



Public Schools of North Carolina  
State Board of Education  
Department of Public Instruction

---

# Report to the Joint Legislative Education Oversight Committee

---

Driver Education Privatization  
*Senate Bill 397 Section 29.7*

---

**Date Due November 30, 2003**  
Report #15 in October 2003-December 2004  
DPI Chronological Schedule



Public Schools of North Carolina  
State Board of Education  
Department of Public Instruction

### **Driver Education Privatization Study**

**Legislated Requirement:** Session Law Section 29.7 (House Bill 397)

The State Board of Education (SBE) shall study statewide privatization of state-funded driver education programs. The SBE shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Transportation Oversight Committee by November 30, 2003, on proposals for statewide privatization and cost reduction.

**Study Process:** The Staff conducted the study by analyzing how Local Education Agencies (LEAs) expended driver education funding in fiscal year 2002-03. The analyses separated the LEAs into four (4) categories to further determine the utilization of driver education funding. The analyses were discussed with LEA finance officers, transportation directors, and driver education coordinators. Discussions and correspondence were also received from private driver education programs and NC Driver and Traffic Safety Education Association.

**Recommendation:** The State Board of Education is recommending to the Joint Legislative Oversight Committee and the Joint Legislative Transportation Oversight Committee that the privatization of the Driver Education Program should continue to be a decision made by each Local Education Agency (LEA). Significant savings were found in LEAs operating the program as well as LEAs contracting portions (classroom and driving) while expending funds for vehicles and other costs. After reviewing the expenditure information of the LEAs, there is no conclusion that can be made to ensure cost reductions will be realized by privatizing the Driver Education Program across the State.

Focusing on the 5 LEAs contracting the entire Driver Education Program to a private company, the expenditures reflected that only 1 LEA had a per average daily membership (ADM) cost significantly less than the FY 2002-03 allotted amount of \$250.06 per ADM (Asheboro City Schools with a \$133.76 expended per ADM). The remaining 4 LEAs expended within \$1.00 of the allotted per ADM amount. For this reason, the State Board of Education is recommending to allow LEAs to choose the method of delivering the Driver Education Program to the students of their system. The State Board of Education shall encourage the LEAs to look for the most economical and most efficient way to deliver the Driver Education Program.

**FY 2002-03 Allotments, Expenditures and Amount Expended Per ADM  
PRC 012 - Drivers Education**

LEA	LEA Name	(CP)	FY 02-03 9th Grade Allotted ADM	Allotment	Expenditures	Unexpended	Percent Unexpended	Expended Per ADM
010	Alamance-Burlington Schools	4	2,171	\$ 442,886	\$ 428,222.43	\$ 14,663.57	3.31%	\$ 197.25
020	Alexander County Schools	1	444	111,028	111,028.00	-	0.00%	250.06
030	Alleghany County Schools	1	110	27,507	27,506.99	0.01	0.00%	250.06
040	Anson County Schools	1	424	106,026	106,026.00	-	0.00%	250.06
050	Ashe County Schools	1	277	69,267	69,267.00	-	0.00%	250.06
060	Avery County Schools	1	202	50,513	50,512.50	0.50	0.00%	250.06
070	Beaufort County Schools	3	722	180,545	180,545.00	-	0.00%	250.06
080	Bertie County Schools	1	407	101,775	101,767.01	7.99	0.01%	250.04
090	Bladen County Schools	1	434	108,527	108,527.00	-	0.00%	250.06
100	Brunswick County Schools	3	960	240,060	161,824.46	78,235.54	32.59%	168.57
110	Buncombe County Schools	4	2,389	597,399	597,396.00	3.00	0.00%	250.06
111	Asheville City Schools	3	490	122,531	122,492.78	38.22	0.03%	249.99
120	Burke County Schools	1	1,327	331,833	312,778.63	19,054.37	5.74%	235.70
130	Cabarrus County Schools	4	1,953	488,372	419,713.61	68,658.39	14.06%	214.91
132	Kannapolis City Schools	1	392	98,024	90,161.91	7,862.09	8.02%	230.00
140	Caldwell County Schools	3	1,184	296,074	230,001.68	66,072.32	22.32%	194.26
150	Camden County Schools	3	136	34,008	29,359.90	4,648.10	13.67%	215.88
160	Carteret County Schools	4	801	200,300	166,756.27	33,543.73	16.75%	208.19
170	Caswell County Schools	4	297	79,269	79,269.00	-	0.00%	266.90
180	Catawba County Schools	1	1,499	374,844	374,844.00	-	0.00%	250.06
181	Hickory City Schools	3	432	108,027	108,026.68	0.32	0.00%	250.06
182	Newton-Conover City Schools	1	225	56,264	56,264.00	-	0.00%	250.06
190	Chatham County Schools	1	731	182,796	155,999.55	26,796.45	14.66%	213.41
200	Cherokee County Schools	1	352	88,022	80,961.06	7,060.94	8.02%	230.00
210	Edenton-Chowan County Schools	1	253	63,266	63,266.00	-	0.00%	250.06
220	Clay County Schools	1	103	44,775	43,299.15	1,475.85	3.30%	420.38
230	Cleveland County Schools	1	857	214,304	214,304.00	-	0.00%	250.06
231	Kings Mountain City Schools	3	406	101,525	101,525.00	-	0.00%	250.06
232	Shelby City Schools	1	296	74,018	74,018.00	-	0.00%	250.06
240	Columbus County Schools	4	642	160,540	170,894.51	(10,354.51)	0.00%	266.19
241	Whiteville City Schools	3	249	62,266	42,111.25	20,154.75	32.37%	169.12
250	Craven County Schools	1	1,277	319,330	318,859.42	470.58	0.15%	249.69
260	Cumberland County Schools	1	4,929	1,232,558	1,232,544.47	13.53	0.00%	250.06
270	Currituck County Schools	1	359	89,772	89,772.00	-	0.00%	250.06
280	Dare County Schools	3	453	113,278	96,736.52	16,539.48	14.60%	213.55
290	Davidson County Schools	1	1,708	427,107	409,083.40	18,023.60	4.22%	239.51
291	Lexington City Schools	4	329	82,271	78,203.43	4,067.57	4.94%	237.70
292	Thomasville City Schools	1	221	55,264	55,264.00	-	0.00%	250.06
300	Davie County Schools	1	480	120,030	119,108.59	921.41	0.77%	248.14
310	Duplin County Schools	1	770	192,548	165,574.53	26,973.47	14.01%	215.03
320	Durham County Schools	1	2,977	744,436	744,571.07	(135.07)	0.00%	250.11
330	Edgecombe County Schools	4	775	163,798	163,798.00	-	0.00%	211.35
340	Winston-Salem/Forsyth County S	4	4,283	1,071,018	980,856.02	90,161.98	8.42%	229.01
350	Franklin County Schools	3	704	176,044	116,825.74	59,218.26	33.64%	165.95
360	Gaston County Schools	4	2,934	733,683	534,611.42	199,071.58	27.13%	182.21
370	Gates County Schools	1	167	41,760	38,135.85	3,624.15	8.68%	228.36
380	Graham County Schools	1	87	21,755	21,631.60	123.40	0.57%	248.64
390	Granville County Schools	1	745	201,297	201,148.12	148.88	0.07%	270.00
400	Greene County Schools	1	282	70,518	68,910.71	1,607.29	2.28%	244.36
410	Guilford County Schools	3	5,969	1,192,623	751,022.67	441,600.33	37.03%	125.82

**FY 2002-03 Allotments, Expenditures and Amount Expended Per ADM  
PRC 012 - Drivers Education**

LEA	LEA Name	(CP)	FY 02-03 9th Grade Allotted ADM	Allotment	Expenditures	Unexpended	Percent Unexpended	Expended Per ADM
420	Halifax County Schools	1	639	193,790	193,790.00	-	0.00%	303.27
421	Roanoke Rapids City Schools	1	287	71,768	71,768.00	-	0.00%	250.06
422	Weldon City Schools	4	141	35,259	34,995.35	263.65	0.75%	248.19
430	Harnett County Schools	1	1,432	358,089	358,089.00	-	0.00%	250.06
440	Haywood County Schools	1	709	177,294	177,294.00	-	0.00%	250.06
450	Henderson County Schools	1	1,175	293,823	293,823.00	-	0.00%	250.06
460	Hertford County Schools	3	443	110,778	109,881.58	896.42	0.81%	248.04
470	Hoke County Schools	3	521	130,283	130,283.00	-	0.00%	250.06
480	Hyde County Schools	3	63	15,754	15,754.00	-	0.00%	250.06
490	Iredell-Statesville Schools	1	1,628	407,102	407,101.96	0.04	0.00%	250.06
491	Mooreville City Schools	1	358	89,522	89,522.00	-	0.00%	250.06
500	Jackson County Schools	1	314	78,520	78,502.14	17.86	0.02%	250.01
510	Johnston County Schools	1	1,939	484,871	484,871.00	-	0.00%	250.06
520	Jones County Schools	4	128	32,008	32,008.00	-	0.00%	250.06
530	Lee County Schools	1	922	230,558	221,484.57	9,073.43	3.94%	240.22
540	Lenoir County Schools	1	1,057	264,316	264,272.75	43.25	0.02%	250.02
550	Lincoln County Schools	3	1,081	270,318	270,317.71	0.29	0.00%	250.06
560	Macon County Schools	4	384	112,024	110,075.86	1,948.14	1.74%	286.66
570	Madison County Schools	2	210	52,513	52,440.00	73.00	0.14%	249.71
580	Martin County Schools	1	435	108,777	108,777.00	-	0.00%	250.06
590	McDowell County Schools	1	535	133,783	133,655.08	127.92	0.10%	249.82
600	Charlotte-Mecklenburg County Schools	4	11,576	2,894,723	2,889,252.80	5,470.20	0.19%	249.59
610	Mitchell County Schools	2	190	47,512	47,512.00	-	0.00%	250.06
620	Montgomery County Schools	1	358	89,522	89,521.80	0.20	0.00%	250.06
630	Moore County Schools	1	1,091	272,818	272,818.00	-	0.00%	250.06
640	Nash-Rocky Mount Schools	4	1,554	388,597	388,495.08	101.92	0.03%	250.00
650	New Hanover County Schools	1	2,303	575,894	564,283.74	11,610.26	2.02%	245.02
660	Northampton County Schools	4	390	97,524	97,467.82	56.18	0.06%	249.92
670	Onslow County Schools	3	1,982	495,624	416,548.55	79,075.45	15.95%	210.17
680	Orange County Schools	1	689	172,293	172,293.00	-	0.00%	250.06
681	Chapel-Hill/Carrboro City Schools	4	1,004	201,063	180,661.03	20,401.97	10.15%	179.94
690	Pamlico County Schools	3	195	40,762	40,762.00	-	0.00%	209.04
700	Elizabeth City/Pasquotank County Schools	4	587	146,787	146,770.15	16.85	0.01%	250.03
710	Pender County Schools	4	661	165,291	164,827.40	463.60	0.28%	249.36
720	Perquimans County Schools	3	157	39,260	30,240.60	9,019.40	22.97%	192.62
730	Person County Schools	1	484	121,030	117,067.07	3,962.93	3.27%	241.87
740	Pitt County Schools	3	1,953	488,372	308,334.77	180,037.23	36.86%	157.88
750	Polk County Schools	2	186	46,512	46,512.00	-	0.00%	250.06
760	Randolph County Schools	1	1,572	443,098	443,098.00	-	0.00%	281.87
761	Asheboro City Schools	2	414	103,526	55,377.00	48,149.00	46.51%	133.76
770	Richmond County Schools	1	599	149,787	149,787.00	-	0.00%	250.06
780	Robeson County Schools	1	2,307	576,894	576,894.00	-	0.00%	250.06
790	Rockingham County Schools	1	1,294	323,581	323,581.00	-	0.00%	250.06
800	Rowan-Salisbury County Schools	1	1,908	477,119	477,119.00	-	0.00%	250.06
810	Rutherford County Schools	1	856	214,053	214,053.00	-	0.00%	250.06
820	Sampson County Schools	1	708	177,044	139,742.84	37,301.16	21.07%	197.38
821	Clinton City Schools	1	260	65,016	52,007.89	13,008.11	20.01%	200.03
830	Scotland County Schools	1	693	173,293	173,284.63	8.37	0.00%	250.05
840	Stanly County Schools	4	842	210,553	210,553.00	-	0.00%	250.06
850	Stokes County Schools	1	668	167,042	167,041.45	0.55	0.00%	250.06

**FY 2002-03 Allotments, Expenditures and Amount Expended Per ADM  
PRC 012 - Drivers Education**

LEA	LEA Name	(CP)	FY 02-03 9th Grade Allotted ADM	Final Allotment	Expenditures	Unexpended	Percent Unexpended	Expended Per ADM
860	Surry County Schools	1	763	190,798	171,542.30	19,255.70	10.09%	224.83
861	Elkin City Schools	2	76	19,005	19,005.00	-	0.00%	250.07
862	Mount Airy City Schools	1	158	44,510	44,354.28	155.72	0.35%	280.72
870	Swain County Schools	1	243	60,765	55,538.75	5,226.25	8.60%	228.55
880	Transylvania County Schools	1	375	93,773	93,773.00	-	0.00%	250.06
890	Tyrrell County Schools	1	80	20,005	20,005.00	-	0.00%	250.06
900	Union County Schools	1	2,285	571,393	570,675.38	717.62	0.13%	249.75
910	Vance County Schools	4	744	186,046	186,046.00	-	0.00%	250.06
920	Wake County Schools	3	9,979	2,495,373	2,495,333.75	39.25	0.00%	250.06
930	Warren County Schools	3	321	80,270	37,138.90	43,131.10	53.73%	115.70
940	Washington County Schools	1	178	44,511	44,510.43	0.57	0.00%	250.06
950	Watauga County Schools	4	443	140,778	140,778.00	-	0.00%	317.78
960	Wayne County Schools	3	1,648	412,103	412,103.00	-	0.00%	250.06
970	Wilkes County Schools	1	887	221,805	221,804.99	0.01	0.00%	250.06
980	Wilson County Schools	1	1,023	255,814	246,095.92	9,718.08	3.80%	240.56
990	Yadkin County Schools	1	498	124,531	124,531.00	-	0.00%	250.06
995	Yancey County Schools	3	214	51,513	44,652.71	6,860.29	13.32%	208.66
<b>Grand Total</b>			<b>122,411</b>	<b>\$ 30,294,414</b>	<b>\$ 28,587,829.96</b>	<b>\$ 1,706,584.04</b>	<b>5.63%</b>	<b>\$ 233.54</b>

**Funding FY 2002-03 Allotted @ \$250.06 per ADM**

Total Available	\$ 30,620,395
Less: Certificate Costs	(10,000)
Available for Allocation	<u>30,610,395</u>
Unallotted	315,981
Unexpended Funds	<u><u>\$ 2,022,565</u></u>

**Category of Programs**

1. More than half of the LEAs (67 of 117) (57.3%) operate the Driver Education programs without contracted services to a private driving school.
2. Only 5 LEAs (4.2%) contract out the entire Driver Education program to private driving schools.
3. 23 LEAs (19.7%) contract out with a private driving school and the LEA purchases vehicles, vehicle related expenses, or supplies and materials
4. 22 (18.8%) LEAs report contracted services and also have personnel paid by the LEA to handle a portion of the Driver Education Program.

