mail-in driver license renewals and collects the revenue from renewals.

The program is logically placed with the Department of Highway Safety and Motor Vehicles

The program's driver licenses-related activities are closely aligned with other activities of the Department of Highway Safety and Motor Vehicles (motor vehicle-related activities and the Florida Highway Patrol). These activities generally fall within the department's mission, which is to develop, maintain, and support a safe environment through law enforcement, public education, and licensing motor vehicle operations. Keeping driver license, motor vehicle, and Highway Patrol activities within one agency promotes the coordination of these activities, such as when enforcing state motor vehicle insurance laws, investigating driver license and identification card fraud cases, and promoting driver safety and education through presentations, media contacts, and news releases.

Program Benefit and Placement

However, we considered three alternatives for merging the Department of Highway Safety and Motor Vehicles with other state agencies. We concluded that two of these options would not provide any real benefits, but the third option should be considered by the Legislature.

Option 1 - Merger with the Department of Revenue. The Department of Revenue has some similarities with the Department of Highway Safety and Motor Vehicles in that both agencies collect state revenues. However, the Department of Highway Safety and Motor Vehicles' activities go beyond just revenue collection. The Department of Revenue would not be a compatible placement for the many Department of Highway Safety and Motor Vehicles activities whose primary focus is public safety, such as assuring drivers are properly licensed to safely operate a motor vehicle, controlling problem drivers, protecting motor vehicle consumers, and performing the law enforcement activities of the Florida Highway Patrol.

Option 2 - Merger with the Department of State. The Department of State and the Department of Highway Safety and Motor Vehicles have a similar function in that they both issue licenses to citizens. However, as with the Department of Revenue, the Department of State is not a compatible placement for the Department of Highway Safety and Motor Vehicles public safety activities. The primary purpose of the Department of State is to facilitate public access to government, and to improve and protect the quality of life for all Floridians through fair and accurate elections, cultural affairs and historical preservation of Florida's rich heritage, and by issuing licenses for firearm, security services and promotional sweepstakes.

Option 3 - Merger with the Department of Transportation. The Department of Highway Safety and Motor Vehicles and the Florida Department of Transportation have some similarities in mission and activities. Both agencies have transportation-related missions. The mission of the Florida Department of Transportation is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities. Both agencies perform activities designed to improve public safety. For example, the Florida Department of Transportation is responsible for designing roads to improve the safety of motorists, while the Department of Highway Safety and Motor Vehicles is responsible for enforcing traffic laws and driver license requirements. Also, both agencies administer a law enforcement agency whose officers patrol the state's highways. The Department of Highway Safety and Motor Vehicles administers the Florida Highway Patrol and the Florida Department of Transportation administers the Motor Carrier Compliance Office.

Merging the department with the Department of Transportation might reduce administrative costs

Merging the Department of Highway Safety and Motor Vehicles with the Department of Transportation has some merit in that the state might be able to reduce the administrative costs currently spent on executive direction and support for the Department of Highway Safety and Motor Vehicles. For Fiscal Year 2000-01, the department's budget for executive direction and support is \$19.1 million and 373 positions. Much of these costs would still remain if the agencies were merged since the number of agency employees affects staffing costs for support functions such as accounting and personnel. However, there is the potential for some staffing reduction from consolidating similar functions. A reduction of 10% of the Department of Highway Safety and Motor Vehicles' current costs for executive direction and support would save the state approximately \$1.9 million annually.

There are also some potential disadvantages with merging the Department of Highway Safety and Motor Vehicles with the Department of Transportation. The resulting agency would be very large and thus might be difficult to administer. For Fiscal Year 2000-01, the Department of Highway Safety and Motor Vehicles has a total of 4,918 full-time equivalent positions while the Florida Department of Transportation has 10,399 full-time equivalent positions. Another potential disadvantage is that state agency mergers can be disruptive and create unforeseen transition problems.

Conclusions and recommendations

The primary public benefits of the program's driver licensing activities are promoting public safety on state roads, providing citizens with a universally accepted form of identification, assisting citizens when this identification is stolen or used fraudulently, and serving as a significant source of state revenues. Abolishing these activities would eliminate the state's only option for taking away the driving privileges of persons who do not obey state driving laws, such as persons who commit numerous traffic violations or drive under the influence of alcohol and drugs. As such, eliminating the program could reduce public safety.

The activities associated with driver licensing are closely aligned with motor vehicle-related activities and fall within the mission of the Department of Highway Safety and Motor Vehicles. Keeping driver license, motor vehicle, and Highway Patrol activities within one agency promotes the coordination of these activities, such as when enforcing state motor vehicle insurance laws, investigating driver license and identification card fraud cases, and promoting driver safety and education.

The Department of Highway Safety and Motor Vehicles and the Florida Department of Transportation have some similarities in mission and activities. The state may be able to reduce the executive direction and

Program Benefit and Placement

support costs of the Department of Highway Safety and Motor Vehicles by merging it with the Florida Department of Transportation. However, the resulting agency would be very large and thus might be difficult to administer. We recommend that the Legislature consider the option of merging the Department of Highway Safety and Motor Vehicles with the Florida Department of Transportation.

Program Performance

Program met most standards, but erratic in accounting for the work of contractors when calculating outputs

The program performed well in controlling customer wait times and enforcing motorist compliance with insurance laws

The program met most of its performance standards for driver license-related activities during Fiscal Year 1999-2000 (see Exhibit 3). For example, the program generally met performance expectations for controlling customer wait times, and met expectations for monitoring DUI (driving under the influence of alcohol and drugs) schools and regulating uninsured motorists.

The program generally has performed well in managing customer wait times. The program performed better than the standard for the percentage of customers waiting 15 minutes or less for driver license services, but slightly missed the standard for the percentage of customers who waited 30 minutes or more. In Fiscal Year 1999-2000, 80% of customers waited 15 minutes or less, compared to a standard of 79%. At the same time, 9% of customers waited 30 minutes or more, compared to a standard of 8%. Having 9% of customers wait 30 minutes or more is an improvement over the prior year's performance of 12%.

Customer wait times have been an ongoing concern for this program. The program has been able to control customer wait times by implementing procedures such as appointments for service, mail-in renewals, and extended renewal periods.¹¹ As discussed in Chapter 4, we have concerns about the effectiveness of mail-in renewals and extended renewal periods in addressing the crash risk of elder drivers.

A high percentage of graduates of DUI courses have not been found committing similar infractions within the three years after graduation. This is an indirect measure of program effectiveness in that program staff and a board of volunteers are responsible for monitoring DUI schools for adherence with department standards. The program is not responsible for operating the schools or teaching the DUI courses. For Fiscal Years 1998-99 and 1999-2000, the rate of graduates who did not recidivate was 86%, which met the Fiscal Year 1999-2000 standard.

The percentage of motorists in compliance with motor vehicle insurance laws increased from 82% to 84% between Fiscal Years 1998-99 and 1999-2000, and exceeded the Fiscal Year 1999-2000 standard of 83%.

¹¹ As of August 2000, the department added an Internet renewal option for driver license renewals.

Program Performance

Program administrators attribute this improvement to the training that they provided to program staff, insurance industry personnel, and tag agents about Florida's insurance laws and enhanced the computer programs that improved the efficiency in both tracking and enforcing the state's financial responsibility laws. Moreover, the percentage of motorists in compliance with insurance laws may actually exceed 84%, because there may be time lags and data errors in insurance company reporting to the department that would cause the department's insurance database to show motorists as being uninsured when they actually have insurance. Chapter 6 contains our recommendations to help bring more insurance companies into compliance with statutory reporting time deadlines.

Exhibit 3

The Program Met Most Driver License-Related Performance Standards for Fiscal Year 1999-2000

Measures	Fiscal Year 1998-99 Actual Performance	Fiscal Year 1999-2000 Actual Performance	Fiscal Year 1999-2000 Performance Standard
Outcome Measures			
Percentage of customers waiting 15 minutes or less for driver license service	82%	80%	79%
Percentage of customers waiting 30 minutes or more for driver license service	12%	9%	8%
Percentage of DUI course graduates who do not recidivate within three years of graduation	86%	86%	86%
Average number of corrections per 1,000 driver records maintained ¹	4.0	3.6	4.3
Percentage of motorists complying with financial responsibility	82%	84%	83%
Number of driver licenses/identification cards suspended, cancelled, and invalidated as a result of fraudulent activity, with annual percent change shown ²	2,135/ 40%	2,356/ 9%	2,046/ 1%
Output Measures			
Number of driver licenses issued	4,106,685	4,169,540	3,609,500
Number of identification cards issued	805,244	832,230	729,854
Number of (written) driver license examinations conducted	1,273,651 ³	1,311,508	1,029,731
Number of road tests conducted	515,544	538,360	393,744

¹ According to the department's inspector general's validation of performance data, this performance measure is problematic since the data include updates to records made outside of the agency and, thus, this measure is misleading as a program error rate.

² Program staff reported that this is not a discretionary activity that they initiate.. Instead, staff react to reported traffic violations and then suspend, cancel, or revoke driver licenses/identification cards due to fraudulent activity. As a result, comparing the performance level against the standard is meaningless as an indicator of program outcomes. The measure serves more as information about program workload.

³ Program staff stated that this number was incorrectly reported in the department's Legislative Budget Request for Fiscal Year 2000-2001. The actual number is 1,273,651 instead of 2,169,609.

Source: Chapter 99-228, *Laws of Florida*, department legislative budget requests, Department of Highway Safety and Motor Vehicles Long-Range Program Plan for Fiscal Years 2001-2002 through 2005-2006, and program documents.

The program did not consistently account for the work of county tax collectors

It should be noted that the department has been inconsistent in including the driver licensing activities performed by county tax collectors in calculations of program outputs. Department staff include county tax collectors' output in reporting the number of driver licenses and identification cards issued and the number of written driver license examinations conducted, but exclude tax collectors' output when reporting on the number of road tests conducted. Since the county tax collectors are part of the state driver licensing system, their work should be included with that of program staff in calculating program outputs.

Conclusions and recommendations

The program met most driver license-related performance standards for Fiscal Year 1999-2000. However, program staff have not been consistent in including the work of county tax collectors when calculating performance for output measures. In order to accurately portray the program's workload, we recommend that the Department of Highway Safety and Motor Vehicles consistently include the driver licensing work performed by county tax collectors and any other contractors when reporting on program outputs.

Control of Problem Drivers

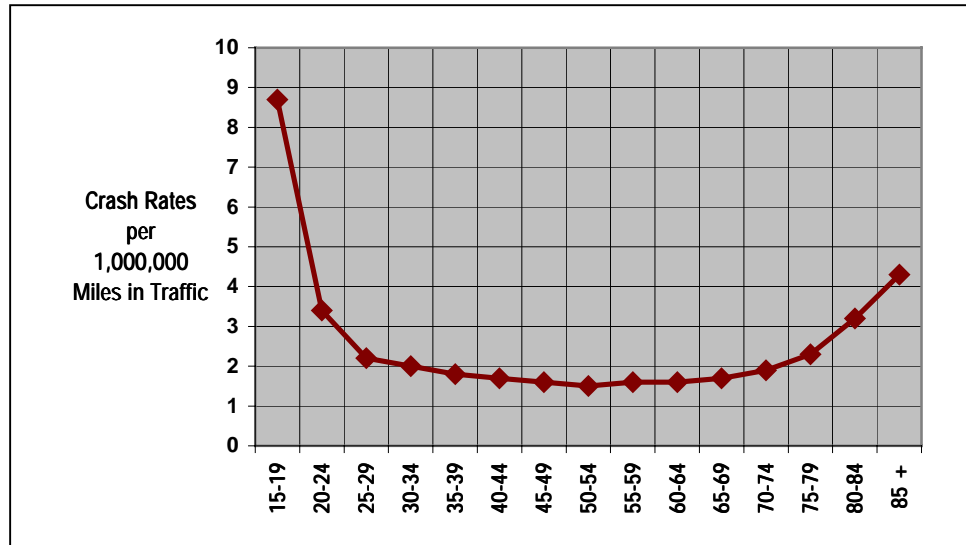
In response to requests from House and Senate transportation committees, we sought to determine whether Florida's Graduated Driver Licensing Program for teenage drivers has helped reduce their involvement in crashes, and to determine whether the state needs additional controls over these and other problem drivers. Based on our research and analysis of Department of Highway Safety and Motor Vehicles crash data, we concluded that

- graduated licensing restrictions appear to have helped reduce the rate of crashes involving teenage drivers, but additional restrictions may be needed;
- to address the high crash risk of elder drivers, the Legislature should implement more proactive driver licensing policies for elder drivers, such as eliminating mail-in renewals for drivers above a specific age, and the department should continue to research ways to improve driver skill assessment;
- recent research raises questions about whether the state should continue to allow use of cellular telephones while driving, as these can distract drivers and affect their ability to drive safely;
- the department's evaluations of driver improvement courses could be enhanced to better assist providers in identifying under-performing schools; and
- the department needs to establish a system for continuously assessing the validity of its driver tests as tools for determining whether individuals have the requisite knowledge, skills, and abilities to drive safely on Florida's roads.

Graduated licensing restrictions appear to have reduced teen driver crashes; more restrictions may be needed

Teenage drivers are more likely to be involved in traffic crashes than any other age group (see Exhibit 4). The high rate of crashes involving teenage drivers has been attributed to various factors, such as immature judgment, risk-taking behavior, lack of experience in driving, and deficiencies in the ability to react appropriately to complex traffic situations.

Exhibit 4
1999 Overall Crash Rates of Florida Drivers per Million Miles in Traffic Were Higher at Both Ends of the Age Spectrum



Source: OPPAGA analysis of Department of Highway Safety and Motor Vehicles crash data for 1999 and the *Nationwide Personal Transportation Survey* (1995).

In response to concern over the high crash rates of teen drivers, the Florida Legislature created a graduated driver licensing system for teenage drivers in 1996.¹² Florida's system is designed to phase in teenage beginning drivers to full privileges as they develop their skills. The system comprises three major stages, a supervised learner's period, an intermediate licensing phase with adult supervision required only during high crash-risk nighttime hours, and full licensure after completing the prior stages. The level of restrictions varies by age group (see Exhibit 5). These restrictions are designed to allow young drivers to obtain experience while driving in time periods in which there is a lower risk of crashes. Nationwide, 24 states have implemented similar three-stage graduated licensing systems, while additional states have implemented systems that include various elements of these stages.¹³

The 2000 Florida Legislature passed legislation that further strengthened the state's graduated driver licensing system. This legislation extended the learner driver license stage from 6 to 12 months and established requirements for young persons with such licenses to obtain a minimum of 50 hours of supervised driving, including 10 hours of supervised driving at night, as conditions for them being eligible for full, unrestricted licenses.¹⁴

¹² Chapter 96-414, *Laws of Florida*, established the state's graduated driver licensing system.

¹³ *U.S. Licensing Systems for Young Drivers*, Insurance Institute for Highway Safety, January 21, 2000.

¹⁴ Chapter 2000-239, *Laws of Florida*.

Exhibit 5

Florida's Graduated Licensing System Places Time and Supervision Restrictions on Teenage Drivers

Restrictions	15-Year Olds	16-Year Olds	17-Year Olds
Learner's License	Available ¹ Must be accompanied by adult at all times	Available ¹	Available ¹
Nighttime Driving	Driving during daylight hours only; 3 months after issuance learners license until 10 p.m.	No driving between 11 p.m. and 6 a.m. unless supervised	No driving between 1 a.m. and 5 a.m. unless supervised
Minimum Amount of Supervised Driving	Must be accompanied by adult at all times	Not less than 50 hours behind the wheel, including not less than 10 hours at night ²	Not less than 50 hours behind the wheel, including not less than 10 hours at night ²
Driver's License	Not available to drivers in this age category	Available after 12 months learner's license, no traffic convictions, or proof of traffic driving school attendance ³	Available after 12 months learner's license, no traffic convictions, or proof of traffic driving school attendance ³

¹ The Department of Highway Safety and Motor Vehicles may issue a learner's license to a person who is at least 15 but under 18 years old, submits proof of passing a written examination and a vision and hearing test, attends a traffic law and substance abuse course, and meets all other legal requirements.

² Prior to the 2000 legislation, the statutes did not specify required hours behind the wheel.

³ Prior to the 2000 legislation, the statutes required a six-month learner's license.

Source: Section 322.05, F.S.

Graduated licensing appears to have contributed to reduced teen driver crash rates in Florida

Teen crash rates declined since implementation of graduated licensing

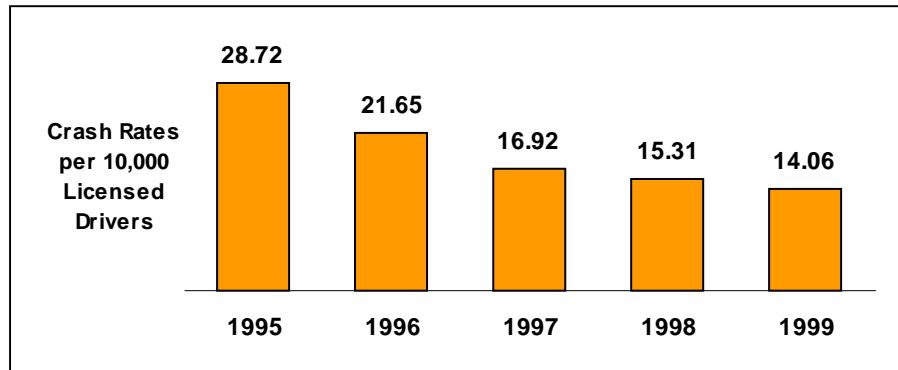
Our analysis of department data on vehicle crashes from 1995 to 1999 found that Florida's overall rate of crashes involving teenagers and the rate of crashes with injuries have declined since the implementation of graduated licensing in 1996 during the restricted time periods on driving.^{15, 16} We focused our analysis on night-time crashes because the graduated licensing system was designed to reduce crash rates during higher risk nighttime hours.

¹⁵ The department's database on crashes contains information only on those crashes recorded on long-form crash reports. Law enforcement officers are required to file a long-form crash report if the crash resulted in an injury or death, involved leaving the scene of an accident, involved damages of least \$500, or involved a driver under the influence of alcoholic beverages, chemical substances, or controlled substances or with an unlawful blood alcohol level. When property damage is under \$500, the office may file a short-form crash report. Whether the officer will file a short-form crash report will vary depending on the individual officer's judgment of damage. A large number of crashes are recorded on the short forms, which are stored on microfiche and are not included in department crash reporting. Although the total extent of state crashes is not captured in the department's crash reporting system, the data that are maintained represent more severe crashes. In addition, the department reports that the city of Tampa failed to submit crash reports to the department for the last quarter of the year in time to be included in the data files. Consequently, these crashes are not included in the analysis. Department managers said that they believe that the exclusion of these data should not affect statewide evaluation of crashes because of the relatively small number.

¹⁶ Overall crashes include all reported crashes; injury crashes include only those crashes in which a person involved in the crash was injured. We did not include a separate discussion of the data of the results of fatal crash rate analysis here because the number of occurrences was too small for a meaningful evaluation. Data on fatal crashes would be included in analyses of overall crashes.

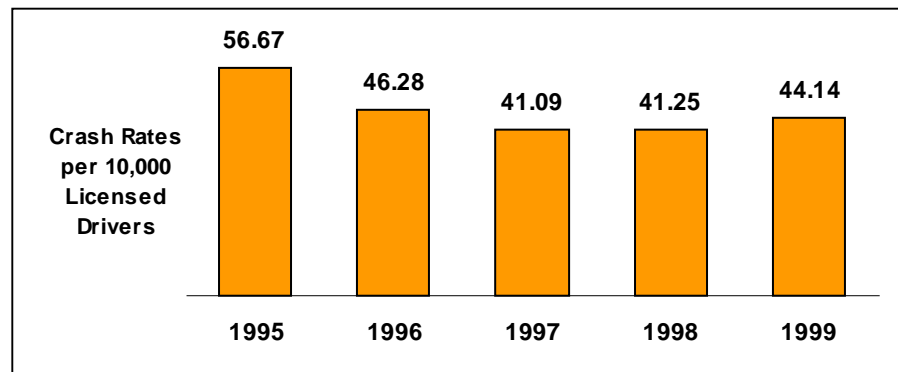
As shown in Exhibits 6 and 7, there has been a marked decrease in crash rates for Florida's 15- and 16-year-old drivers during restricted driving periods since the inception of graduated licensing.¹⁷ Similar patterns were found for injury crash rates. However, while these rates for 17-year-old drivers initially declined, they have increased since 1998. The rates for 17-year-olds in 1999 are similar to the rates for this age group when the state's graduated driver licensing system was established in 1996 (see Exhibit 8).

Exhibit 6
Crash Rates of 15-Year-Olds During Restricted Driving Period
Between 10 p.m. and 6 a.m. Have Decreased from 1995 to 1999



Source: OPPAGA review of Department of Highway Safety and Motor Vehicles crash data.

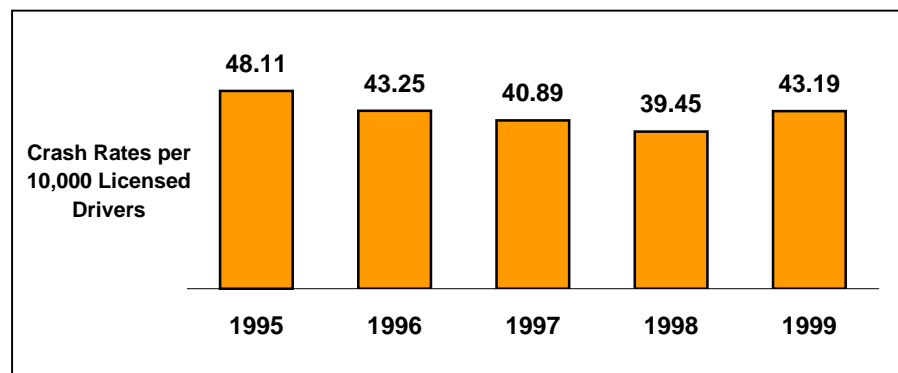
Exhibit 7
Crash Rates of 16-Year-Olds During Restricted Driving Period
Between 11 p.m. and 6 a.m. Have Decreased Between 1995 and 1999



Source: OPPAGA review of Department of Highway Safety and Motor Vehicles crash data.

¹⁷ The computation of crash rates was based on the number of crashes and injury crashes per 10,000 licensed drivers. A preferred method would have been to analyze crashes based on vehicle miles in traffic, which helps control for variations in the tendency of different age groups to drive more or less than others. However, survey information per age group is needed to calculate vehicle miles in traffic, and this information is not available for the restricted time periods of graduated licensing.

Exhibit 8
Crash Rates for 17-Year-Olds During Restricted Driving Period Between 1 a.m. and 5 a.m. Increased in 1999 to a Level Similar to the 1996 Level



Source: OPPAGA review of Department of Highway Safety and Motor Vehicles crash data.

The differences in crash rate improvements among 15-, 16-, and 17-year-old drivers may be due to several factors, such as differences in the time restrictions for the various age groups and the behavior characteristics of these groups. The nighttime driving time restrictions are increasingly less stringent from one age group to the next, allowing teenagers more unrestricted nighttime driving hours as they get older. Department statistics show that 28% of overall crashes occur during darkness. Also, older teenagers may drive more extensively and may be more likely to engage in risk-taking behavior such as driving under the influence of alcohol without the restraining or moderating influence of an accompanying adult.

However, available data are insufficient to draw conclusions about why crash rates for 17-year-olds have substantially increased over the last year. Department administrators said they could only speculate about reasons for an increase at this point. The department will need to continue to track crash rates for teenagers to determine if the upward trend for 17-year-old drivers continues into the future and to try to determine reasons for the increase.

Increasing teenage driving restrictions may help further reduce crash rates

Our review of teenage driver restrictions in other states showed that Florida might be able to further reduce teen crash rates by establishing other restrictions. For example, Florida's graduated driver licensing system does not currently limit the number of passengers that can be transported in a vehicle driven by a teenager.

***Passenger restrictions
may be needed to
further reduce teen
crash rates***

Research conducted by the Johns Hopkins University and the Insurance Institute for Highway Safety has found that vehicles that have no passengers or only one passenger have a lower risk of being involved in a crash. Because teenage drivers have less experience in coping with distractions and staying focused on the driving task, the presence of passengers may increase driver error. Based on its research, the Insurance Institute for Highway Safety recommends states enact legislation that restricts teenage drivers to having no more than one teenage passenger in their vehicles. We identified 10 states that include passenger restrictions in their graduated licensing program.¹⁸ These restrictions range from allowing teenage drivers to have no teenage passengers during their first six months of driving experience unless supervised, to allowing them to have no more than three passengers under the age of 21 in a vehicle.

Conclusions and recommendations

Although Florida's teenage driver crash rates have decreased following the implementation of a graduated driver licensing system, teenage drivers are still more likely than other age groups to be involved in traffic crashes. The Legislature has recently imposed more restrictions on teenage drivers by increasing the amount of driving time they must experience under adult supervision and the amount of driving they must perform at night as conditions for them to be eligible for full, unrestricted driver licenses. Florida may be able to further reduce the rate of crashes involving teenage drivers by restricting the number of passengers that these drivers may have in their vehicles, as is done in some other states. We therefore recommend that

- the Legislature consider amending s. 322.05, *Florida Statutes*, to restrict the number of passengers allowed in vehicles driven by teenagers affected by the graduated driver licensing system and
- the Department of Highway Safety and Motor Vehicles annually review the impact of the state's graduated driver licensing system on crash rates, including the impact of any legislative changes to the system, and make recommendations to the Legislature as to whether further restrictions are needed in Florida.

¹⁸ These states are California, Delaware, Georgia, Indiana, Massachusetts, New Jersey, New Mexico, Oregon, Wisconsin, and, most recently, Washington.

Legislature, department should be more proactive in addressing problems of high crash risk of elders

Florida drivers aged 70 or more years have an increased risk of being involved in crashes

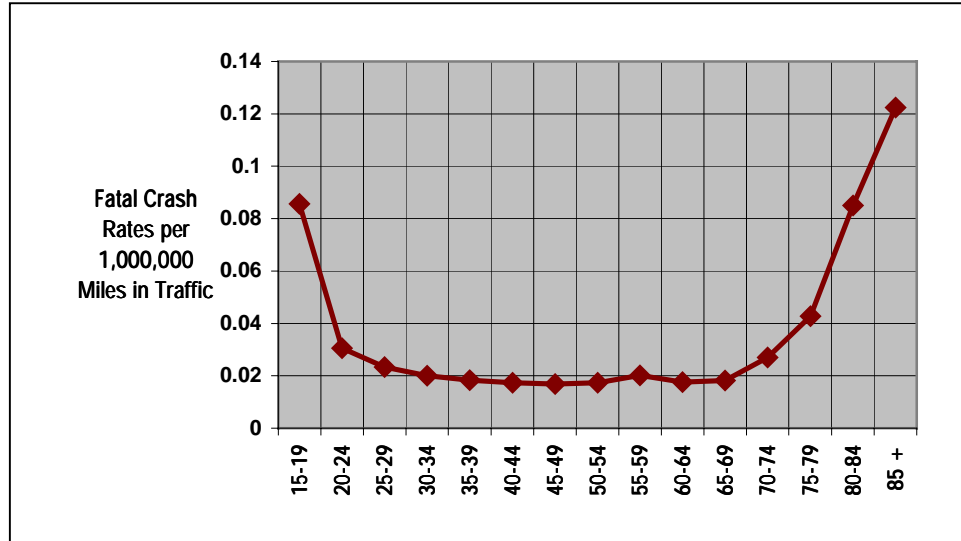
The number of elder drivers in Florida has been rapidly increasing. During the period from 1995 to 1999, the number of drivers aged 65 years and older increased from 2,180,014 to 2,415,314 (11%). The number of drivers aged 85 years and older grew from 137,486 to 203,869 (48%) during this period, representing the largest percentage increase among all age groups.

Crash risk increases with age

This increase in the number of elder drivers is significant because they are more likely to be involved in crashes than drivers in other age groups, with the exception of teenagers, and experience more crash-related fatalities. For example, as shown in Exhibit 4 on page 17, our analysis of department crash data found that teenage and elder drivers are disproportionately involved in crashes.¹⁹ Exhibit 4 also shows that only teenagers and drivers aged 20 to 24 years had a crash rate exceeding the rate for drivers aged 80 to 84 years. Further, elder drivers experience a higher fatality crash rate than other drivers (see Exhibit 9). The fatal crash rate for drivers aged 75 to 79 years is twice the rate for drivers aged 65 to 69 years. The fatal crash rate for drivers aged 85 and older surpasses the fatal crash rate for teenage drivers.

¹⁹ Since the amount of driving affects the probability of being in a traffic crash, our analysis of crash rates is based on the average number of miles driven by age group. Data on the average miles of travel per age group were obtained from the most recent Nationwide Personal Transportation Survey (1995). Crash records and data on licensed drivers from 1995 through 1999 were obtained from the Department of Highway Safety and Motor Vehicles. The total number of drivers in overall crashes, injury crashes, and fatal crashes were summed by age and used as numerators. The denominator consisted of average million miles in traffic multiplied by the number of licensed drivers within age groups.

Exhibit 9
The 1999 Crash Fatality Rate Increases Sharply for Drivers Over the Age of 75



Source: OPPAGA analysis of Department of Highway Safety and Motor Vehicles crash data for 1999 and the *Nationwide Personal Transportation Survey* (1995).

Aging can affect the ability to drive safely

Research indicates that the high level of crashes involving elder drivers is related to the impact of aging on health and various physical and cognitive functions. Cognitive changes related to aging include decreased ability to remain attentive to the driving environment, discern visual and auditory stimuli, and react to problems in a timely manner. Vision impairments related to aging include diminished acuity and peripheral vision and contrast and glare sensitivity. The high involvement of older drivers in injury and fatal crashes may also be associated with their increased frailty resulting from the loss of bone density and reduced ability to recover from physical trauma.

The limitations in older drivers' ability to avoid crashes is demonstrated by differences in the patterns of driver errors contributing to crashes compared to those of younger drivers. For example, elder drivers are more likely to experience multi-vehicle car crashes, crashes in intersections, crashes due to failure to yield, and crashes when merging into a lane, while teenage drivers tend to experience single-car crashes such as losing control of the vehicle and running off the road.

Florida's driver licensing system does not provide adequate means for regulating elder drivers

Florida's driver licensing system is not designed to proactively address the issues of aging or to identify elder drivers who may pose a safety risk. Many elder drivers self-regulate their driving as they realize that their

Control of Problem Drivers

driving capabilities have diminished. They may voluntarily restrict their driving to time periods and locations that are less challenging. Drivers may also travel less as they get older. The most recent National Personal Transportation Survey (1995) showed a significant reduction in average annual miles in traffic by drivers in the age group 80 to 84 when compared to drivers between 65 and 69 (from 8,449 average annual vehicle miles of travel for drivers aged 65 to 69, to 4,207 for those aged 80 to 84). On average, drivers between the ages of 25 to 49 drove over 14,000 miles annually.

However, elder drivers who do not choose to restrict their driving when their functional abilities are impaired may risk their own safety, health, and life, as well as those of other drivers. In contrast to the graduated licensing program that was created to address the high crash involvement of teenagers, the state has not established policies and programs designed to proactively assess or screen elder drivers to determine whether they pose a risk to themselves and other drivers.

Florida's driver licensing system allows an 18-year lapse between visits to a license office

Under Florida's driver licensing system, drivers may renew their licenses for up to 18 years through mail-in renewals without having any direct contact with a licensing agent. As a result, drivers can go very long periods without receiving vision tests and or other tests designed to detect disabilities that could affect their driving performance. The practice of allowing mail-in renewals for extended time periods saves the state licensing expenses. Mail-in renewals also help the department meet its objective to improve customer satisfaction by reducing wait times in driver licensing offices. Nonetheless, the practice of allowing mail-in renewals for drivers in all age categories for extended time periods may be inconsistent with the department's goal of maintaining a safe driving environment and reducing traffic crashes.

Reporting to the Medical Advisory Board is often not proactive

At present, there are two mechanisms for identifying and remediating elder drivers whose driving abilities have diminished, but these mechanisms are too limited to proactively address the crash risk of this population. First, Florida law authorizes any physician, person, or agency to report to the department any knowledge of a driver's or license applicant's mental or physical disability that could affect the ability to drive. If the department receives such a report and finds sufficient grounds for concern, staff refer it to the department's Medical Advisory Board, which assesses whether the mental, physical or emotional disabilities of referred drivers would affect their ability to drive safely. Drivers aged 65 and older represented 44% of all medical cases (7,882) that were reviewed by the board in 1999. However, 39% of case referrals in Fiscal Year 1999-2000 were initiated by law enforcement and through traffic reports, suggesting that the reporting of disabled drivers is often made after the occurrence of a traffic problem rather than on a proactive basis.

Second, elder drivers may participate in voluntary driver assessment and training programs offered by private organizations and local governmental entities. Examples of these programs include the American Association of Retired Persons' (AARP) 55 Alive Program, which offers a driver improvement course, and the Getting in Gear Program of the Tampa Bay Regional Planning Council and the Area Agency on Aging, which provides educational programs, assessment, retraining, mobility management, and agency referrals.²⁰ These programs are intended to identify areas in which elder persons could improve their driving skills and identify vehicle adaptations and driving restrictions that would help driver safety. However, these programs are not part of the state driver licensing system.

Other states use more proactive approaches to address the high crash risk of elder drivers

We identified two proactive approaches used by other states to improve the safety of their elder drivers:

- eliminating mail-in renewals and shortening renewal time periods for drivers over a specified age and
- mandating periodic age-based driver skills and vision assessment.

Eliminating mail-in renewals and shortening renewal time periods for drivers over a specified age

Some states have eliminated mail-in renewals or shortened renewal timeframes for elder drivers

Several states have taken steps to require more frequent testing of elder drivers. We identified four states that do not allow persons age 65 or 70 and older to mail in their driver license renewal applications.²¹ Instead, these persons are required to renew their licenses in person, at which time they must take vision tests. Twelve states have established shorter renewal periods for drivers 65 or 70 and over.²² For example, Missouri requires drivers starting at the age of 69 to renew their licenses every three years. Illinois divides the requirement of retesting into three age groups: ages 21 to 80 renew every four years, ages 81 to 86 every two years, and ages 87 and older every year. Illinois also requires drivers 75 years of age and over to take a road test.

²⁰ In 1999, the 55 Alive program in Florida had 77,000 graduates, and the Getting in Gear program gave 665 classes, tests and assessments.

²¹ According to Fields and Valtinson (1998), 29 states require in-person driver license renewals, including a vision test.

²² *U.S. Driver Licensing Renewal Procedures for Older Drivers*, Insurance Institute for Highway Safety, October 25, 1999.

Mandating periodic age-based driver skills and vision assessment

Better skill and vision assessment is needed

Another proactive approach is to conduct more in-depth assessment of elder driver capabilities to detect and address impairments before they lead to traffic crashes. Some other states require elder drivers to undergo more stringent testing than Florida as a condition of having their licenses renewed. Florida's current procedures for testing drivers who renew their licenses in person consist of a basic vision test and licensing staff's observation of whether or not the applicant appears to have a hearing or other disorder based on their interaction with the applicant. Department managers feel that these procedures are inadequate for detecting many vision, physical, and cognitive problems that would impair driving ability.

Some states have developed assessment procedures that better detect elder driver impairments. For example, Oregon has developed a program that includes one-on-one counseling sessions between a state employee and an elder driver intended to identify mental or physical disabilities and driving tests. California is in the process of piloting a three-tiered model screening procedure developed by the National Highway Traffic Safety Administration. The procedure is intended to be a low-cost, fair and accurate method for identifying problem drivers.²³

The Florida Department of Highway Safety and Motor Vehicles' Division of Driver License recently received a federal grant to fund a mature driver skill assessment pilot study for 18 months. The purposes of the study are to standardize driver skill assessment methodology and to support an agency network that identifies high-risk drivers among the cognitively impaired or those who are clients of Memory Disorder Clinics in Florida. Goals of this project include research into the feasibility of automated assessment tools, including improved vision testing, to be used by the department and at other sites. Once an adequate system of driver screening is established, the department would have the ability to make license retention contingent on training or driving restrictions.

More proactive driver licensing procedures for elder drivers could help reduce crash risk, but may impose hardships on them

During 1999, 466 Florida drivers aged 70 and older were involved in crashes resulting in fatalities, while 18,035 were involved in crashes resulting in injuries. Implementing more proactive driver licensing policies for elder drivers could improve highway safety by restricting or

²³ The first tier procedure focuses on gross impairments and includes tests designed to detect drivers' most serious physical or mental limitations and is to be administered in a brief time period. Individuals who do not pass the evaluation would be recommended for the second and third tiers of assessment that are more costly and time-consuming and include specialized testing.

taking driver licenses from drivers who may pose a safety risk to themselves and other drivers. The possession of a driver license is a privilege contingent on the demonstrated ability to drive safely. Elder drivers may benefit from better screening and assessment procedures due to earlier identification of deficiencies that could be remediated through training, vehicle modifications, or restricting driving to certain time periods or lower-risk roadways.

However, a major concern that the state will need to address is that the loss of a driver license may impose hardships on these drivers in areas of the state without adequate public transportation. Transportation is needed for elders to participate in many essential activities, from grocery shopping to medical visits to social events. If elders lose the ability to drive, alternative modes of transportation would be needed to assist them. Although the state has a transportation disadvantaged program, some requests for these services have not been met due to limited capacity. Canceling the driving privileges of additional elder drivers will increase the demand for these types of services.

Conclusions and recommendations

As drivers age, they are increasingly at risk of being involved in traffic crashes. Analysis of crash data shows sharp increases in crash risk after drivers pass age 69. This increased risk is related to the impact of aging on health and a variety of physical and cognitive functions. Elder drivers who do not choose to restrict their driving when their functional abilities are impaired may risk their own safety, health, and life, as well as those of other drivers.

Florida's driver licensing system is not prepared to address the challenges posed by a large and growing elder population. Drivers may renew their driver licenses for up to 18 years through mail-in renewals without any direct contact with a licensing agent who may identify possible impairments. Further, the Department of Highway Safety and Motor Vehicles' current approach for assessing and screening elder drivers is inadequate for detecting many vision, physical, and cognitive problems that would impair one's driving ability. However, the department is in the process of developing driver skill assessment methodology that may help it develop a better driver screening system.

To provide a more proactive driver licensing system addressing the problem of increased crash risk of elder drivers, we recommend that

- at a minimum, the Legislature revise s. 322.18, *Florida Statutes*, to eliminate the mail-in renewal option for to drivers over a certain age; based on our analyses, we recommend that drivers 70 years of age and older be required to renew their licenses in person;

- the Legislature consider revising s. 322.18, *Florida Statutes*, to shorten renewal time periods for drivers 70 years of age and older; and
- the Legislature require the Department of Highway Safety and Motor Vehicles to develop age-based driver skill and vision assessment procedures for driver license renewals.

Use of cellular telephones in motor vehicles can affect driver safety

Cellular telephone use while driving may be dangerously distracting

Research shows that driver distractions are a significant cause of traffic accidents. Distraction from using items such as cellular telephones and route guidance systems while driving can affect the ability of drivers to respond responsibly and safely to road, weather, and other hazardous driving conditions. The National Highway Traffic Safety Administration has estimated that 30% of traffic crashes across the country are due to driver distraction.

Cellular telephones have been identified as a particular concern by researchers. Opponents of the use of cellular phones by drivers cite recent studies that concluded that driving while using a cellular telephone increases the risk of being involved in a crash to a level comparable to driving while intoxicated. However, proponents argue that the presence of a cellular phone in a vehicle increases safety because it allows drivers to call for help or alert law enforcement agencies of crashes.

Nationwide, many states and municipalities are in the process of responding to this emerging issue. Eight municipalities located in four states have already adopted ordinances requiring the use of hands-free cellular phones while driving.²⁴ At least 37 state legislatures have considered legislation to regulate the use of cellular phones in automobiles since 1995, but none of these proposals has been enacted into law.²⁵

Crash data are lacking on cellular telephone use

Florida currently lacks data on whether cellular telephone usage is a significant factor in the state's traffic crashes. The state's crash reports do not require this information to be recorded by the law enforcement officers who report the factors contributing to traffic accidents. However, other states are presently collecting this information, including Minnesota, Oklahoma, Pennsylvania, and Tennessee. The Florida Legislature and the department need this type of information so they can make informed decisions as to whether legislation is needed to regulate the use of cellular phones by Florida drivers.

²⁴ These eight municipalities are located in New Jersey, New York, Ohio, and Pennsylvania.

²⁵ Fourteen countries restrict or prohibit the use of cellular phones while driving.

Conclusions and recommendations

Recent research shows that cellular phone usage while driving may increase the risk of being involved in a traffic crash. However, the state does not presently collect data needed to evaluate whether cellular phone usage is a significant factor in Florida's traffic crashes. We therefore recommend that the Department of Highway Safety and Motor Vehicles

- modify its crash reporting system and database so that it compiles data indicating whether the use of cellular phones or other distractions such as route guidance systems were a factor contributing to crashes and
- if its analyses indicate using cellular phones or other items such as route guidance systems were a significant factor, make recommendations to the Legislature as to whether legislation is needed to regulate the use of these items while driving.

Driver improvement course evaluations could be enhanced to assist in identifying under-performing schools

Driver improvement schools are designed to offer problem drivers the opportunity to improve their skills following their involvement in traffic violations and collisions. Drivers who choose to attend courses at driver improvement schools can avoid having points assessed against their driver licenses and pay lower fines. Florida law provides that drivers committing noncriminal offenses may elect to attend Basic Driver Improvement Courses, while drivers committing more serious traffic offenses must attend Advanced Driver Improvement Courses (ss. 318.14 and 322.291, *Florida Statutes*).²⁶ Driver improvement courses are offered through 11 course providers who contract with 154 schools at primary locations throughout the state. Each school typically has multiple locations within a county, and department staff estimate that there are 3,000 to 4,000 such locations in the state. The providers offer department-approved curricula for both basic and advanced driver improvement courses.

The department evaluates course providers based on a sample of students

The Legislature deregulated driver improvement schools in 1995. Department rules assign responsibility to the course providers for such monitoring activities as evaluating driver improvement school instructors, classroom presentations, and the condition of school facilities. The department is responsible for approving course curricula and, as part of

²⁶ Attendance at DUI programs or substance abuse education programs is required upon conviction of certain more serious offenses. Our discussion does not include DUI programs since their structure of oversight is different from the other programs.

Control of Problem Drivers

this process, periodically evaluates the effectiveness of the courses offered by the 11 course providers.

The department's evaluation of courses is based on the performance of a sample of students attending the courses at various schools. The results of the department's evaluations of driver improvement courses are generally favorable. For most providers, the department's evaluations show that persons attending the courses had fewer violations and crashes over an 18-month period following the courses' completion in comparison to a control group of persons with similar patterns of traffic violations and crashes who did not attend the courses. However, the department's evaluations identified two course providers whose courses were not effective in reducing violations and crashes. The department gave these providers information identifying the specific students included in its sample for which its analyses indicated the courses were not effective. Based on this information, the providers identified which of their schools were not performing well and discontinued contracting with them.

A more comprehensive evaluation would help providers identify and take action against under-performing schools

Although the department is fulfilling its obligation to evaluate courses, these evaluations could be enhanced to give providers more comprehensive information about under-performing schools. The evaluations are based on the average performance of a sample of students attending each provider's courses at the schools with which the provider contracts. However, providers are not being given performance information on students not included in the department's sample. Without such information, providers may not take timely action to improve under-performing schools not included in the department's evaluation.

Our review determined that the department does not analyze the data it collects that would allow it to give providers more comprehensive information to identify under-performing schools. Since the department regularly receives electronic data from course providers on all of their students by school, it has the information needed to give providers a more thorough evaluation of individual student performance.

Further, under its current approach, the department's evaluations may not contribute to identification of under-performing schools for long periods of time because its rules only require the evaluation of driver improvement courses every five years. This practice may allow under-performing schools to continue to operate undetected over this period of time. If the department gave providers more frequent performance information, it would help providers take timely action to improve school performance.

Conclusion and recommendations

The department's evaluation of course providers based on sampling participating students is sporadic and not sufficient to identify all under-performing schools. Since the department regularly receives electronic data from course providers on all of their students, it has the information needed to assist providers in more thoroughly evaluating individual school performance. We recommend that

- the department discontinue evaluating driver improvement course providers on a sampling basis and instead evaluate their performance using crash data for all students attending the schools with which the provider contracts. These evaluations should be conducted at least every three years.

The department needs to establish a system for continuously improving the validity of its driver tests

Driver tests are intended to increase public safety by licensing only those drivers who demonstrate the necessary knowledge, skills, and abilities to safely operate motor vehicles on Florida's roads. The department uses several types of tests to determine whether applicants have these qualifications: a written knowledge test, a skill test (road test), and a vision and hearing test.²⁷

Crash and violation data should be used to better assure that applicants have the necessary knowledge, skills, and abilities to drive safely

We reviewed the department's driver license test validation processes and determined that the department has not used its data on violations and crashes to assess the validity of its driver tests for assuring that license applicants have the knowledge, skills, and abilities needed to avoid committing the types of violations that lead to motor vehicle crashes.

The department does revise its driving tests and the driver handbook in response to changes in driving laws and requests by stakeholders. For example, Florida Department of Transportation staff have requested that the driving tests focus more attention on rules relating to the rights of bicyclists. In 1999, the department consulted with a panel of testing and traffic safety experts on its driving tests and handbook. Also in 1999, the department contracted with Florida State University to validate its written test and subsequently made revisions to the test.

Although these types of revisions are a necessary part of driver license testing, the department is not revising its tests of drivers' knowledge, skills, and abilities based on the results of current crash trends. As the department regularly collects and analyzes violation and crash data, it has the information needed to make this type of assessment.

²⁷ Driver license staff conduct an informal hearing test when awarding an initial driver license.

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In our opinion, department staff should analyze existing data to identify factors contributing to motor vehicle crashes, and determine whether the driver tests adequately assess license applicants' knowledge of these factors and whether drivers have the skills and abilities needed to avoid these situations. For example, crash patterns of teenage drivers associated with speeding and tailgating could be addressed by including more test items on these problems. Staff should also conduct research to determine whether more extensive testing, such as conducting road tests in actual traffic conditions or adding more driver-safety-related items to the tests, would be cost-beneficial in reducing crashes.

Conclusion and recommendations

The department periodically revises its driver tests in response to changes in Florida's driving laws and requests made by various stakeholders. However, it has not established a system for continuously assessing and improving the tests' validity as predictors of a person's knowledge, skills, and ability to drive safely on Florida's roads. Accordingly, we recommend that the Department of Highway Safety and Motor Vehicles establish a system for continuously assessing the validity of its driver tests as tools for determining whether individuals have the requisite knowledge, skills, and ability needed to drive safely on Florida's roads. As part of this system, department staff should analyze existing data to identify factors contributing to motor vehicle crashes and determine whether the driver tests adequately assess a license applicant's knowledge of these factors, and whether the applicant has the skills and abilities needed to avoid these situations. They should also conduct research to determine whether more extensive testing, such as conducting road tests in actual traffic conditions or adding more driver safety-related items to the tests, would be cost-beneficial in reducing crashes.

Privatization and Outsourcing

The department has worked in recent years to identify appropriate entities and certain driver licensing functions that could be contracted out to other entities. The department has contracted with county tax collectors to provide driver licensing services as agents of the department, third-party testers who conduct road tests for commercial drivers, and secondary school districts and private schools with driver education programs that provide road tests.²⁸ The department has also formed a partnership with the Jefferson Correctional Institution whereby inmates answer driver license-related telephone calls. The Department of Revenue processes all mail-in driver license renewals, including processing renewal fees, entering data, and checking data accuracy.

As a result of Florida's rapid population growth and state budgetary constraints, there is a need to consider alternative means of providing driver licensing services. Florida is the nation's fourth most populous state behind California, Texas, and New York. According to United States Census Bureau projections, Florida will become the nation's third largest state between the years 2015 and 2020. This growth in population has led to increased demand for driver licensing services in Florida, which has increased approximately 15% over the last decade and is expected to increase another 5% by year 2005. The department's ability to add state personnel and infrastructure to meet the growing demand for driver licensing services is limited by constraints on the state's budget. Thus, alternative means of providing services, such as contracting, become necessary to meet the demand for services.

We conducted research and contacted driver licensing programs in other states to determine the extent to which other state programs outsource driver licensing activities and found that 25 states' driver licensing programs privatize or outsource some portion of their functions.²⁹ However, the extent to which these programs have outsourced these activities and the entities with which they contract vary.

²⁸ Third-party testers, secondary school districts, and private schools that provide road tests provide applicants with a certificate indicating that they have passed the road test and do not have to retake it upon obtaining an original driver license. When these applicants go to a driver license or state agent's office to obtain their initial driver licenses, they only have to take written and skills tests and vision examinations.

²⁹ The Florida Senate Committee on Transportation recently conducted an interim project that reviewed privatization of driver-licensing functions. For further information, see *Privatization or Transfer of Functions of the Department of Highway Safety and Motor Vehicles*, the Florida Senate Committee on Transportation, Interim Project Report 2001-026, November 2000.

The department could expand its use of contractors to provide driver licensing services

Based on information we obtained from other states and our review of the department's contracting efforts, we identified three areas in which the program could increase its contracting for driver licensing services:

- increasing the number of county tax collectors offering driver licensing services;
- using third-party testers to administer road skills testing for all classes and types of driver licenses; and
- contracting with private businesses and other for-profit and non-profit organizations to provide driver licensing services.

Increasing the number of county tax collectors offering driver licensing services

Section 322.135, *Florida Statutes*, authorizes the department to appoint county tax collectors as driver license agents to provide driver licensing services. Since legislation was passed in 1996, the department has approved 21 county tax collectors to serve as driver license agents for providing these services. These tax collectors operate from 30 different locations around the state and provide limited or complete driver licensing services, including issuing Florida identification cards.³⁰ During Fiscal Year 1999-2000, county tax collectors issued approximately 5% of all driver licenses and identification cards issued in Florida.³¹

Additional tax collectors are interested in providing driver licensing services

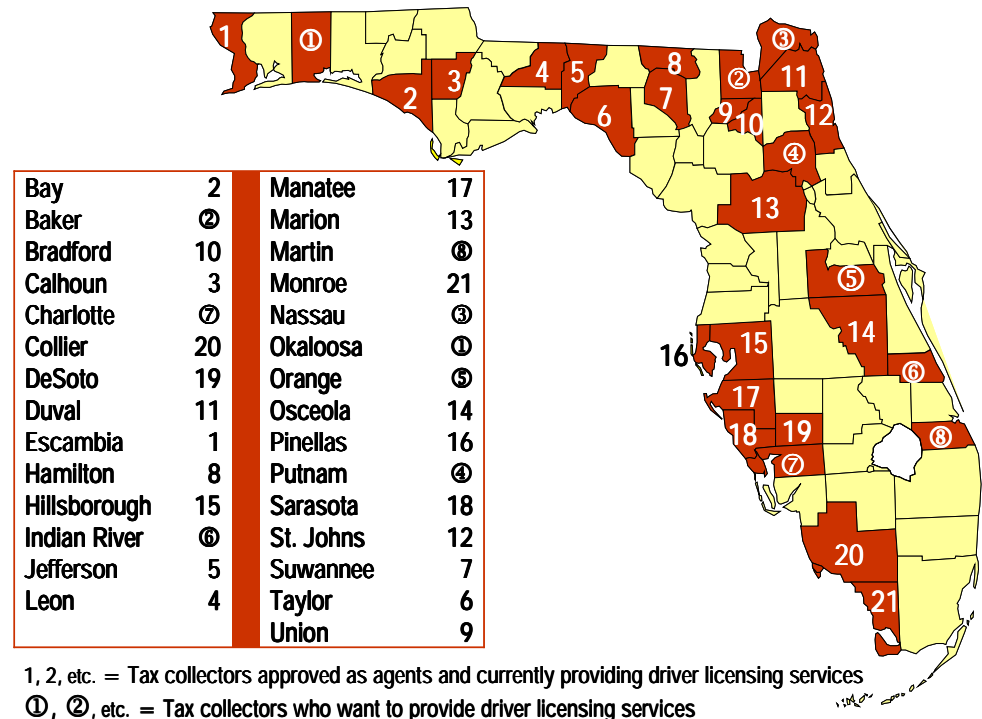
Tax collectors who currently offer driver licensing services (driver license agents) told us that the opportunity to offer these services is a method to provide better, more convenient services to the citizens of their counties. In response to an OPPAGA survey, an additional eight tax collectors who currently are not driver license agents said they have become or are interested in becoming agents.³² Exhibit 10 shows the geographical areas for the tax collectors who are currently providing driver licensing services and those who are interested in providing these services.

³⁰ Driver license services include issuing driver licenses (original, new resident, renewal, duplicate, and replacement) and identification cards; reinstating suspended and revoked driver licenses (i.e., due to driving without proper insurance, failure to pay traffic tickets, and driving under the influence of alcohol or drugs); driving/road and written tests for both commercial driver licenses and regular driver licenses; and tests for issuing motorcycle driver licenses. Even though some tax collectors perform most driver license services, many tax collectors provide limited services that include only issuing original, renewal, duplicate, and replacement driver licenses and identification cards.

³¹ The total number of driver licenses and identification cards issued during Fiscal Year 1999-2000 was 5,001,770.

³² The initial response to our survey showed ten county tax collectors interested in becoming agents; however, two (Collier and Escambia) began providing driver licensing services subsequent to our survey (in June 2000 and August 2000, respectively).

**Exhibit 10
Additional County Tax Collectors Are Interested in Providing Services**



Source: The Department of Highway Safety and Motor Vehicles' program staff.

Program staff reported that contracting with county tax collectors has been beneficial in that it has resulted in cost avoidance to the department and provided more available service areas for customers' convenience. Further expansion of county tax collectors as state driver license agents will significantly increase the program's ability to meet additional demand for services.³³

Using third-party testers to administer driving skills tests for all classes and types of driver licenses

Under the provision of s. 322.56, *Florida Statutes*, the department may authorize a person or certain entities by contract to administer the written and driving skills portions of an examination for all classes and types of driver licenses. Currently, most driver skill testing of commercial drivers in Florida takes place through department-contracted third-party testers. On a more limited basis, the department also contracts with third-party

³³ The department's Long-Range Program Plan for Fiscal Years 2001-02 through 2005-06 contains a proposal to meet budget reduction objectives in Fiscal Years 2001-02 through 2005-06 by deleting 191 positions through closure and consolidation of state driver license offices. The potential cost impact is \$7.1 million.

testers to perform driving skills tests for motorcycle drivers and with a number of secondary school districts and individual private schools that teach driver education.³⁴

The department's outsourcing of commercial driver license testing began in 1991 with 25 third-party testers. The department now contracts with more than 450 third-party testers that employ approximately 1,214 examiners to administer commercial driving tests.³⁵ Examiners administer the pre-trip/basic skills and driving tests. These tests are administered in accordance with the guidelines set forth in the Motor Carrier Safety Act and are subject to audit review by both the state and the Federal Motor Carrier Safety Administration. Presently, third-party testers administer approximately 90% of all commercial driver license basic skills and driving tests given in the state. The department administers the remaining 10% of the state's commercial driver license tests.³⁶

Other states use third-party testers for non-commercial classes of driver licenses

We surveyed driver licensing programs in other states to determine the extent to which they use third-party testers. Nineteen of 34 state programs responding to our survey use third-party testers for commercial driver licenses, and 10 states use third-party testers for other classes of licenses.

One of the major benefits to using third-party testers for non-commercial drivers is that this option may make it easier to increase the number of county tax collector offices providing driver licensing services. Most of the county tax collectors who are currently providing driver licensing services, as well as those who are interested in but not yet providing driver licensing services, prefer not to conduct road testing for any class of license. Instead, they would prefer to perform administrative functions such as issuing driver license renewals, identification cards, and driver license replacements. According to representatives of the Florida County Tax Collectors Association, additional tax collectors would be willing to provide driver licensing services if another entity conducted the driving or road tests for potential licensees.

Contracting out road testing would result in a reduction in the number of state employees; however, whether or not overall state costs would be reduced is currently unknown and would depend on several factors. These factors would include the state's cost to monitor contractors,

³⁴ The curricula of the school districts and individual private schools must meet the Department of Education's standards, and any teachers signing the waivers must be certified driver education teachers with a Department of Education endorsement on their teaching certificates.

³⁵ The state operates seven commercial driver licensing sites statewide that provide testing to the public at no charge. Third-party testers may charge fees that are set by the market. According to program staff, these fees range from \$50 to \$300 depending on the area of the state. The department does not set or even suggest what the prices should be for providing these services.

³⁶ The department administers all of the written tests for commercial drivers; federal regulations prohibit third-party testers from administering written tests for commercial driver licenses.

contractor prices, and decisions as to whether the state would absorb any increased costs or would instead pass these costs on to the customer. For example, the state will incur supervision or monitoring costs with either state employees or contractors due to the risk of fraud. As shown by recent experience in Florida, considerable profits can be made from selling waivers (certifications that persons have taken and passed the road test) for driver licenses, especially for commercial driver licenses. Florida is currently the subject of a federal investigation relating to third-party testers selling commercial driver license waivers to persons who had not passed the driving skills test.³⁷ As a result of this investigation, the Federal Motor Carrier Safety Administration has recommended that Florida significantly increase oversight of state-run and third-party test locations. For future outsourcing to be effective, the department must be proactive and exercise preventative measures to reduce the possibility of fraud. One such measure would be to increase the training and monitoring of third-party contractors to prevent fraud and maintain the integrity of the driver license system.

The department is currently conducting a pilot project involving third-party testers to administer road tests for non-commercial classes of driver licenses.³⁸ However, the department did not conduct a cost-benefit analysis to determine the impact of this outsourcing. Program staff viewed this project more from a standpoint of determining feasibility and as an evaluation of the concept of third-party examiners as it relates to their integrity and performance. Program staff reported that they consider it more important to ensure that third-party testers certify only those persons who demonstrate that they have the knowledge and skills to safely operate a vehicle than to evaluate any cost savings that may be obtained through third party testing.³⁹ While assuring testing quality is critical, it is also important to assess the cost benefit of this effort. At present, program staff have not determined the overall impact of this pilot project.

Exhibit 11 summarizes some of the advantages and disadvantages of outsourcing driver licensing functions to third-party testers.

³⁷ Hundreds of Florida's commercial driver licensees are being tracked down nationwide for re-testing and possible license revocation.

³⁸ The pilot project is operational in seven counties (Dade, Leon, Orange, Pinellas, Polk, Sarasota, and Volusia) with seven vendors participating. Third-party testers in four of the counties are actively administering driving tests, while the department is awaiting a person to conduct the tests in the other three counties and to have their driving-range routes approved. The participating vendors include five commercial driving schools, one non-profit safety council, and one adult education center.

³⁹ To combat any falsification of road testing in the pilot project, program staff intent to retest a percentage of drivers issued waivers by the third-party testers to determine if actual tests are being administered.

**Exhibit 11
Outsourcing Driver License Testing Functions to Third-Party Contractors
Has Several Potential Advantages and Disadvantages**

Advantages	Disadvantages
Potential increase in the number of county tax collector offices willing to provide driver licensing services	State would incur costs for monitoring contractors
Potential improvement in the state's ability to use the overhead and infrastructure of other agencies or companies to expand services or locations	Reduction in staff after outsourcing may make it difficult to properly monitor contractors
Potential increase in convenience to the public without expansion in the size of government	Potential cost increase to the consumer for obtaining a driver license
Possible increase in public access to services after normal state work hours and on weekends	Potential that customers will have to visit multi-entities to obtain driver licensing services
Potential to reduce customer lines at state-run facilities	
Possible reduction in state equipment and maintenance cost	
Possible cost avoidance from not needing additional equipment or state personnel	

Source: OPPAGA research.

Contracting with private businesses and other for-profit and non-profit organizations to provide driver licensing services

Arizona and Ohio use private entities to provide driver licensing services

Some other states have achieved a further degree of privatization by allowing private entities to bid on providing driver licensing services. For example, Arizona and Ohio use different combinations of local government and private entities to provide driver licensing services, such as issuing driver licenses and identification cards. These contractors are used to supplement the driver licensing services provided by state employees.

Arizona began outsourcing driver licensing services in 1994. This outsourcing effort relieved workload at the state's driver license field offices. Ohio began its outsourcing of driver licensing services in 1989 and has over 200 deputy registrars (private entities) who issue driver licenses and identification cards. The private entities include non-profit groups such as the American Automobile Association as well as independent contractors.

Driver licensing administrators from Arizona and Ohio reported that the primary financial advantage of outsourcing was cost avoidance rather than cost reduction. They are able to provide more service locations

without increasing state infrastructure and personnel. The private contractors generally fund their day-to-day operations with the fees charged to customers for transactions. In Arizona, third-party contractors incur all start-up costs for providing driver licensing services, including the cost of equipment, office space, connectivity, and training. In comparison, Ohio absorbs all of the costs relating to supplies, equipment, and equipment maintenance.

Outsourcing driver licensing services to private entities would have some of the same advantages and disadvantages listed in Exhibit 11. One of the major advantages would be to provide consumers with more choices for obtaining driver licensing services. Customer convenience would be increased because there would be more locations and different entities citizens could visit to obtain services. Depending on the types of entities with which the state contracts, there is the potential that customers will have more access to services outside of normal state business hours. Also, competition for customers has the potential to provide a strong incentive for providers to improve the quality of customer service.

As with increased use of third-party testers, this option would have several potential disadvantages as described below.

- This option is contrary to current program objectives to provide customers with more one-stop centers at which customers can obtain all motor vehicle related services.
- The program would need to increase its monitoring of contractors.
- Depending on the financial arrangement between the department and private entities, there could be an increase in the number of locations needing computer connectivity and other related equipment upgrades, training, and support services. Currently, the department provides all the technical training and computer hookups and related technical support for county tax collectors.
- Adding private entities to the mix of providers for driver licensing services may require a change in Florida Statutes. Currently, the department is only authorized to have county tax collectors serve as its agents for the provision of specified driver licensing services.

In the absence of bids, the prices that contractors would want to charge are unknown.⁴⁰ A further consideration is that the need to provide customers with additional locations for services may be diminished now that the program has implemented an Internet renewal option. Florida citizens now have the option to renew their driver licenses in person, by telephone, or over the Internet. The Internet option was implemented in August 2000. Program staff report that it is too soon to determine what

⁴⁰ Tax collectors are authorized to charge a \$5.25 fee in addition to the fee set for driver license issuance or renewal, and may retain \$4.25 for each transaction. One dollar must be deposited into the Highway Safety Operating Trust Fund (s. 322.135, *F.S.*) for the department to use to fund training and technical support for the tax collectors.

impact this change will have on demand for services in driver license offices.

Conclusions and recommendations

The demand for driver licensing services has increased by approximately 15% over the past decade and is expected to increase another 5% by year 2005. It is unlikely that the department will have sufficient personnel and infrastructure to keep up with this demand given the state's rapid population growth and budget constraints. Further contracting for driver license-related services is feasible, especially the expansion of county tax collectors as driver license agents and use of third party testers.

Other state driver licensing programs have contracted with private entities to provide driver licensing services such as issuing driver licenses and identification cards. Although outsourcing driver licensing services could result in reducing the number of field offices and state employees, it is not certain that outsourcing would lower the state's overall costs since the state's cost of monitoring these contractors and other cost impacts are currently unknown. Both a public and a private driver licensing setting require close supervision to reduce the potential for fraud. Current contracting has proved to be beneficial in that it has resulted in cost avoidance to the department and provided more available service areas for customers' convenience. It is thus likely that contracting with private entities authorized to provide driver licensing services would create more options for consumers with little impact or a positive impact on state costs.

Accordingly, we recommend that the Department of Highway Safety and Motor Vehicles

- expand its contracting efforts with county tax collectors to provide driver licensing services, especially in the areas where the department is considering closing field offices;
- expand its outsourcing with third-party contractors to conduct road tests for regular driver licenses in addition to commercial driver licenses; and
- develop and implement analytical indicators to measure and assess contractor performance, compare in-house costs to those under contract, and evaluate and strengthen its monitoring and oversight practices to detect potential fraud with third-party contractors.

We also recommend that the Legislature amend s. 322.135, *Florida Statutes*, to

- authorize private entities contracted by the Department of Highway Safety and Motor Vehicles to be driver license agents for the department for the provision of specified driver licensing services;

- authorize the Department of Highway Safety and Motor Vehicles to set a fee range contractors may charge for specified driver licensing services; and
- direct the Department of Highway Safety and Motor Vehicles to pursue contracting with private entities on a pilot basis to provide driver licensing services to the citizens of Florida. The pilot test should include analysis of impact on department costs and costs to the consumer, as well as impact on the quality of services provided. The department should use the results of the pilot test to determine whether to expand contracting with private entities to provide driver licensing services.

Uninsured Motorists

Like most states, Florida requires motorists to carry automobile insurance to protect against financial losses in case of an accident. Under Florida's Motor Vehicle No-Fault Law, owners of motor vehicles are required to carry Personal Injury Protection (PIP) and Property Damage Liability (PDL) coverage on each vehicle. Persons who have been involved in crashes causing injuries or who have been convicted of certain offenses or had a judgment against them following a crash are required to carry bodily injury liability coverage under the Florida Financial Responsibility Law.

Uninsured motorists are not in compliance with state laws requiring motorists to carry insurance to cover damages resulting from traffic crashes. For Fiscal Year 1999-2000, the department reported that 84% of the state's registered vehicles were covered by insurance. Other drivers bear the cost of uninsured motorists, both through paying higher insurance premiums and through possible out-of-pocket expenses for losses above and beyond their insurance coverage.

We reviewed the department's efforts to enforce compliance with state motor vehicle laws and concluded that the department could improve its effectiveness in identifying uninsured motorists by taking action to bring more insurance companies into compliance with statutory reporting time deadlines.

Identification of uninsured drivers increases, but insurance company reporting compliance is deficient

State driver license and motor vehicle administrators face the burden of identifying and penalizing uninsured motorists. Several states, including Florida, have established uninsured motorist databases whereby insurance companies supply information on all policies and periodic updates for terminations, non-renewals, new policies and major policy changes. This information is then compared with the state's vehicle registration database. The department suspends the registration for vehicles that are found to be uninsured and may also suspend these motorists' driver licenses.

A 1995 report from our office found that the accuracy and timeliness of the data provided by insurance companies were lacking and that

affidavits and binders were unreliable for providing proof of insurance.⁴¹ These deficiencies made it difficult for the department to determine insured and uninsured motorists.⁴²

Our current review of the department's efforts reveals that the department has taken action to address insurance companies' accuracy and timeliness in reporting policy data and the reliability of affidavits and binders as proof of insurance. These actions, such as one-time training of staff and tax collectors, workshops and training for representatives of insurance companies regarding insurance enforcement issues, and controls to disallow incorrect names of insurance companies on affidavits and binders, have improved the department's ability to determine motorists' insurance status. However, some problems still remain:

- continued data errors and lack of timely reporting by insurance companies and
- the department's inability to identify and take action against insurance companies that report data untimely.

Insurance companies continue to cause database errors and some do not comply with reporting timeframes

Insurance data errors and untimely reporting continue to plague the department's effort to determine the number of insured and uninsured motorists. The department uses two databases to determine the incidence of insured and uninsured motorists: the vehicle registration database and the insurance database.⁴³ The department operates and maintains the registration database, but has access to only the insurance database, which is updated and maintained by insurance companies. There are still problems associated with data accuracy and timely reporting in the latter database.

⁴¹ An affidavit is a written declaration made under oath before a notary public certifying that the information provided is correct. Such a declaration may be used to provide proof of insurance in order to register a vehicle. A binder is a document that an insurance agent issues to a person who purchases auto insurance and is used to show proof of insurance until the insurance company issues the motorist an official insurance card.

⁴² *Review of the Uninsured Motorist Program*, [OPPAGA Report No. 95-15](#), December 1995.

⁴³ The vehicle registration database includes information about registered vehicles, such as vehicle identification and tag numbers and the types and titles of vehicles. The insurance database includes information on insurance policies that insurance companies have issued to individuals, such as policy type and coverage, vehicle identification number and type, and name of owner.

Data errors and late reporting by insurance companies affect the department's ability to enforce motorist insurance laws

There are two primary reasons why the data in the insurance database is inaccurate. First, insurance companies frequently include incorrect vehicle identification numbers and driver license numbers in the information they submit to the department. These errors result in the department taking erroneous law enforcement actions such as registration and driver license suspension against persons who are insured.⁴⁴

The second cause for data errors is that insurance companies may incorrectly report policy transactions to the department. For example, when a driver cancels a policy due to the sale of a vehicle or loss of a vehicle through an accident, the insurance company is required to file a "Transaction 13," which notifies the department that a vehicle has been totaled in an accident or sold and the policy does not cover any other vehicles. However, many companies instead file a "Transaction 10," which is a notification that the policy has been cancelled. As a result, it appears that the driver has an uninsured vehicle. These errors cause the department to send suspension notices to drivers for vehicles that they no longer own.

Insurance companies are required by s. 627.736(9)(a), *Florida Statutes*, to report Personal Injury Protection policy changes (i.e., renewal, cancellation or non-renewal) to the department within 45 days from the effective day of change and to file reports on new policies within 30 days. Program staff told us that insurance companies have made some reporting improvements over the years, but many companies are still not meeting the required reporting deadline. According to an internal study program staff conducted in 1998 to evaluate the error rate on seized license plates, the average reporting period for 61 insurance companies that report late was 153 days.⁴⁵ Based on an unofficial review conducted in November 2000, program staff determined that the average reporting time period for most insurance companies ranges from 100 to 120 days. Even though it appears that some insurance companies are reducing their degree of untimely reporting of policy changes, delays still occur that hinder the department's ability to accurately identify motorists whose registrations and or driver licenses should be suspended due to noncompliance with motor vehicle insurance laws.

⁴⁴ Our office recently conducted a review of the License Plate Seizure Pilot Project whereby license recovery agents in three counties are paid for confiscating license plates from vehicles owned by or registered to persons whose driver licenses were suspended for not maintaining required insurance. See *License Plate Seizure Project's Error Rate Still High; Program Should be Abolished*, OPPAGA Report No. 00-25, December 2000.

⁴⁵ This study was based on a methodology using a random sample of 465 suspension cases (registrants without insurance who had been identified to have their vehicle tags seized). Of the 465 cases, 246 had insurance at the time of seizure. Staff evaluated the reporting period of the insurance companies for the 246 cases by identifying the effective date of the insurance policy, the date the license was suspended, and the date that the insurance companies posted the policy information to the database. Program staff reported that the 246 cases involved 61 insurance companies.

The department cannot readily identify insurance companies that report data untimely

The department is unable to easily identify insurance companies that are in violation of the reporting requirements specified in s. 627.736(9), *Florida Statutes*.⁴⁶ According to program staff, the department has not developed and implemented a data tracking system to generate reports identifying late reporting by insurance companies due to a shortage of programmers and due to other higher priorities.⁴⁷ In the absence of a data tracking system, staff must manually review transactions to identify insurance companies' reporting time. This effort is not regularly undertaken due to the staff time consumed.

The department needs to track data so that it can take action to bring insurance companies into compliance with reporting timeframes

Identifying insurance companies that are not complying with reporting laws is essential for taking action to try to bring them into compliance. Section 624.3161, *Florida Statutes*, designates the Department of Insurance as the principle entity to examine insurance companies in relation to market conduct. When insurance companies are found not to be in compliance with state laws, the Department of Insurance can assess fines and penalties ranging from \$100 to \$20,000, depending on the degree of the violation. Department of Insurance staff told us that unless the Department of Highway Safety and Motor Vehicles informs them of reporting violations by insurance companies, they would not be aware of the problem until they conduct an audit of the insurance company. Department of Insurance staff select companies for audit on a targeted basis.⁴⁸

Conclusions and recommendations

Insurance data errors and untimely reporting of insurance policy information continue to hinder the department's efforts to identify uninsured motorists. Data errors occur mainly because insurance companies enter incorrect vehicle identification numbers and driver license numbers into the insurance database. The department is unable to readily identify the companies that are in violation of the reporting laws. Identifying and reporting these insurance companies to the Department of Insurance is essential for taking action to bring the companies into compliance, such as by assessing fines and penalties. These problems

⁴⁶ Even though late reporting of policy data by insurance companies is a problem, it is not clear which companies are actually violating the law. Program staff believe that larger companies (those with more than 50,000 policyholders) are more timely than smaller companies. Larger companies account for over 90% of transactions.

⁴⁷ Department staff were unable to provide any cost estimates for developing and implementing a data program to track insurance companies that make untimely reports.

⁴⁸ Prior to 1997, the Department of Insurance audited each insurance company every three years. As a result of a 1997 law change, companies are audited periodically.

Uninsured Motorists

hinder the department's ability to identify and sanction uninsured drivers, which in turn increases insurance rates for other drivers.

To further improve the accuracy and timeliness of insurance company policy data, we recommend that

- the Department of Highway Safety and Motor Vehicles provide ongoing training and workshops for department staff, county tax collector staff, and representatives of insurance companies that address reporting accurate and timely data;
- the department develop and maintain a computer program to identify insurance companies that untimely report insurance policy data;
- the department develop criteria for determining the degree of noncompliance that would warrant reporting insurance companies to the Department of Insurance as being out of compliance with reporting time frames;
- the department generate and submit a report identifying insurance companies that are not in compliance with reporting laws (s. 627.736(9), *Florida Statutes*) to the Department of Insurance on a quarterly basis; and
- the Department of Insurance provide follow-up information to the Department of Highway Safety and Motor Vehicles as to actions taken to bring insurance companies into compliance with motor vehicle insurance reporting requirements.

Appendix A

Statutory Requirements for Program Evaluation and Justification Review

Section 11.513(3), *Florida Statutes*, provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Our conclusions on these issues as they relate to the Department of Highway Safety and Motor Vehicles Licenses, Titles, and Regulations Program's driver license-related activities are summarized below.

Table A-1
Summary of the Program Evaluation and Justification Review of the Driver License-Related Activities of the Licenses, Titles, and Regulations Program

Issue	OPPAGA Conclusions
The identifiable cost of the program	For Fiscal Year 2000-2001, the Licenses, Titles, and Regulations Program was appropriated \$151,120,953 and 2,068 positions, of which \$75,166,982 and 1,471 positions were allocated to driver license-related activities.
The specific purpose of the program, as well as the specific public benefit derived therefrom	<p>The purpose of the program's driver license-related activities is to maintain an efficient and effective licensing program that assures only drivers demonstrating the necessary knowledge, skills, and abilities are licensed to operate motor vehicles on Florida's highways. The program's primary public benefits are promoting public safety on state roads, providing citizens with a universally accepted form of identification, assisting citizens when this identification is stolen or used fraudulently, and serving as a significant source of state revenues.</p> <ul style="list-style-type: none">▪ A person must obtain a driver license to drive any motor vehicle upon a highway in the state to demonstrate that he or she does not pose a risk to highway safety.▪ Driver licenses and identification cards have developed into one of the most recognized forms of identification nationwide.▪ Program staff work with the Florida Highway Patrol to investigate cases of driver license fraud, which occurs when identification has been stolen and/or used fraudulently.▪ The program's driver license related activities provide significant amounts of state general revenue and other funding.
Progress towards achieving the outputs and outcomes associated with the program	The program met most of its performance standards for driver license-related activities during Fiscal Year 1999-2000. For example, the program generally met performance expectations for controlling customer wait times, and met expectations for monitoring DUI (driving under the influence of alcohol and drugs) schools and regulating uninsured motorists.

Appendix A

Issue	OPPAGA Conclusions
<p>An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, <i>F.S.</i>, associated with the program</p>	<p>The program has generally performed well in managing customer wait times. The program performed better than the standard for the percentage of customers waiting 15 minutes or less for driver license services, but slightly missed the standard for the percentage of customers who waited 30 minutes or more. The program has been able to control customer wait times by implementing procedures such as appointments for service, mail-in renewals, and extended renewal periods.</p> <p>A high percentage of graduates of DUI courses have not been found committing similar infractions within the three years after graduation. This is an indirect measure of program effectiveness in that program staff and a board of volunteers are responsible for monitoring DUI schools for adherence with department standards, but the program is not responsible for operating the schools or teaching the DUI courses.</p> <p>The percentage of motorists in compliance with motor vehicle insurance laws increased between Fiscal Years 1998-99 and 1999-2000, and exceeded the Fiscal Year 1999-2000 standard. Program administrators attribute this performance to the training that they provided to program staff, insurance industry personnel, and tag agents about Florida's insurance laws.</p>
<p>Alternative courses of action that would result in administering the program more efficiently and effectively</p>	<p>The activities associated with driver licensing are closely aligned with motor vehicle-related activities and fall within the mission of the Department of Highway Safety and Motor Vehicles. Keeping driver license, motor vehicle, and Highway Patrol activities within one agency promotes the coordination of these activities, such as when enforcing state motor vehicle insurance laws, investigating driver license and identification card fraud cases, and promoting driver safety and education.</p> <p>The Department of Highway Safety and Motor Vehicles and the Florida Department of Transportation have some similarities in mission and activities. The state may be able to reduce the executive direction and support costs of the Department of Highway Safety and Motor Vehicles by merging it with the Florida Department of Transportation.</p> <p>We identified several areas in which the state's driver licensing system could be improved and the program could be administered more efficiently.</p> <ul style="list-style-type: none"> ▪ Although graduated licensing restrictions have helped reduce teenage crash rates, additional restrictions may be needed. ▪ To address the high crash risk of elder drivers, the Legislature should implement more proactive driver licensing policies for elder drivers, such as eliminating mail-in renewals for drivers above a specific age, and the department should continue to research ways to improve driver skill assessment. ▪ The department should collect data to determine whether the state should continue to allow the use of cellular telephones and items such as route guidance systems while driving, as these can distract drivers and affect their ability to drive safely. ▪ The department's evaluation of driver improvement courses could be enhanced to better assist providers in identifying under-performing schools. ▪ The department should establish a system for continuously assessing the validity of its driver tests as tools for determining whether individuals have the requisite knowledge, skills, and abilities needed to drive safely on Florida's roadways. ▪ The department could expand its use of contractors to provide driver licensing services. ▪ To improve program efforts to identify uninsured motorists, the department should develop a computer program to identify insurance companies that untimely report insurance policy data so that staff can take action to bring more companies into compliance with statutory reporting timeframes.

Issue	OPPAGA Conclusions
<p>The consequences of discontinuing the program</p>	<p>Abolishing the program's driver license-related activities would not be in the state's best interest. Even though abolishment may reduce the size of state government, this action would eliminate the state's only option for removing the driving privilege of persons who do not obey state driving laws, such as persons who commit numerous traffic violations or drive under the influence of alcohol and drugs. To ensure the safety of all citizens, it is essential for the state to be able to suspend, revoke, and cancel individuals' licenses when traffic laws are violated.</p>
<p>Determination as to public policy; which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part</p>	<p>The program is predominately funded from fees for driver licenses, records, and reports. Most of the department's driver license-related activities generate revenues that exceed or are close to their operating costs, but there are three exceptions: (1) administrative support for the department's Division of Driver Licenses, (2) customer-service-related activities, such as answering citizen inquiries and providing support to county tax collectors' staff, and (3) administrative review-related functions. Two of these activities, administrative support and customer service, do not generate any revenue.</p> <p>We concluded that it is appropriate to use revenues from driver licenses, records, and reports to cover the costs of administrative support, since leadership and organizational consistency are a necessary part of operating a state driver licensing program. It is also appropriate to use driver license-related fees to fund customer service activities because taxpayers have a right to these services in return for their payment of the fees.</p> <p>Administrative reviews are another integral part of the state driver licensing system. These activities support the state driver licensing system by providing driver license reviews in conjunction with issuing restricted licenses to offenders and conducting driver license hardship hearings for driver license reinstatements. These services provide taxpayers with due process when they have been accused of committing offenses that could result in loss of their driver licenses. We therefore concluded that it is reasonable for these functions to be partially subsidized from other driver license-related fees.</p>
<p>Whether the information reported pursuant to s. 216.031(5), <i>F.S.</i>, has relevance and utility for the evaluation of the program</p>	<p>The program met most driver license-related performance standards for Fiscal Year 1999-2000. However, it should be noted that department staff have been inconsistent in including the driver licensing activities performed by county tax collectors in calculating program outputs. Department staff include county tax collectors' output in reporting the number of driver licenses and identification cards issued and the number of written driver license examinations conducted, but exclude tax collectors' output when reporting on the number of road tests conducted. Since the county tax collectors are part of the state driver licensing system, their work should be included with that of program staff in calculating program outputs.</p>
<p>Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports</p>	<p>The department's inspector general has validated data relating to performance-based program budgeting measures as required by law.</p>

Appendix B

Fiscal Year 2000-01 Driver License-Related Revenue Distributions

Table B-1
Licenses, Titles, and Regulations Program: Allocated Budget and Revenues 2000-01

Licenses, Titles, and Regulations Program ¹	Allocated Positions	Allocated Operating Budget	Total Revenue	Revenue Allocated to Operations	Revenue Allocated to General Revenue	Revenue Allocated to Other Agencies
Driver License-Related Activity						
Executive Direction and Support Services ²	22	\$ 1,435,195	\$ 0	\$ 0	\$ 0	\$ 0
Motorist Financial Responsibility Compliance	60	2,668,168	7,700,000	6,000,000	0	1,700,000
Driver Licensure						
Field Operations	977	48,844,723	72,730,000	9,000,000	63,520,000	210,000
Records	149	9,739,640	24,703,000	24,438,000	0	265,000
Customer Service	43	1,905,077	0	0	0	0
Total Driver Licensure	1,169	\$60,489,440	\$ 97,433,000	\$33,438,000	\$63,520,000	\$ 475,000
Identification and Control of Problem Drivers						
Driver Education and DUI Programs	17	\$1,487,591	\$ 3,375,000	\$ 3,000,000	\$ 25,000	\$ 350,000
Driver Improvement	65	3,744,879	11,000,000	8,500,000	2,500,000	0
Administrative Reviews	138	5,341,709	5,200,000	5,200,000	0	0
Total Identification and Control of Program Drivers	220	\$10,574,179	\$ 19,575,000	\$16,700,000	\$ 2,525,000	\$ 350,000
Total Driver License-Related Activities	1,471	\$75,166,982	\$124,708,000	\$56,138,000	\$66,045,000	\$2,525,000

¹ Does not include motor vehicle-related activities in the amount of \$75,953,971, 597 positions and revenue of \$1,017,140,087.

² Office of the Director of the Division of Driver Licenses.

Source: Department of Highway Safety and Motor Vehicles.

Response from the Department of Highway Safety and Motor Vehicles

In accordance with the provisions of s. 11.45(7)(d), *Florida Statutes*, a draft of our report was submitted to the executive director of the Department of Highway Safety and Motor Vehicles for his review and response.

The executive director's written response is reprinted herein beginning on page 52.



State of Florida
**DEPARTMENT OF
HIGHWAY SAFETY AND MOTOR VEHICLES**
TALLAHASSEE, FLORIDA 32399-0500

FRED O. DICKINSON
Executive Director

January 9, 2001

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
Claude Pepper Building
Room 312
111 W. Madison Street
Tallahassee, Florida 32302

Dear Mr. Turcotte:

Enclosed is a copy of this agency's response to your preliminary findings and recommendations for your justification review of — *Driver Licenses-Related Activities Performed by the Licenses, Titles, and Regulations Program driver license-related activities of the Department of Highway Safety & Motor Vehicles.*

Should you need additional information, please contact John R. Davis, Inspector General at 488-1407.

Sincerely,

/s/
Fred O. Dickinson
Executive Director

FOD:gc
Attachment

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

Program driver license-related activities are beneficial to state; Legislature may want to consider merger with DOT

Recommendation:

We recommend that the Legislature consider the option of merging the Department of Highway Safety and Motor Vehicles (DHSMV) with the Florida Department of Transportation.

Response:

This recommendation is to the Legislature. The Department will assist the Legislature in any way requested.

Program Performance

Recommendation:

We recommend that the DHSMV consistently include the driver licensing work performed by the county tax collectors and any other contractors when reporting on program outputs.

Response:

The Department will make changes to its data gathering system as soon as practical.

Control of Problem Drivers

Recommendation:

We therefore recommend that

- The Legislature consider amending s.322.05, Florida Statutes, to restrict the number of passengers allowed in vehicles driven by teenagers affected by the graduated driver licensing system and

Response:

This recommendation is to the Legislature. The Department will assist the Legislature in any way requested.

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

- The Department of Highway Safety and Motor Vehicles annually review the impact of the state's graduated driver licensing system on crash rates, including the impact of any legislative changes to the system, and make recommendations to the Legislature as to whether further restrictions are needed in Florida.

Response:

The Department concurs with the recommendation to annually review the impact of the state's graduated driver licensing system on crash rates and make recommendations to the Legislature as to further restrictions. This concurrence is qualified, however, by our recognition that evidence of program effects that would meet the standards of scientific research is not generally attainable.

Recommendation:

To provide a more proactive driver licensing system addressing the problem of increased crash risk of elder drivers, we recommend that

- At a minimum, the Legislature revise s. 322.18, Florida Statutes to eliminate the mail-in renewal option for to drivers over a certain age; based on our analyses, we recommend that drivers 70 years of age and older be required to renew their licenses in person;
- The Legislature consider revising s.322.18, Florida Statutes, to shorten renewal time period for drivers 70 years of age and older; and
- The Legislature require the Department of Highway Safety & Motor Vehicles to develop age-based driver skill and vision assessment requirements for driver license renewals.

Response:

This recommendation is to the Legislature. The Department will assist the Legislature in any way requested.

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

Use of cellular telephones in motor vehicles can affect driver safety

Recommendation:

We therefore recommend that Department of Highway Safety & Motor Vehicles:

- Modify its crash reporting system and database so that it compiles data indicating whether the use of cellular phones or other distractions such as route guidance systems were a factor contributing to crashes and
- If its analyses indicate using cellular phones or other items such as route guidance systems were a significant factor, make recommendations to the Legislature as to whether legislation is needed to regulate the use of these items while driving.

Response:

This system has been developed.

Driver improvement course evaluations could be enhanced to assist in identifying under-performing schools

Recommendation:

We recommend that

- The Department discontinue evaluating driver improvement course providers on a sampling basis and instead evaluate their performance using crash data for all students attending the schools with which the provider contracts. These evaluations should be conducted at least every three years.

Response:

The Department agrees, however, additional resources are required to accommodate the increased time and costs of processing larger groups of students. In addition to the increased departmental programming and staff workload, this recommendation would require course providers to report substantially more student data than is presently done. The Department will make the necessary budget request for additional resources.

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

The Department needs to establish a system for continuously improving the validity of its driver tests

Recommendation:

We recommend that the DHSMV establish a system for continuously assessing the validity of its driver tests as tools for determining whether individuals have the requisite knowledge, skills, and ability needed to drive safely on Florida's roads. As part of this system, Department staff should analyze existing data to identify factors contributing to motor vehicle crashes and determine whether the driver tests adequately assess a license applicant's knowledge of these factors, and whether the applicant has the skills and abilities needed to avoid these situations. They should also conduct research to determine whether more extensive testing, such as conducting road tests in actual traffic conditions or adding more driver safety-related items to the tests, would be cost-beneficial in reducing crashes.

Response:

The Department will establish a system for continuously assessing the validity of its driver tests.

Contracting with private businesses and other for-profit and non-profit organizations to provide driver licensing services,

Recommendation:

Accordingly, we recommend that the DHSMV

- Expand its contracting efforts with county tax collectors to provide driver licensing services, especially in the areas where the Department is considering closing field offices;

Response:

This was and is the plan.

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

- Expand its outsourcing with third-party contractors to conduct road tests for regular driver licenses in addition to commercial driver licenses; and develop and implement analytical indicators to measure and assess contractor performance, compare in-house costs to those under contract, and evaluate and strengthen its monitoring and oversight practices to detect potential fraud with third-party contractors.

Response:

The Department will continue the pilot testing of road tests for regular driver licenses by third party contractors.

Recommendation:

We also recommend that the Legislature amend s.322.135, Florida Statutes, to

- Authorize private entities contracted by the DHSMV to be driver license agents for the Department for the provision of specified driver licensing services;
- Authorize the DHSMV to set a fee range contractors may charge for specified driver licensing services;
- Direct the DHSMV to pursue contracting with private entities on a pilot basis to provide driver license services to the citizens of Florida. The pilot test should include analysis of impact on Department cost and costs to the consumer, as well as impact on the quality of services provided. The Department should use the results of the pilot test to determine whether to expand contracting with private entities to provide driver licensing services.

Response:

This recommendation is to the Legislature. The Department will assist the Legislature in any way requested.

Uninsured Motorists

Recommendation:

To further improve the accuracy and timeliness of insurance company policy data, we recommend that

- The DHSMV provide ongoing training and workshops for Department staff, county tax collector staff, and representatives of insurance companies that address reporting accurate and timely data;

OPPAGA 'S PRELIMINARY FINDINGS AND RECOMMENDATIONS

Driver Licenses-Related Activities Performed
By the Licenses, Titles, and Regulations Program
of the Department of Highway Safety & Motor Vehicles

Response:

This is a continuing process. Industry representatives are informed of specific problems and methods to overcome these problems in each of the four national industry meetings. In addition, specialized workshops will also be offered on an ongoing basis.

Training for Tax Collector staff has been done in the past on financial responsibility enforcement issues and proper procedures. Continuing training will be offered.

Training of Department staff is done through specialized training sessions, memos, bulletins, etc., on all aspects related to enforcement of insurance laws. This will also be done on a continuing basis.

- The Department develop and maintain a computer program to identify insurance companies that untimely report insurance policy data;

Response:

The Department will develop this program as soon as practical.

- The Department develop criteria or determining the degree of noncompliance that would warrant reporting insurance companies to the Department of Insurance as being out of compliance with reporting time frames;

Response:

The Department expects the criteria will be developed for implementation in fiscal year 2001-02.

- The Department generate and submit a report identifying insurance companies that are not in compliance with reporting laws (s627 .736(9), Florida Statutes) to the Department of Insurance on a quarterly basis; and

Response:

The Department plans to implement this in the latter half of fiscal year 2001-02.

- The Department of Insurance provide follow-up information to the DHSMV as to actions taken to bring insurance companies into compliance with motor vehicle insurance reporting requirements.

Response:

For response by the Department of Insurance.

Response from the Department of Insurance

In accordance with the provisions of s. 11.45(7)(d), Florida Statutes, a draft of our report was submitted to the Insurance Commissioner for his review and response.

The Insurance Commissioner's written response is reprinted herein beginning on page 60.



**TREASURER
STATE OF FLORIDA**

TOM GALLAGHER

January 10, 2001

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
And Government Accountability
111 West Madison Street, Room 312
Claude Pepper Building
Tallahassee, Florida 32399-1475

Re: Preliminary Findings/Recommendations
Driver License Related Activities Performed by the Licenses, Titles and Regulations Program of the
Department of Highway Safety and Motor Vehicles
Department of Insurance Response
Chapter 6 "Uninsured Motorist"

Dear Director Turcotte:

We appreciate the opportunity provided by OPPAGA to comment on the subject preliminary report.

Our staff has reviewed those sections in Chapter 6 that describe the relationship between DHSMV and the Department of Insurance, and reference matters of compliance by insurance companies with reporting requirements related to uninsured motorists.

We have no comments on the OPPAGA findings other than to note that our Agency will continue to work with DHSMV to assure appropriate administrative actions are taken against those companies that fail to comply with reporting requirements.

We do, however, offer one suggestion that might assist DHSMV in implementing the tracking program recommended by OPPAGA to better identify insurance companies:

The National Association of Insurance Commissioners (NAIC), the governing professional association of state insurance departments, assigns a unique identifying number to each insurance company authorized to transact insurance in the individual states. This number facilitates interstate cooperation and database compatibility. The DOI would be pleased to provide DHSMV with a list of all insurance companies authorized to transact auto insurance in Florida, along with those company code numbers.

In turn, if DHSMV were to incorporate a database field for this unique number, all filings made by the company could be traced by use of the company number. Perhaps the including of the unique identifier would assist DHSMV to track discrete filings by each company.

TREASURER • INSURANCE COMMISSIONER • FIRE MARSHAL
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Director Turcotte
January 10, 2001
page two

Mr. John W. Turcotte
January 10, 2001
Page 2

Again, we appreciate the opportunity to participate in the OPPAGA review process. If we may be of additional assistance, please feel free to contact my office.

Sincerely,

/s/
Tom Gallagher
Treasurer

cc: Kevin McCarty
Michelle Newell
Jose Diez-Arguilles
Wayne Johnson
Cheryl Jones
Cynthia Fuller
John Smith