



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**GRADUATED DRIVER'S LICENSURE,  
DRIVER EDUCATION OVERHAUL**

**House Bill 4763 as enrolled  
Public Act 387 of 1996  
Second Analysis (10-4-96)**

**Sponsor: Rep. Dan Gustafson  
House Committee: Transportation  
Senate Committee: Transportation and  
Tourism**

***THE APPARENT PROBLEM:***

Michigan law establishes 16 as the age at which a person is deemed mature enough to drive a motor vehicle without adult supervision, as long as he or she successfully completes a driver's education course and passes a written examination performed by the Department of State. In some cases, even 14-year-olds can be issued a restricted license to drive while those a little older can, upon completing a driver's education course, obtain a driver's "permit," but these generally are valid only with a licensed adult present. While many people, both young and old, are accustomed to thinking that someone who has passed a driver's education course is physically, mentally, and emotionally prepared at age 16 to assume the responsibilities that come with owning a driver's license, statistics suggest otherwise.

Recent crash data collected by the Department of State Police, in fact, shows teenagers are involved in a disproportionate number of traffic accidents compared to their representation among all licensed drivers. For instance, though they make up just three percent of the entire driving force, drivers under age 18 accounted for over seven percent of all crashes and over six percent of all fatal accidents recorded in Michigan for 1993. Since then, the number of deaths and injuries of teenagers involved in vehicular accidents has grown steadily worse. And evidence exists to suggest excessive speed, inattentiveness (particularly when friends are riding as passengers), and alcohol often are contributing factors in the growing number of tragic accidents involving young people.

In response, the Michigan State Safety Commission developed a special task force, made up of experts within the public and private sector, to investigate what might be done to better prepare young people for the dangers of driving. The task force has recommended implementing a graduated system of licensure for teenagers that would impose more restrictions on their driving privileges than currently exist. As proposed, these restrictions would

gradually ease as a person reached certain specific ages, completed a progressively more difficult two-tiered driver education course, and logged at least 50 hours driving with a parent or other licensed adult and several months without incurring any violations. Legislation has been proposed to adopt many of the task force's recommendations and make other significant changes to the state's driver education system, including ending the decades-old requirement that all public schools must offer driver education for free to students who reside in their respective districts. Instead, some people believe public schools should have the option to provide this service, and if so to charge a fee for it, and that students should be allowed to use public money to get driver's training either from public or private entities.

***THE CONTENT OF THE BILL:***

The bill would amend the Michigan Vehicle Code (MCL 257.303 et al.) to, among other things, delete current motor vehicle operator's licensing provisions for persons under 18 years of age, create a graduated licensing status system, and permit--instead of require--school districts to conduct driver education courses and allow those that did to impose a charge or enrollment fee for the course; currently, school districts may not charge a fee. The bill also would permit students to use public funds to pay for driver's training offered via public or private entities. The bill would take effect April 1, 1997, except for provisions pertaining to the secretary of state conducting an examination of applicants for an operator's or chauffeur's license, which would take effect upon the bill's enactment. Also, provisions that would give public schools the option to offer driver education and charge a fee to do so, and that would allow students to take this course through either a public or private training school using public money, would take effect April 1, 1998. Provisions pertaining to graduated driver's licensure would expire on April 1, 2002.

House Bill 4763 (10-4-96)

Graduated licensing. Except as otherwise provided, an operator's or chauffeur's license issued to a person who was age 17 or under would be valid only upon the issuance of a special provisional card. The secretary of state would be required to designate graduated licensing provisions in a manner that clearly indicated that the person was subject to the appropriate provisions described in the bill.

A person who was at least 14 years and nine months of age could be issued a level one graduated licensing status to operate a motor vehicle, if he or she had satisfied all of the following criteria:

- \* Passed a vision test and met health standards as prescribed by the secretary of state;
- \* Successfully completed segment one of a driver education course approved by the Department of Education, including a minimum of six hours of on-the-road driving time with the instructor;
- \* Received written permission from a parent or legal guardian.

A person issued a level one graduated licensing status could operate a motor vehicle only when accompanied either by a parent or legal guardian with a driver's license or, with the permission of the parent or legal guardian, by a licensed driver who was at least 21 years old. Except as otherwise provided, a person would be restricted to operating a motor vehicle with a level one graduated licensing status for at least six months.

A person could be issued a level two graduated licensing status to operate a motor vehicle if he or she had satisfied all of the following conditions:

- \* Had a level one graduated licensing status for at least six months;
- \* Successfully completed segment two of a driver education course approved by the education department;
- \* Had not incurred a moving violation resulting in a conviction or civil infraction determination or been involved in an accident for which the official police report indicated a moving violation on the part of the person during the 90-day period immediately preceding application;
- \* Presented a certification by the parent or guardian that the person, accompanied by his or her licensed parent or legal guardian or, with the permission of the parent or legal guardian, any licensed driver at least 21 years old, had accumulated a total of at least 50 hours of behind-the-wheel experience including at least 10 hours at night;

\* Successfully completed a performance road test conducted by the secretary of state. In order to take the road test, a person would have to be at least 16 years old and have completed the requirements described above. The secretary of state could enter into an agreement with another public or private person or agency, including a city, village, or township, to conduct the road test.

A person issued a level two graduated licensing status would have to remain at level two for at least six months and could not operate a motor vehicle in the state from 12 midnight to 5 a.m. unless accompanied by a parent or legal guardian or a licensed driver over 21 years old designated by the parent or legal guardian, or except when going to or from employment.

The provisions and provisional period described above could be expanded and/or extended beyond the stated periods if any of the following occurred and were recorded on the licensee's driving record during the provisional periods or any additional periods imposed under this provision: a moving violation resulting in a conviction, civil infraction determination, or probate court disposition; an accident in which the official police report indicated a moving violation on the licensee's part; a license suspension for a reason other than a mental or physical disability; or, a violation of the bill's restrictions placed on a person operating a motor vehicle with a level one or level two licensing status.

The provisional period prescribed for level one licensing status would have to be extended until the licensee completed 90 consecutive days without a moving violation, an accident in which a moving violation resulted, accident, suspension, or provisional period violation listed in the bill, or until age 18, whichever occurred first. The provisional period for a level two licensing status would have to be extended until the licensee completed 12 consecutive months without a moving violation, accident, suspension, or restricted period violation or until age 18, whichever occurred first.

A person who was at least 17 years old could be issued a level three graduated licensing status if he or she had completed 12 consecutive months without a moving violation, an accident in which a moving violation resulted, suspension, or restricted period violation during the time in which the person had been issued a level two graduated licensing status.

Notice would have to be given by first-class mail to the last known address of a licensee if the provisions were expanded or extended as described in the bill.

Grandfather clause. The bill specifies that graduated licensure provisions would not apply to someone age 15 or older who was currently enrolled in but had not

completed a driver education course on April 1, 1997, or who had completed such a course but had not yet received his or her driver's license on April 1, 1997.

Violations. A person who violated the bill's provisions on level one or level two licensing status would be responsible for a civil infraction. If a person were determined responsible for violating either of these provisions, the secretary of state would have to send written notification of any conviction or moving violation to the person's designated parent or guardian. For purposes of these provisions:

\* Upon conviction for a moving violation, the date of the arrest for the violation would have to be used in determining whether the conviction occurred within a provisional licensure period.

\* Upon entry of a civil infraction determination for a moving violation, the date of issuance of a citation for a civil infraction would have to be used in determining whether the civil infraction determination occurred within a provisional licensure period.

\* The date of the official police report would have to be used in determining whether a licensee had been driving a motor vehicle involved in an accident for which the official police report indicated a moving violation on the part of the licensee or indicated the licensee had been drinking intoxicating liquor.

Currently, the secretary of state, within ten days after receiving a properly prepared abstract from this or another state, must record the date of conviction, civil infraction determination, or probate court disposition, and the number of points for each, based on the formula contained in the act. The bill would add two points for violation of the proposed level one or level two licensing status provisions or an ordinance substantially corresponding to either provision.

A person would have to have his or her graduated licensing status in his or her immediate possession at all times when operating a motor vehicle, and would have to display the card upon demand of a police officer. A person who violated this requirement would be responsible for a civil infraction, but points could not be entered for a violation of this requirement.

Eliminate mandate to provide driver education. The act requires driver education courses to be conducted by a local public school district or for the local district, at its request, by the intermediate school district of which it is a member. A public school system is prohibited from imposing a charge or enrollment fee for a driver education course on a student who wishes to take the course as a duly enrolled student for a course in a public

school; the bill would maintain this prohibition until April 1, 1998. After this date, a local school district could, but would not have to, conduct driver education courses, and those that chose to offer them could impose a charge or enrollment fee for the service.

Under the bill, such courses could be conducted by a school district or consortium of districts, by a licensed driver training school either itself or through a contract with a local school district, or by the ISD at a local district's request. If a school district contracted with a licensed driving school to do this, the contract would have to require the course to be conducted in accordance with rules promulgated by the education department that pertain to such courses. The bill also specifies that a district or training school could use videotapes, computers, telecourses, or other similar technology as part of the classroom instruction portion of its courses, and that a student could receive and use any of these materials at home.

State distribution of funds. Currently, part of the fees paid in connection with an application for a driver's license (\$4 for each person examined for an original or renewal operator's or chauffeur's license, and \$2 for each two-year license) are deposited into the Driver Education Fund. The Department of Education is required to use the money in this fund to administer a driver education program and for distribution to local school districts to use for their driver education programs.

Reimbursement to local school districts currently is based on an application made by the local school district superintendent to the Department of Education. If money appropriated from the Driver Education Fund is not sufficient to provide for state administration of the driver education program and to reimburse local school districts for each student completing an approved driver education course, then payments made to local school districts must be prorated to the amount that is appropriated and available in the fund.

The department must distribute from the fund to local school districts 50 percent of the previous fiscal year's statewide average cost per student, as determined by the department, or the actual cost per student, whichever is less, for each student completing an approved driver education course. The bill would delete this distribution requirement and, instead, would require the department to distribute from the fund to local districts either 1) a pro rata amount equal to the number of students who completed an approved driver's education course through local public school districts, whether directly from the student's own district or by certificate issued from his or her own district in the previous fiscal year, or 2) the actual cost per student, whichever was less.

Local reimbursement. Beginning April 1, 1998, a school district that offered an approved driver education course would have to provide an amount equal to the pro rata amount from the fund for each student residing in the district that completed an approved course within the district. Also, from the amount distributed to it from the state, a school district would have to reimburse to each licensed driver training school or other district the determined pro rata amount from the fund for each student from that district who completed an approved course with the licensed training school or other school district during the fiscal year.

Driver education voucher. The bill would require a school district to provide each participating student with a certificate in a form determined by the district and approved by the education department which the student would have to use toward the payment of any fee charged for an approved driver education course, but only under the following conditions:

\* If the student participated in an approved course at a school district he or she chose that was other than his or her own district;

\* If the student participated in a course at a licensed driver training school, but only if his or her own district either 1) did not offer an approved course either itself or through a consortium of districts of which the student's district was a member, or 2) did not offer an approved course with openings available either itself or through a consortium at the time the student attained 15 years, six months of age.

Operator's, chauffeur's license. The act prohibits the secretary of state from issuing an operator's or chauffeur's license to a person who is less than age 18, unless he or she has passed a driver education course and examination given by a public or nonpublic school in Michigan or another state offering a course approved by the Department of Education, or an equivalent course and examination as prescribed in the act. A restricted license may be issued to a person who is at least 14 years old, as provided in the act. The provisions concerning an operator's license do not apply to a person who has held a valid driver's license issued by another state, territory, or possession of the United States or another sovereignty for at least one year immediately before applying for a driver's license under the act.

The act also permits the secretary of state, upon an applicant's completion of an approved driver education course, to validate a driver education certificate issued to the applicant. The act specifies that the driver education certificate authorizes the holder to drive a motor vehicle, except certain vehicles, when accompanied by a licensed parent or guardian, or when accompanied by a

nonlicensed parent or guardian and a licensed adult for additional instruction until the driver reaches age 18.

The bill would delete these provisions and, instead, prohibit an operator's or chauffeur's license from being issued to a person who was less than 18 years old unless he or she met the bill's graduated licensing provisions. The bill also would delete current provisions permitting the secretary of state to validate an applicant's driver education certificate upon successful completion of an approved driver education course, and permitting the certificate holder to drive a motor vehicle when accompanied by a licensed parent or guardian or a licensed adult in order to receive additional instruction until the holder reaches age 18.

Road test. The bill would delete the current provision that an applicant for a driver's license is not required to take a behind-the-wheel road test if the applicant has successfully passed a driver education course and examination, the course and examination were given pursuant to the act, and the course and examination included on-the-street driver experience (meaning that the applicant operated for at least one hour a motor vehicle as part of a drive education course on a freeway or other laned roadway).

Currently, an original operator's or chauffeur's license without a vehicle group designation or indorsement cannot be issued by the secretary of state without a written examination conducted by it or a designated examination officer. The bill would add that the examination would have to include a behind-the-wheel road test.

Temporary instruction permit. Upon receiving an application from a 16- or 17-year old who has successfully completed a driver education course and examination offered under the act (from someone who has been licensed in another state or country for at least one year and who is less than age 18 or from someone who is 18 or older), the secretary of state may issue a temporary instruction permit entitling the person to drive a motor vehicle, other than a motor vehicle requiring a motorcycle indorsement or a vehicle group designation, on the highways for 150 days when accompanied by a licensed adult operator or chauffeur who occupies a seat beside the driver. The bill would increase the length of the permit from 150 to 180 days.

### **BACKGROUND INFORMATION:**

Currently, most school districts offer a "30/6" driver's education program, which provides students with 30 hours of in-class instruction and six hours of behind-the-wheel experience (either on a "driving range" or the open

road). This was the standard amount of instruction time required to be offered by all public school programs until the early 1980s. At that time, during a severe economic downturn and state budget shortfall, the state established a "competency-based" program which allowed districts to apply to the Department of Education for waivers from the 30/6 requirement, where students could pass with as little as ten hours of in-class instruction and two hours of behind-the-wheel experience. Then, during the 1991-92 fiscal year, administrative rules were promulgated requiring districts to provide a minimum of 22 hours of classroom instruction and four hours of driving instruction. A little more than one-third of all school districts at present provide this ratio of instruction in their driver's education programs.

### ***FISCAL IMPLICATIONS:***

The House Fiscal Agency says the bill would have indeterminate fiscal implications for both the state and for local school districts. The Department of State could incur additional costs associated with modifying the operator's license and developing a companion provisional license card to indicate the appropriate licensure level of and restrictions on an operator; the department also would have costs related to providing road tests for license applicants. However, costs associated with road testing could be limited to the extent the department contracted out road testing to private driver's training companies, which it apparently plans to do. In addition, the department could charge a fee for road tests it performed, revenues from which would be deposited into the Michigan Transportation Fund.

The HFA also says the bill could marginally increase driver education costs, which are indeterminable, of local school districts as they would have to separate the current driver's education program into two distinct levels, with a beginning course and a more advanced course. However, beginning April 1, 1998, the bill would eliminate the mandate that school districts must offer a drivers education program, and would allow each district, a consortium of districts, or the intermediate school district of which each is a member to operate or contract with a private licensed driver training school for operating a driver education program. This could increase the efficiency of and, in aggregate, reduce overall costs of driver education provided by local school districts. The bill also would allow districts to charge a fee for driver's education and, thus, could help them generate revenue to offset these costs. For fiscal year 1992-93, school districts provided driver's education for 92,000 students at a total cost of \$14.8 million, or an average of \$161 per student. The Driver Education Fund had about \$7 million to reimburse local expenses, or

about \$75 per student, which was less than the allowable reimbursement rate of 50 percent per student.

And finally, the bill would establish a payment certificate system in which a student could use his or her pro rata share of state funding toward paying the fee for a driver education course provided either by his or her own district or by another district. Alternatively, a student could use the payment certificate to defray the cost of attending a course at a private driver's training school under the conditions specified in the bill. A payment certificate used by a student to attend a private driver's training school would result in a loss of revenue to his or her respective local school district. (10-2-96)

### ***ARGUMENTS:***

#### ***For:***

According to motor vehicle crash statistics kept yearly by the Michigan State Police since 1967, teen-aged drivers have been involved in fatal accidents at a rate more than double their representation in the overall driving population. Although the rate for all drivers fell from 1987 until 1991, the teen-driver death rate began climbing again after 1991 and continues to rise even as the rate for all other drivers falls. In light of these grim statistics and evidence suggesting many young people simply lack the maturity required to safely operate motor vehicles, the Michigan State Safety Commission formed the Novice Driver Entry System Task Force in 1994 to study the problem and recommend changes to the current system of training and licensing new drivers. The task force suggests adopting a graduated licensure system similar to those adopted in other states (i.e., California, Maryland) and the Canadian province of Ontario in which young drivers are issued a special provisional card, which limits their driving privileges, along with a driver's license. As they accrued a minimum number of hours driving with parents and met various other criteria, including passing an introductory level driver's education course and driving without any violations for six months, they could proceed to the next level of licensure and education. Thus, they would be supervised by experienced drivers while slowly acquiring the seasoned skills and judgment necessary to drive safely. Graduated licensure reportedly has reduced the teen-driver fatality rate by five percent in California and up to 15 percent in the countries of New Zealand and Australia.

#### ***For:***

Requiring a parent or guardian to be involved in at least 50 hours of on-the-road training of a young driver would help young drivers gain the experience and emotional stability necessary for safe driving. Adult accompaniment also would help reduce negative influences from a teen driver's peers and could help steer

him or her away from experimenting with alcohol or drugs or seeking other thrills, such as driving fast, while on the road. The bill also would require a parent or legal guardian to give written permission for a child under their charge to be issued either a level one or two provisional card, and would require them to be notified in the event their child violated the conditions imposed by a provisional card. These provisions not only would help guide young drivers through the early stages of licensure, they could encourage parents and their teen-aged drivers to communicate better and make young drivers more accountable to parents or other responsible adults.

**Response:**

The bill's intent to encourage parental involvement in a teenager's ability to get a driver's license is commendable. However, parents are currently required by law to accompany a driver not yet aged 16 who has passed a driver's education course but is not yet licensed to drive. Parents are also morally and legally obligated to supervise their teen-aged children to ensure they neither use a family vehicle illegally nor ride with a friend who uses his or her parent's vehicle illegally. The fact is, whether or not a teenager learns how to behave responsibly and intelligently in regard to driving a motor vehicle depends a great deal on the level of commitment by parents or other guardians to teach these behaviors, and to some extent on a teenager's willingness to comply with such expectations. These are matters which cannot be legislated but must be acted on by responsible human beings.

**For:**

The bill would reinstate a requirement for a student driver who has completed driver's education--in this case, after completing the second segment--to pass a road test administered either by the Department of State or a private driver's training school. This requirement was eliminated in 1978, apparently because it was thought unnecessary and too costly to perform. The bill, however, would allow the department to contract with a private firm to provide the service, which would mitigate the cost concerns. The road test could be used to verify that a driver had learned what was taught in driver education and that he or she was mature and generally competent enough to operate a motor vehicle in a "real-life" situation. Moreover, considering a person would be sitting along side the license applicant monitoring the test, the added pressure could reveal how a person reacts to stress while driving.

**Against:**

The vehicle code currently provides that driver education courses must be conducted by the local school district or may be conducted for the local district by the

intermediate school district, at the request of the local school district. Under the bill, school districts would be permitted, but no longer required, to conduct a driver education program. By establishing a graduated licensing system yet eliminating the requirement that school districts offer driver education courses, the bill would attempt to strengthen the requirements that teen drivers must meet while dismantling the system through which driver education courses are offered to those teens. Studies reportedly have indicated that the driver education program offered through the public school system is superior to the program offered by commercial driver training schools; e.g., driver education teachers must be certificated. Studies also have shown that persons who participated in driver's training in the public schools have lower accident rates than do graduates of commercial schools. Furthermore, removing the mandate that local school districts offer driver education could limit many students' access to driver education programs. According to the Department of Education, of the 60 licensed commercial drivers training schools operating in the state, 45 are located in Oakland, Wayne, and Macomb Counties while no commercial schools operate in the Upper Peninsula. If most of the state's school districts opted out of providing driver's training, many students, especially those living in rural areas, could have difficulty obtaining this instruction.

**Response:**

For many years, commercial driver training schools were permitted to offer fewer hours of instruction and behind-the-wheel training than the number of hours required of driver education programs offered by local school districts. In fact, commercial schools previously were required to offer only ten hours of instruction and two hours of on-the-street training. Rules promulgated in the early 1990s require commercial schools to offer 22 hours of instruction and four hours of behind-the-wheel experience, similar to the program requirements for many local schools. And the bill would require Department of Education approval of any driver education course offered, which presumes private schools would have to offer the same number of instructional hours as public schools would. In addition, teachers in commercial schools, while not certificated, still are required to have taken a specific number of hours at the university level of courses in traffic safety education. It has been noted by persons in the insurance industry that as the number of required instructional hours for commercial schools increased in recent years, the gap in accident rates between graduates of commercial school and public school driver education programs has closed. And finally, concerns about students' access to approved driver's training programs would be allayed as market forces led to the creation of more commercial driver education schools across the state.

**Against:**

Although the bill no longer would require school districts to offer driver education courses, those districts that chose to do so would be permitted to impose a charge or enrollment fee on each student in the course. The bill represents a fundamental departure from the state's traditional responsibility of offering driver education at no cost to all students regardless of their ability to pay. The average cost per student, according to the Department of Education, for a public or private driver education course is approximately \$200, with prices for commercial schools ranging from \$100 to \$350 per student. Thus, parents who already support their schools through the state sales tax and education property tax, as well as local millages, in some districts, would have to pay an additional amount to cover the costs of driver education. In addition, requiring individuals themselves to pay for a portion of driver education costs could impose a hardship on low-income families and, in fact, could violate Article VIII of the State Constitution which requires the state to "support a system of free public elementary and secondary schools as defined by law." The question is, why is driver education suddenly not considered a valid part of the curriculum which the state is responsible to provide to all its citizens for free?

**Response:**

For most school districts, providing driver education programs is a financial burden because the state has failed to reimburse school districts adequately for their costs to offer these programs. Meanwhile, though it no longer guarantees a "free" driver education for students and their families, the bill would direct public funds to each student on an equal basis and let them decide how to spend the money. It is anticipated that school districts would continue to operate driver education programs since school officials will be subject to political pressure to do so, and students probably would spend their state funds to receive training in their own districts since this likely would be a cheaper and less time-consuming alternative than going to a private training school or outside the district. Of course it may develop that poorer students would find it difficult to afford paying for driver education under the bill, but this is currently true for many other school-related functions, such as athletics. Each district ultimately would decide how important providing driver education was to its local constituents and could set the fee at a level the community felt was appropriate. Moreover, if the bill resulted in poorer children not being able to take driver education, the state could devise a method of subsidizing the cost of driver education for low income students much as the federal school breakfast and lunch programs operate.

**Against:**

The bill would be difficult to implement for the state's law enforcement agencies as it would be difficult to

ascertain whether a minor driver was driving legally or not. Because the bill depends on the willingness of both minor drivers and their parents to comply with the restrictions and responsibilities imposed under it, enforcement becomes crucial to ensure everyone involved adheres to the new requirements.

**Response:**

Minor drivers would be required to carry the specific level restriction card whenever they drove and be accompanied by a parent or other licensed adult, and each card level would carry a color or other symbol to identify the level of restriction. Though it's true police would have no way, prior to actually stopping a vehicle, of knowing whether a young person was driving legally, the bill would allow officers to confirm whether a young driver stopped for a violation was complying with proposed restrictions. Moreover, once a restricted driver committed a violation, it would be recorded on his or her record and increase the amount of time it would take him or her to obtain full, unrestricted licensure. Law enforcement groups, in fact, support the bill.

Analyst: T. Iversen

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.