

Section 1 - Transportation Issues
Consolidation of Driver License Offices

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for
North Carolina General Assembly
Government Performance Audit Committee
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Statement of Issue

This analysis assesses the State's practice of providing driver licensing services through a large network of field offices and evaluates opportunities for increasing staff utilization.

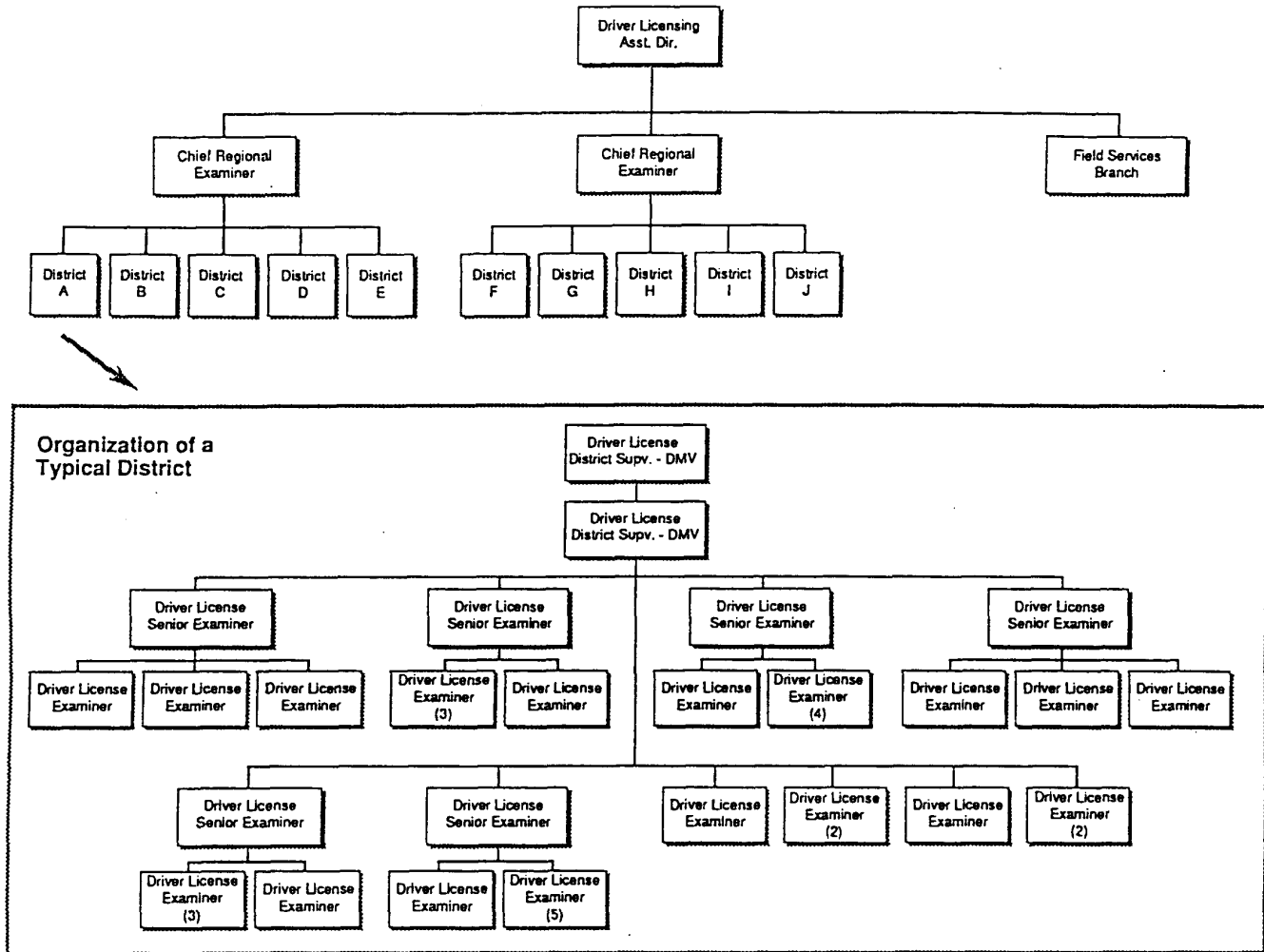
Background

Driver Licensing is one of seven sections administered by the Department of Transportation's (DOT) Division of Motor Vehicles (DMV). The mission of the Driver License Section is to administer North Carolina Motor Vehicle Laws related to licensing and driver improvement. Section offices perform the following activities:

- Prepare the Drivers' Handbook, Motorcyclists' Handbook, Truck Drivers' Handbook, and the Commercial Drivers' Manual
- Compile and issue tests and revisions for driver examination and motorcycle endorsement examinations
- Certify qualified truck driving schools, truck and bus companies, and company examiners to administer road tests
- Conduct driver license examinations and the issuance of original and renewal licenses, learners' permits, duplicate licenses, and non-driver photo identification cards; collect required fees
- Medically evaluate drivers with physical or mental impairments and deny or restrict licenses because of disabilities that would impair the safe operation of a motor vehicle; maintain confidential medical records and conduct confidential hearings
- Administer the motorist liability insurance requirement related to driver license renewal
- Revoke and suspend licenses in accordance with Motor Vehicles Laws; conduct hearings when licenses have been revoked or suspended or are subject to suspension or revocation; conduct driver improvement conferences for frequent offenders
- Execute voter registration program
- Provide copies of driving records to courts and law enforcement agencies; provide records to attorneys, insurance companies, employers, and the general public upon payment of the prescribed fee

The Driver License Section employs 589 persons, 173 of whom are assigned to the Division's

EXHIBIT 1
Driver License Section
Organization Chart*



*Note: This chart depicts part of the Driver License section

headquarters in Raleigh and 416 of whom are dispersed among a service network of field offices. Driver License field offices are divided into 10 districts, supervised by two Regional Chief Examiners and staffed by District Supervisors and Assistant Supervisors. Each field office is staffed by an average of two to three examiners. The Driver License Section organization is presented in Exhibit 1.

The Driver License Section currently maintains a total of 7,001,842 driver records, of which 4,544,446 are active licensees, and the remaining are persons with photo identification cards and learners and motorcyclists permits. During 1991, Driver License offices issued 247,118 original driver licenses, renewed 912,923 licenses, and issued 341,902 duplicate licenses. The average numbers of applications processed per person day by each field office are presented in Appendix A.

Driver License Section staff and budget trends are shown in Exhibit 2.

EXHIBIT 2
Driver License Section Statistics

Fiscal Year					
	1987-88	1988-89	1989-90	1990-91	1991-92
Positions	549	573	587	589	589
Annual Budget (millions)	\$15.4	\$16.5	\$17.9	\$21	\$19.1

Source: The North Carolina State Biennium Budget

Findings

Finding 1: DMV has an excessive number of Driver Licensing field offices.

The existing service delivery system has evolved over time to the current configuration of 194 field offices located throughout the State, as illustrated in Exhibit 3. Our analysis of the number of licensed drivers per number of driver licensing offices in seven states surrounding North Carolina indicated that North Carolina serves fewer drivers per office than all but one of the comparative states (see Exhibit 4). Most southeastern states serve significantly larger numbers of drivers per office than North Carolina. Exhibit 5 shows the number of Driver License offices in other southeastern states.

EXHIBIT 3

Locations of Driver License Offices

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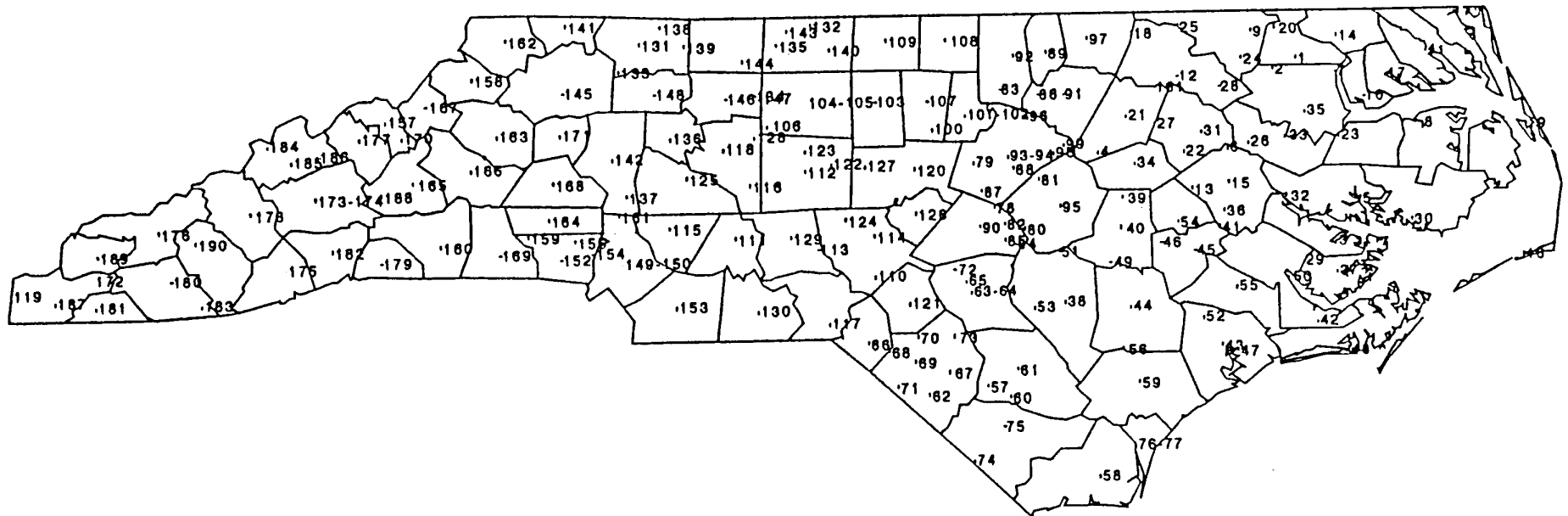


EXHIBIT 4
Comparison of Drivers per Driver License Office in the
Southeast

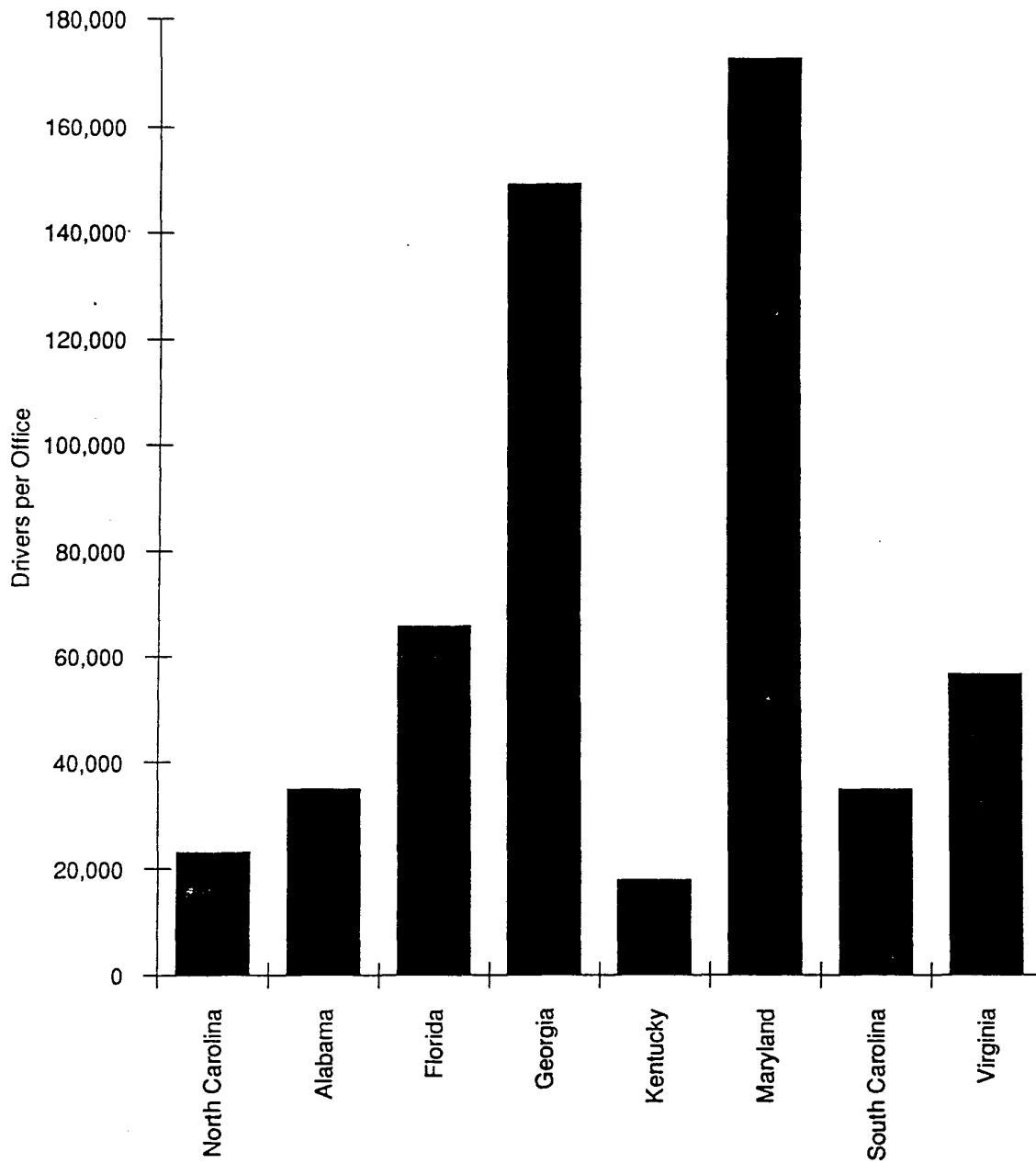


EXHIBIT 5
Southeastern State Driver License Offices

State	Number of Offices
Alabama	81
Florida	137
Georgia	29
Kentucky	134
Maryland	18
North Carolina	194
South Carolina	67
Virginia	75

In addition, many of North Carolina's Driver License offices are in close proximity to each other with almost all counties having at least one field office and some having as many as nine.

Finding 2: Many Driver License field offices have work loads, as measured by applications processed, that are well below the average for DMV.

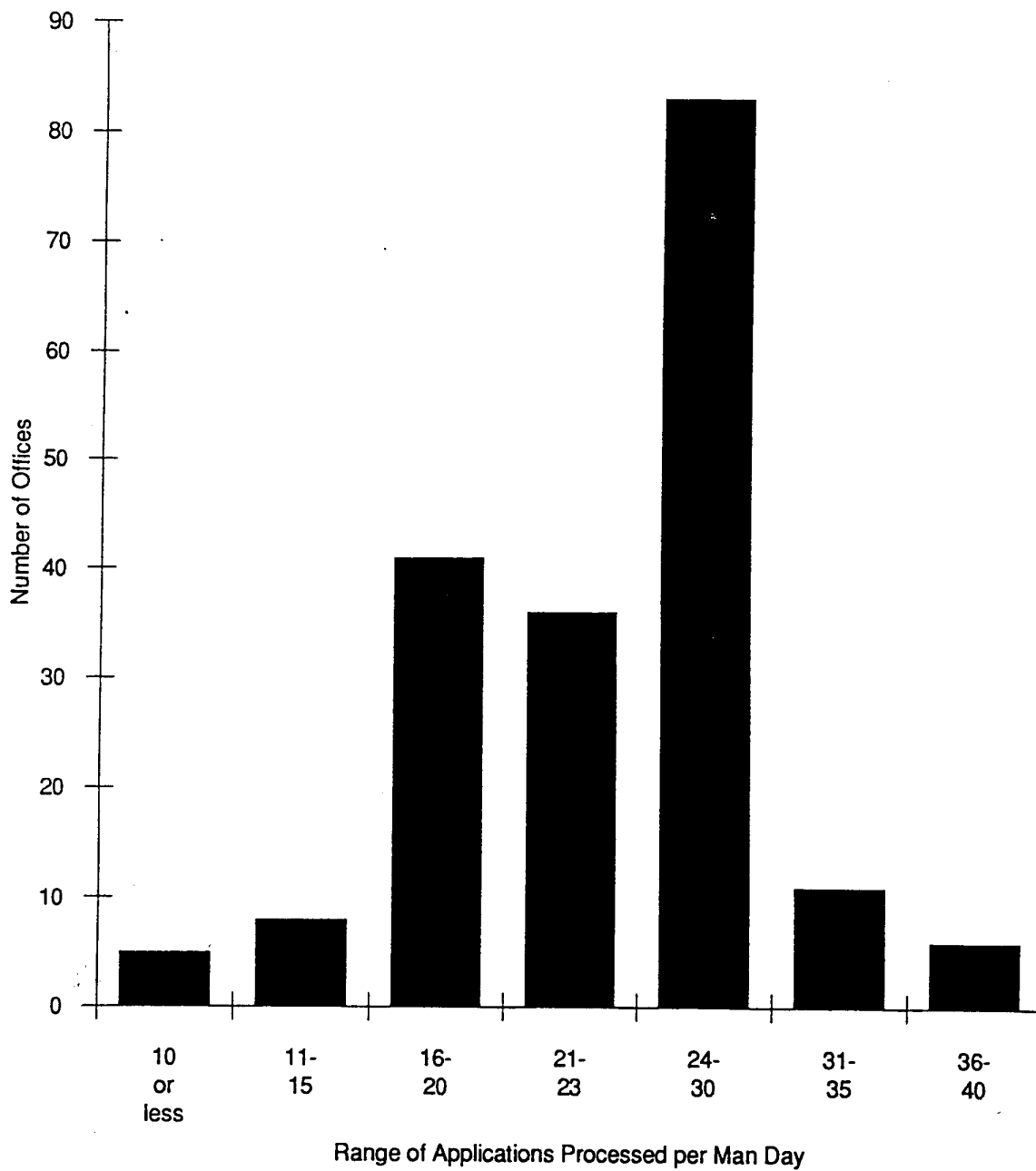
The actual work load performed by the Driver License field offices varies substantially from location to location. An analysis of DMV activity reports indicates that the average number of driver license applications processed per person day is 24. However, as illustrated in Exhibit 6, approximately 46 percent of the offices process significantly fewer applications than the State average. Furthermore, many of the field offices are located within close proximity of each other and serve common communities.

Recommendations

Recommendation 1: DMV should close approximately 64 field offices and boost productivity by 10 percent over the next 3 years.

The following offices are candidate offices for closing and position reductions:

EXHIBIT 6
Number of Driver License Offices by Average
Applications Processed per Person Day



- 35 field offices that average only 20 applications per person day or less and are located in close proximity to other offices. These offices are not justified based on work load.
- 29 field offices with work loads in the 20 to 30 average application per person day application range should also be considered for consolidation with other offices to boost productivity, reduce costs, and eliminate additional offices within close proximity to other offices.

Under this scenario, field offices would be within 15 miles of everyone in the State, except for those who are already driving further.

In conjunction with office closings, the number of overall examiner positions should be rationalized so that the field staff will process an average of 27 applications per person day, which is a 10 percent increase in productivity.

Implications. There are 120 full-time equivalent examiners in the offices recommended for closing or potential consolidation. Based on the number of applications currently processed in the offices that are candidates for closing, we estimate that it would be necessary to transfer 44 examiners to the remaining offices to address increased service requirements. This results in a net elimination of 76 positions. The elimination of these positions would result in an annual savings of \$2.3 million. The closing of the least productive field offices and the staff reductions would increase the average applications processed per person day from 24 to 27.

Exhibit 7 shows the number of offices to be closed and the number of positions to be eliminated per year. Exhibit 8 shows the estimated salary savings over a 10-year period.

EXHIBIT 7 Recommended Phasing of Office Closings and Position Reductions

	Current	1994	1995	1996	1997	1998	1999	2000	2001
Offices Closed	--	35	15	14	--	--	--	--	--
Positions Eliminated	--	46	15	15	--	--	--	--	--

EXHIBIT 8
Estimated Annual Savings
(1992 dollars)

	Fiscal Year ending June 30									
	Current	1994	1995	1996	1997	1998	1999	2000	2001	2002
Annual	--	\$1,398,860	\$1,855,010	\$2,311,160	\$2,311,160	\$2,311,160	\$2,311,160	\$2,311,160	\$2,311,160	\$2,311,160
Cumulative	--	\$1,398,860	\$3,253,870	\$5,565,030	\$7,876,190	\$10,187,350	\$12,498,510	\$14,809,670	\$17,120,830	\$19,431,990

In addition, the DOT can achieve savings by eliminating costs associated with the operation and maintenance of the facilities to be closed. The amount of savings will vary depending on the specific characteristics of offices to be closed. Individual field offices vary substantially in size and hours of operation and may be owned by the State, rented, or, in some cases, situated in donated space.

Implementation Considerations

DMV should take the following steps prior to implementing recommendations:

- Review offices to be closed and estimate work load and staffing requirements to be assimilated by the remaining offices
- Evaluate whether remaining offices can physically and operationally assimilate the work load of closing offices
- Develop an office closure schedule
- Develop and implement a program for informing and, if necessary, retraining staff
- Devise methods of informing community constituents of anticipated changes

DMV should begin this process in fiscal year 1993.

References

Department of Transportation, Governor's Efficiency Study, 1985

Departmental Plans: Outlooks and Objectives, 1991-1995

Driver License Statistics, North Carolina DOT - DMV, Driver License Section Activity Report, 1991

Highway Statistics, Federal Highway Administration, 1989

Map of North Carolina Driver's License Offices

North Carolina State Budget, 1988-90 and 1991-92 Bienniums

Overview of the Driver License Section, North Carolina Division of Motor Vehicles, 1991

Appendix A

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
District A:		
Colerain	0	6
Robersonville	1	8
Bethel	1	12
Columbia	2	15
Aulander	0	17
Bailey	1	17
Enfield	1	17
Hatteras	2	17
Rich Square	1	17
Windsor	2	17
Aurora	1	18
Conway	1	19
Scotland Neck	1	19
Swan Quarter	1	19
Littleton	1	20
Murfreesboro	1	20
Tarboro	2	20
Edenton	2	21
Elizabeth City	4	21
Manteo	2	21
Rocky Mount	6	22
Plymouth	1	23
Washington	3	24
Ahoskie	2	25
Belhaven	1	25
Farmville	1	25
Hertford	1	25
Pinetops	1	25
Gatesville	1	26
Greenville	6	27
Roanoke Rapids	3	27
Spring Hope	1	27
Williamston	1	28
Wilson	5	28
Nashville	1	31
District B:		
Newton Grove	1	13
La Grange	1	17
Trenton	1	19
Richlands	1	20

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Clinton	3	21
Goldsboro	6	22
Grifton	1	22
New Bern	5	22
Wallace	2	22
Jacksonville	4	23
Morehead City	4	24
Fremont	1	25
Kinston	5	26
Kenansville	1	27
Snow Hill	1	28
Roseboro	1	29
Bayboro	1	30
Midway Park	2	30
Ayden	1	32
Mount Olive	1	32
Havelock	1	37
District C:		
Clarkton	1	10
Bladenboro	1	14
Wilmington (North)	6	17
Fayetteville (South)	8	18
Rowland	1	18
Tabor City	1	18
Elizabethtown	2	19
Lumberton	4	19
Pembroke	1	19
Whiteville	3	20
Fairmont	1	22
Spring Lake	1	22
Wilmington (South)	5	22
Fayetteville (West)	4	23
Laurinburg	2	23
Fort Bragg	4	26
Burgaw	1	28
Bolivia	0	29
Red Springs	1	36
St. Pauls	1	37
Maxton	1	38
District D:		
Coats	1	8

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Erwin	1	12
Benson	1	14
Franklinton	1	16
Angier	1	24
Lillington	1	24
Creedmoor	2	25
Clayton	1	27
Dunn	3	27
Smithfield	3	27
Gamer	3	28
Raleigh (West)	12	28
Henderson	3	29
Wake Forest	2	29
Wendell	1	29
Apex	1	30
Oxford	2	30
Raleigh (East)	8	30
Louisburg	2	31
Warrenton	1	31
Fuquay-Varina	1	37
Zebulon	1	40
District E:		
Greensboro (West)	11	20
Greensboro (East)	6	23
High Point	6	25
Roxboro	2	25
Durham (East)	7	26
Graham	6	27
Carrboro	4	29
Hillsborough	2	29
Durham (South)	4	32
Yanceyville	1	33
District F:		
Carthage	1	19
Siler City	2	20
Hamlet	2	21
Ramseur	1	21
Liberty	1	23
Pittsboro	1	23
Albemarle	3	24
Concord	6	24

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Lexington	4	24
Salisbury	4	24
Asheboro	4	25
Raeford	1	25
Candor	1	26
Troy	1	26
Sanford	3	27
Aberdeen	3	28
Denton	1	28
Randleman	1	29
Robbins	1	29
Thomasville	2	31
Wadesboro	1	33
District G:		
Elkin	4	19
Yadkinville	2	20
Winston-Salem (North)	7	21
Winston-Salem (South)	9	21
Sparta	1	22
Stoneville	1	23
Wilkesboro	3	23
Dobson	1	26
Mount Airy	3	26
Pilot Mountain	2	26
Walnut Cove	2	27
Madison	1	28
Mooreville	2	28
Statesville	3	28
Kernersville	2	29
Reidsville	2	29
Eden	1	30
Mocksville	1	31
District H:		
Charlotte (West)	9	18
Stanley	1	20
Charlotte (North)	9	25
Gastonia	7	26
Cornelius	1	29
Mount Holly	3	29
Monroe	7	30
Charlotte (South)	8	33

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
District I:		
Bakersville	1	16
Taylorsville	2	17
Newland	1	19
Jefferson	1	21
Boone	2	22
Marion	2	22
Hickory	5	23
Lenoir	5	24
Lincolnton	2	24
Cherryville	0	25
Morganton	4	25
Newton	3	25
Shelby	4	26
Forest City	3	27
Spruce Pine	1	27
District J:		
Asheville (West)	8	0
Hot Springs	1	11
Asheville (East)	2	15
Franklin	2	17
Clyde	4	18
Old Fort	1	18
Marshall	1	19
Robbinsville	1	19
Highlands	1	20
Andrews	1	21
Burnsville	1	21
Hendersonville	5	21
Bryson City	1	22
Mars Hill	1	23
Murphy	1	23
Hayesville	1	28
Sylva	1	28
Brevard	1	30
Columbus	1	30
Average		24